



CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2019 and 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Greater Tacoma Community Foundation  
Tacoma, Washington

We have audited the accompanying consolidated financial statements of Greater Tacoma Community Foundation (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years ended December 31, 2019 and 2018, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Greater Tacoma Community Foundation as of December 31, 2019 and 2018, and the changes in its consolidated net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules on pages 28 through 31 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink, consisting of the letters 'DP&C' in a stylized, cursive font.

Tacoma, Washington  
July 2, 2020

**GREATER TACOMA COMMUNITY FOUNDATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
December 31, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,579,683	\$ 9,432,689
Contributions and grants receivable (Note 4)	6,418,140	2,244,681
Bequest receivable	---	591,944
Trusts receivable (Note 5)	1,919,858	1,899,628
Real estate held for sale	---	1,258,000
Other assets	102,485	89,335
Investments (Note 6)	114,868,308	95,986,339
Mission related investments (Note 1)	1,535,402	1,375,836
Property and equipment, net (Note 7)	2,057,299	1,902,009
Land use (Note 8)	1,281,699	1,438,911
Collections	525,075	504,075
	<u>\$ 136,287,949</u>	<u>\$ 116,723,447</u>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable and other liabilities	\$ 308,904	\$ 282,375
Grants payable	147,727	1,254,399
Deferred revenue (Note 9)	1,368,662	1,303,626
Line of credit (Note 10)	---	68,231
Split-interest agreements payable (Note 17)	979,328	963,105
Funds held for the benefit of other organizations	12,393,486	10,450,322
	<u>15,198,107</u>	<u>14,322,058</u>
<b>TOTAL LIABILITIES</b>		
<b>Net Assets:</b>		
Without donor restrictions (Note 14)	109,675,696	93,213,688
With donor restrictions (Note 14)	11,414,146	9,187,701
	<u>121,089,842</u>	<u>102,401,389</u>
<b>TOTAL NET ASSETS</b>		
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 136,287,949</u>	<u>\$ 116,723,447</u>

See accompanying notes.

**GREATER TACOMA COMMUNITY FOUNDATION**  
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the years ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Contributions and Agency Funds:						
Advised	\$ 3,775,154	\$ 27,155	\$ 3,802,309	\$ 4,299,190	\$ 620,528	\$ 4,919,718
Designated	1,450,055	4,137,920	5,587,975	330,953	810,340	1,141,293
Field of interest	480	---	480	1,055,139	---	1,055,139
Scholarships	245,679	---	245,679	170,488	---	170,488
Community grantmaking	20,681	28,075	48,756	51,000	541,857	592,857
Charitable annuities and remainder trusts	2,570	---	2,570	20,001	---	20,001
Administrative fund	74,953	---	74,953	158,672	---	158,672
Supporting organizations	616,194	257,514	873,708	506,292	220,008	726,300
Agency funds	661,293	---	661,293	1,457,491	---	1,457,491
	<u>6,847,059</u>	<u>4,450,664</u>	<u>11,297,723</u>	<u>8,049,226</u>	<u>2,192,733</u>	<u>10,241,959</u>
Less agency funds	661,293	---	661,293	1,457,491	---	1,457,491
<b>TOTAL CONTRIBUTIONS</b>	<b>6,185,766</b>	<b>4,450,664</b>	<b>10,636,430</b>	<b>6,591,735</b>	<b>2,192,733</b>	<b>8,784,468</b>
Net investment income (loss)	15,730,805	---	15,730,805	(3,975,962)	---	(3,975,962)
Grant revenue	3,486,924	---	3,486,924	1,443,814	---	1,443,814
Other income	628,083	---	628,083	332,718	---	332,718
Change in value of split-interest agreements	18,647	82,277	100,924	(6,956)	(44,573)	(51,529)
Net assets released from restrictions	2,306,496	(2,306,496)	---	1,258,554	(1,258,554)	---
<b>TOTAL REVENUE AND SUPPORT</b>	<b>28,356,721</b>	<b>2,226,445</b>	<b>30,583,166</b>	<b>5,643,903</b>	<b>889,606</b>	<b>6,533,509</b>
<b>EXPENSES</b>						
Program Services:						
Grants:						
Advised	1,892,108	---	1,892,108	1,625,610	---	1,625,610
Designated	1,112,955	---	1,112,955	1,004,103	---	1,004,103
Field of interest	3,324,583	---	3,324,583	1,425,037	---	1,425,037
Scholarships	368,884	---	368,884	339,736	---	339,736
Community grantmaking	108,150	---	108,150	333,050	---	333,050
Agency funds	544,494	---	544,494	474,833	---	474,833
	<u>7,351,174</u>	<u>---</u>	<u>7,351,174</u>	<u>5,202,369</u>	<u>---</u>	<u>5,202,369</u>
Less agency funds	544,494	---	544,494	474,833	---	474,833
<b>TOTAL GRANTS</b>	<b>6,806,680</b>	<b>---</b>	<b>6,806,680</b>	<b>4,727,536</b>	<b>---</b>	<b>4,727,536</b>
Other program service expenses	2,691,726	---	2,691,726	2,335,182	---	2,335,182
<b>TOTAL PROGRAM SERVICES</b>	<b>9,498,406</b>	<b>---</b>	<b>9,498,406</b>	<b>7,062,718</b>	<b>---</b>	<b>7,062,718</b>
Management and general	1,792,424	---	1,792,424	1,398,300	---	1,398,300
Fundraising	603,883	---	603,883	645,842	---	645,842
<b>TOTAL EXPENSES</b>	<b>11,894,713</b>	<b>---</b>	<b>11,894,713</b>	<b>9,106,860</b>	<b>---</b>	<b>9,106,860</b>
<b>CHANGE IN NET ASSETS</b>	<b>16,462,008</b>	<b>2,226,445</b>	<b>18,688,453</b>	<b>(3,462,957)</b>	<b>889,606</b>	<b>(2,573,351)</b>
<b>NET ASSETS, Beginning</b>	<b>93,213,688</b>	<b>9,187,701</b>	<b>102,401,389</b>	<b>96,676,645</b>	<b>8,298,095</b>	<b>104,974,740</b>
<b>NET ASSETS, Ending</b>	<b>\$ 109,675,696</b>	<b>\$ 11,414,146</b>	<b>\$ 121,089,842</b>	<b>\$ 93,213,688</b>	<b>\$ 9,187,701</b>	<b>\$ 102,401,389</b>

See accompanying notes.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
For the years ended December 31, 2019 and 2018

	2019				2018			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,061,064	\$ 1,040,257	\$ 300,751	\$ 2,402,072	\$ 998,609	\$ 735,391	\$ 344,276	\$ 2,078,276
Employee benefits	189,743	157,566	53,262	400,571	153,029	120,682	62,902	336,613
Payroll taxes	105,998	69,573	24,255	199,826	75,726	63,457	30,703	169,886
<b>TOTAL SALARY EXPENSE</b>	<b>1,356,805</b>	<b>1,267,396</b>	<b>378,268</b>	<b>3,002,469</b>	<b>1,227,364</b>	<b>919,530</b>	<b>437,881</b>	<b>2,584,775</b>
Grants	6,806,680	---	---	6,806,680	4,727,536	---	---	4,727,536
Professional fees	470,104	169,882	42,156	682,142	253,717	92,019	26,745	372,481
Occupancy	97,050	120,683	30,011	247,744	87,949	75,958	26,246	190,153
Conferences and conventions	153,754	31,765	32,647	218,166	75,309	65,953	42,682	183,944
Supplies	61,657	36,550	16,069	114,276	71,077	28,646	13,233	112,956
Equipment maintenance	63,689	9,912	3,165	76,766	41,684	23,732	6,489	71,905
Local transportation and travel	7,436	3,790	1,514	12,740	81,278	4,512	1,202	86,992
Computer and website	29,948	31,040	24,181	85,169	29,519	36,357	16,870	82,746
Miscellaneous	39,282	22,484	15,924	77,690	25,791	20,278	7,522	53,591
Publicity and promotion	116,029	2,906	1,076	120,011	166,524	40,740	16,348	223,612
Telephone and postage	38,639	12,890	6,787	58,316	22,943	14,232	7,359	44,534
Interest expense	---	1,804	---	1,804	---	963	---	963
<b>TOTAL EXPENSES BEFORE     DEPRECIATION &amp; AMORTIZATION</b>	<b>9,241,073</b>	<b>1,711,102</b>	<b>551,798</b>	<b>11,503,973</b>	<b>6,810,691</b>	<b>1,322,920</b>	<b>602,577</b>	<b>8,736,188</b>
Depreciation and amortization	71,525	18,796	8,509	98,830	54,608	23,456	6,422	84,486
Land lease expense	185,808	62,526	43,576	291,910	197,419	51,924	36,843	286,186
<b>TOTAL EXPENSES</b>	<b>\$ 9,498,406</b>	<b>\$ 1,792,424</b>	<b>\$ 603,883</b>	<b>\$ 11,894,713</b>	<b>\$ 7,062,718</b>	<b>\$ 1,398,300</b>	<b>\$ 645,842</b>	<b>\$ 9,106,860</b>

See accompanying notes.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from revenue and support	\$ 11,218,902	\$ 4,908,145
Cash paid to grantees, employees, and suppliers	(10,658,503)	(8,001,180)
Interest and dividends received	2,156,712	1,851,569
Proceeds from sales of donated investments	<u>1,240,676</u>	<u>3,697,616</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,957,787</u>	<u>2,456,150</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(13,199,492)	(21,738,689)
Proceeds from sales of investments	6,212,050	22,323,612
Purchases of property and equipment	(254,120)	(139,543)
Net additions to collections	(21,000)	(10,100)
Proceeds from land held for sale	<u>1,520,000</u>	<u>---</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(5,742,562)</u>	<u>435,280</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net decrease in line of credit	<u>(68,231)</u>	<u>(676)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(68,231)</u>	<u>(676)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,853,006)	2,890,754
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<u>9,432,689</u>	<u>6,541,935</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u>\$ 7,579,683</u>	<u>\$ 9,432,689</u>

See accompanying notes.



**GREATER TACOMA COMMUNITY FOUNDATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
For the years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 18,688,453	\$ (2,573,351)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	98,830	84,486
Land use expense	291,910	286,186
Amortization of discount	(134,698)	(116,644)
Unrealized and realized (gain) loss on investments	(13,574,093)	5,827,531
(Increase) decrease in assets:		
Contributions and grant receivable	(4,173,459)	(1,450,856)
Bequest receivable	591,944	(591,944)
Trusts receivable	1,237,770	(470,441)
Other assets	(13,150)	274,119
Increase (decrease) in liabilities:		
Accounts payable and other liabilities	26,529	(421,499)
Grants payable	(1,106,672)	858,930
Deferred revenue	65,036	283,883
Split-interest agreements payable	16,223	(52,404)
Funds held for the benefit of other organizations	1,943,164	518,154
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 3,957,787</u>	<u>\$ 2,456,150</u>

See accompanying notes.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 1. Nature of Business and Summary of Significant Accounting Policies**

Nature of Activities:

Since 1981, Greater Tacoma Community Foundation has connected donors, businesses, nonprofit organizations, and members of the community with causes and actions that build a thriving and vibrant Pierce County.

Through financial stewardship of more than 450 funds and over \$100 million in assets, as well as strategic funding and initiatives with the community, GTCF provides philanthropic support to meet the community's needs and achieve its opportunities, now and into the future.

As a nationally accredited nonprofit community foundation, GTCF inspires generosity across generations within Pierce County.

Learn more at: <http://www.gtcf.org>

Financial Statement Presentation:

The financial statements of the Community Foundation have been prepared in accordance with the generally accepted accounting principles in the United States of America, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

*Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve, net assets for capital reserve, net assets for an impact investing reserve, and board-designated endowment.

*With Donor Restrictions* – Net assets subject to donor or grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Funds established by an unrelated not-for-profit organization using its own fund for its own benefit, are classified by the Community Foundation as a liability, funds held for the benefit of other organizations, rather than as a net asset.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 1. (Continued)**

Principles of Consolidation:

The Community Foundation has an economic interest in and control over three supporting organizations. The consolidated financial statements include the accounts of the Community Foundation and supporting organizations (collectively referred to as the Community Foundation). All of the financial activities and balances of these organizations are included in the consolidated financial statements. All significant interorganizational accounts and transactions have been eliminated. The supporting organizations consist of the following not-for-profit corporations:

- Asset Stewardship Foundation, established by the Community Foundation in 2008 to receive certain types of noncash gifts.
- The Friends of Lakewold, established in December 1986 to support the owning, managing, maintaining and developing of the real property known as the Lakewold Gardens.
- George Weyerhaeuser Pacific Rim Bonsai Collection, established in December 2013 to support the owning and operating of the George Weyerhaeuser Pacific Rim Bonsai Collection (d/b/a Pacific Bonsai Museum).

Basis of Accounting:

The Community Foundation's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on the accrual basis of accounting, where revenues are recognized when earned, and expenses are recognized when the obligation is incurred, regardless of the timing of the related cash flows.

Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates significant to the consolidated financial statements include life expectancies of trust beneficiaries and annuitants and the estimated fair value of assets and land use donated to the Pacific Bonsai Museum.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 1. (Continued)**

Cash and Cash Equivalents:

The Community Foundation considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents consist primarily of money market funds which are not subject to withdrawal restrictions or penalties and are not pledged as collateral.

Contributions:

Contributions are recorded as revenue when an unconditional promise to give is received. Bequests are accrued as revenue when the respective will has been declared valid. Other deferred contributions are recorded as revenue when the conditions limiting the transfer of assets have been satisfied, typically when the promise becomes irrevocable.

Contributions are recorded at fair value on the date received.

The Community Foundation uses the allowance method to determine uncollectible unconditional contributions receivable. The allowance is based on management's analysis for specific promises made, which has not been significant to the Community Foundation.

Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the consolidated statements of activities and changes in net assets as net assets released from restrictions. Restricted contributions received, whose restrictions are met in the same reporting period, are recorded as unrestricted support.

The Community Foundation's corporate bylaws and contribution documents grant "variance power" that allows the Community Foundation to modify any recommendation or condition on distribution from a fund if such recommendation or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Whenever possible, the Community Foundation confers with the donor or the donor's representative before the distribution is modified in order to stay as close as possible to the original intent of the donor.

Because of the variance power granted to the Community Foundation, contributions are classified as without donor restrictions if they are available to the Community Foundation without a stipulated time restriction.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 1. (Continued)**

Investments:

The Community Foundation reports investments at quoted market value. Unless specific prohibitive clauses are contained in the gift instruments, funds for investment have been combined into investment pools. Revenues arising from the ownership or disposition of pooled investments are allocated to the various funds based on each fund's percentage of ownership in the investment pool.

Mission Related Investments:

In support of its goal of advancing positive social change in Pierce County, the Community Foundation has made a loan and equity investments for program purposes.

The loan matures in 2020. Interest is recognized over the term of the loan and is calculated at the three-month LIBOR Rate plus 1.75 percent and paid quarterly.

The Community Foundation's equity investments are used to create community investment pools to make small business loans and to develop business and affordable housing in Pierce County.

Management has reviewed the collectability of the note receivable and equity investments and has determined an allowance for impairment is not needed as of December 31, 2019 and 2018.

Equity mission related investments are reported at fair value (Note 6).

Fixed Assets:

The Community Foundation capitalizes assets with an individual cost of \$1,000 or more and an estimated useful life of more than one year. Purchased fixed assets include land, building and equipment recorded at cost.

Depreciation is recorded on a straight-line basis over the estimated useful lives as follows:

Computers and software	3 - 5 years
Furniture and equipment	7 - 15 years
Buildings and improvements	10 - 40 years

Depreciation expense for the years ended December 31, 2019 and 2018 was \$98,830 and \$84,486, respectively. No depreciation is provided for the bonsai collections.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 1. (Continued)**

Contributed buildings, equipment and land are recorded at fair value on the date received.

Donated Goods and Services:

Many dedicated and talented individuals serve our community by collectively donating thousands of hours to Greater Tacoma Community Foundation and its supporting organizations. These volunteers provide services ranging from Board and Committee membership to landscaping maintenance. These donated services were not recognized in the consolidated financial statements because they did not meet the recognition criteria.

The value of donated goods and services such as professional services, advertising, and other services are recorded at fair value as the goods and services are rendered. Goods and services of \$43,301 and \$24,023 were recorded as contribution revenue and appropriate expense for the years ended December 31, 2019 and 2018, respectively.

Functional Allocation of Expenses:

Salaries and related cost are allocated to supporting and program service functions based on time incurred by Community Foundation staff. All other program costs not specifically identified are allocated based on estimates made by management.

Federal Income Taxes:

The Community Foundation is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, the consolidated financial statements do not include a provision for federal income taxes. However, net income from certain activities not directly related to tax exempt purpose is subject to taxation as unrelated business income. Taxes related to these activities were not significant for the years ended December 31, 2019 and 2018. The Community Foundation believes it has no uncertain tax positions.

Adoption of New Standards:

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The Community Foundation adopted this ASU on January 1, 2019 and it did not result in any significant changes.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 1. (Continued)**

Recently Issued Accounting Pronouncements:

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. The FASB has issued ASU subsequent to ASU 2014-09, making it effective for annual reporting periods beginning after December 15, 2020. The Community Foundation has evaluated the effect that the standard will have on the consolidated financial statements and does not believe there will be a material impact.

Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within annual reporting periods beginning after December 15, 2022. An entity may adopt the guidance either (1) retrospectively to each prior reporting period presented in the consolidated financial statements with cumulative-effect adjustment recognized at the beginning of the earliest comparative period presented or (2) retrospectively at the beginning of the period of adoption through a cumulative-effect adjustment. The new standard provides a number of practical expedients. The Community Foundation is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

**NOTE 2. Liquidity and Availability**

The Community Foundation's financial assets available within one year to meet general expenditures include the following as of December 31:

	2019	2018
Cash and cash equivalents	\$ 7,579,683	\$ 9,432,689
Contributions and grants receivable	6,418,140	2,244,681
Bequest receivable	---	591,944
Trusts receivable	1,919,858	1,899,628
Other assets	102,485	89,335
Investments	114,868,308	95,986,339
AVAILABLE FINANCIAL ASSETS	130,888,474	110,244,616
Less financial assets unavailable for general expenditures due to designations:		
Donor-restricted endowment funds	(3,923,215)	(3,923,215)
Board designated reserve funds	(590,213)	(158,927)
Investments classified as Level 3	(9,609,797)	(10,058,083)
Funds held for benefit of other organizations	(12,393,486)	(10,450,322)
Prepaid expenses included in other assets	(38,787)	(39,203)
Contributions receivable due in more than one year	(3,213,393)	(731,614)
Trusts receivable due in more than one year	(1,754,858)	(1,799,628)
Charitable Remainder Unitrust assets	(1,099,239)	(1,020,939)
TOTAL AVAILABLE FINANCIAL ASSETS, NET	\$ 98,265,486	\$ 82,062,685

The Community Foundation endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities and other obligations become due. The Community Foundation's endowment funds consist of donor-established endowments classified as net assets without donor restrictions. Although the Community Foundation does not intend to spend from these endowment funds other than amounts appropriated for general expenditure as part of its annual budget, amounts from the endowment funds could be made available by the Board of Directors as necessary.

Due to significant events subsequent to year end (see Note 18), the Community Foundation and subsidiaries received emergency funding as noted in Note 18.



**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

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**NOTE 3. Risks and Uncertainties**

The Community Foundation is exposed to market and credit risk due to the various foreign and domestic investment securities held for long-term investment purposes. Investment securities are exposed to various risks such as foreign currency exchange rate, interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the consolidated statement of financial position.

**NOTE 4. Contributions and Grants Receivable**

The Community Foundation has contributions receivable balance of \$4,814,420 and \$981,362 as of December 31, 2019 and 2018, respectively. The receivables are considered collectible over one to five years. The Community Foundation has grants receivable balance of \$1,603,720 and \$1,263,319 as of December 31, 2019 and 2018, respectively.

	2019	2018
Receivable in less than one year	\$ 2,875,289	\$ 1,499,091
Receivable in one to five years	3,542,851	745,590
<b>TOTAL CONTRIBUTIONS AND GRANTS RECEIVABLE</b>	<b>\$ 6,418,140</b>	<b>\$ 2,244,681</b>

**NOTE 5. Trusts Receivable**

The trusts receivable consist of a charitable lead annuity trust receivable over twenty years from the date of gift and a beneficial interest in a charitable remainder trust. The charitable lead annuity trust has been discounted to present value. The charitable remainder trust is held outside the Community Foundation and is recorded at net present value of the estimated future amount to be received. Trusts receivable as of December 31, 2019 and 2018 was \$1,919,858 and \$1,899,628, respectively, and no allowance for collectability was recorded.

**NOTE 6. Fair Value Measurements**

Financial assets and liabilities valued using Level 1 inputs are based on adjusted quoted market prices within active markets. Financial assets and liabilities valued using Level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using Level 3 inputs were primarily valued using management's suppositions about the assumptions market participants would utilize in pricing the asset or liability.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 6. (Continued)**

Following is a description of the valuation techniques used for assets and liabilities measured at fair value on a recurring basis. There have been no changes in the techniques used at December 31, 2019 and 2018.

*Certificates of Deposit:* Valued at cost, which approximates fair value.

*Mutual Funds:* Level 1 investment accounts are recorded at fair value based on current quoted market prices from actively traded markets. Level 3 investments in hedge funds and equity securities, for which quoted market prices are not available, are determined by management with the assistance of third-party investment managers using methods it considers appropriate.

*Trusts Receivable:* Trusts receivable are recorded at fair value based on current quoted market prices of the related investments or assessed property value for donated property, reduced by management's estimate of the present value of future payments to other beneficiaries.

*Equity Investment:* Investment is stated at cost, which approximates fair value as determined by management.

*Funds Held for the Benefit of Other Organizations:* The liability is recorded at management's estimate of the present value of future payments to beneficiaries.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

**NOTE 6. (Continued)**

The following table sets forth by level, within the fair value hierarchy, the Community Foundation's assets and liabilities at fair value as of December 31, 2019 and 2018:

	<b>Fair Value as of December 31, 2019</b>			
	Level 1	Level 2	Level 3	Total
Mutual Funds:				
Domestic Equity	\$ 43,092,306	\$ ---	\$ ---	\$ 43,092,306
International Equity	26,132,250	---	---	26,132,250
Global Fixed Assets	20,957,054	---	---	20,957,054
Real Assets	6,092,058	---	---	6,092,058
Diversifying Strategies	8,984,843	---	---	8,984,843
Private Equity	---	---	9,609,797	9,609,797
TOTAL INVESTMENTS	105,258,511	---	9,609,797	114,868,308
Trusts Receivable	---	---	1,919,858	1,919,858
Equity Mission Related Investment	---	---	785,401	785,401
TOTAL ASSETS AT FAIR VALUE	\$ 105,258,511	\$ ---	\$ 12,315,056	\$ 117,573,567
Funds held for the benefit of other organizations	\$ ---	\$ ---	\$ 12,393,486	\$ 12,393,486
TOTAL LIABILITIES AT FAIR VALUE	\$ ---	\$ ---	\$ 12,393,486	\$ 12,393,486

**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

**NOTE 6. (Continued)**

	<b>Fair Value as of December 31, 2018</b>			
	Level 1	Level 2	Level 3	Total
Certificates of Deposit	\$ 1,000,000	\$ ---	\$ ---	\$ 1,000,000
Mutual Funds:				
Domestic Equity	32,460,032	---	---	32,460,032
International Equity	21,326,797	---	---	21,326,797
Global Fixed Assets	17,784,768	---	---	17,784,768
Real Assets	5,071,254	---	---	5,071,254
Diversifying Strategies	8,285,405	---	---	8,285,405
Private Equity			10,058,083	10,058,083
<b>TOTAL INVESTMENTS</b>	<b>85,928,256</b>	<b>---</b>	<b>10,058,083</b>	<b>95,986,339</b>
Trusts Receivable	---	---	1,899,628	1,899,628
Equity Mission Related Investment	---	---	625,836	625,836
<b>TOTAL ASSETS AT         FAIR VALUE</b>	<b>\$ 85,928,256</b>	<b>\$ ---</b>	<b>\$ 12,583,547</b>	<b>\$ 98,511,803</b>
Funds held for the benefit of other organizations	\$ ---	\$ ---	\$ 10,450,322	\$ 10,450,322
<b>TOTAL LIABILITIES AT         FAIR VALUE</b>	<b>\$ ---</b>	<b>\$ ---</b>	<b>\$ 10,450,322</b>	<b>\$ 10,450,322</b>

**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

**NOTE 6. (Continued)**

For the years ended December 31, 2019 and 2018, the changes in assets and liabilities classified as Level 3 are as follows:

	Assets	Liabilities
Balance, January 1, 2018	\$ 12,885,424	\$ 9,932,168
Unrealized gain (loss) on investments	86,374	(1,027,875)
Realized gain on investments	1,385,455	368,543
Purchases of investments	1,978,312	1,457,490
Sales of investments	(3,759,518)	---
Interest and dividends	7,500	220,653
Investment expenses	---	(117,526)
Grant expenses	---	(383,131)
	12,583,547	10,450,322
Balance, January 1, 2019	12,583,547	10,450,322
Unrealized gain on investments	55,230	1,409,662
Realized gain on investments	153,576	188,930
Purchases of investments	776,600	661,293
Sales of investments	(1,254,835)	---
Interest and dividends	938	265,347
Investment expenses	---	(128,774)
Grant expenses	---	(453,294)
	\$ 12,315,056	\$ 12,393,486
Balance, December 31, 2019	\$ 12,315,056	\$ 12,393,486

The following sets forth additional disclosures for the investments valued at Level 3 as of December 31, 2019 and 2018:

Asset Class	At December 31, 2019		At December 31, 2018	
	Fair Value	Unfunded Commitment	Fair Value	Unfunded Commitment
Private Equity - Fund of Funds	\$ 9,609,797	\$ 699,000	\$ 10,058,083	\$ 1,239,000

Private Equity Fund of Funds – Includes investments in a partnership that makes indirect investments in three key segments: global private equity, special situations, and real assets. The objective is to invest in a diversified pool of underlying investment funds among the key segments from established investment organizations to exploit the opportunities available from investing in their requisite market segments. No withdrawals may be made prior to the dissolution and winding up of the partnership.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

**NOTE 7. Property and Equipment, Net**

Property and equipment consist of the following at December 31:

	2019	2018
Land	\$ 1,145,000	\$ 1,145,000
Buildings and improvements	1,542,925	1,371,898
Equipment	44,425	48,797
Furniture and fixtures	589,654	555,924
<b>TOTAL COST</b>	<b>3,322,004</b>	<b>3,121,619</b>
Less accumulated depreciation	(1,264,705)	(1,219,610)
<b>TOTAL PROPERTY AND EQUIPMENT, NET</b>	<b>\$ 2,057,299</b>	<b>\$ 1,902,009</b>

**NOTE 8. Land Use**

The Pacific Bonsai Museum entered into a lease agreement for the use of land where the Pacific Bonsai Museum is located. The lease agreement provides for below market rent at \$1 per year for the first 20 years. The lease carries one optional renewal extension term of 10 years after the initial 20-year lease has expired.

In 2014, the Community Foundation recorded a contribution at the fair value of the contributed use of the land for 20 years, which was estimated at \$2,430,440. The Community Foundation amortizes the value of the contribution over its remaining term. Amortization of the discount was \$134,698 and \$116,644 at December 31, 2019 and 2018, respectively. The balance of the land use was \$1,281,699 and \$1,438,911 at December 31, 2019 and 2018, respectively.

**NOTE 9. Deferred Revenue**

Included in deferred revenue at December 31, 2019 and 2018 is \$1,268,661 and \$998,494, respectively, relating to the Wallace Foundation grant which will be recognized over the time stipulated in the agreement. The Wallace Foundation selected Tacoma as one of six cities nationwide to participate in their Partnerships for Social and Emotional Learning Initiative (PSELI). This initiative, co-designed locally by Tacoma Public Schools, Greater Tacoma Community Foundation, and expanded learning communities, is testing how to provide aligned, equitable, high-quality social, emotional, and academic development to students in and out of school. As part of this grant, the Community Foundation has been designated as providing sub-grants to other entities. Included in grants payable at December 2019 and 2018 is \$-0- and \$1,028,898 in sub-grants for PSELI, respectively. Deferred revenue as of December 31, 2019 and 2018 was \$1,368,662 and \$1,303,626, respectively.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 10. Line of Credit**

The Friends of Lakewold had a revolving line-of-credit agreement with a bank in the amount of \$150,000 that matured in September 2019. The interest rate was based on the Columbia Bank Base Rate plus 1.75 percent that was no lower than 4.75 in 2018, and was unsecured. The rate at December 31, 2018 was 7.25 percent. The outstanding balance on the line of credit at December 31, 2018, was \$68,231. The balance on the line of credit was paid off in February 2019 and was not renewed as of December 31, 2019.

**NOTE 11. Concentration of Credit Risk**

The Community Foundation maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Community Foundation has not experienced any losses in such accounts.

At December 31, 2019 and 2018, the Community Foundation maintained accounts containing cash and securities with a brokerage firm and the trust departments of various banks. These accounts are insured up to the Securities Investor Protection Corporation insured maximum. The Community Foundation monitors these investments regularly.

**NOTE 12. Employee Benefits**

The Community Foundation sponsors a 401(k) profit sharing plan covering all eligible employees. The Community Foundation, at the discretion of the Board of Directors, may contribute matching, profit sharing and/or qualified nonelective contributions. For 2019 and 2018, contributions by the Community Foundation totaled \$116,694 and \$80,313, respectively.

The Friends of Lakewold maintains a defined contribution plan under Section 403(b) of the Internal Revenue Code for all employees. This plan allows employees to make contributions, but does not require any contributions from the Organization. No contributions were made by the Organization for the years ended December 31, 2019 and 2018.

The Pacific Bonsai Museum sponsors a Savings Incentive Match Plan for Employee (Simple IRA) covering all eligible employees. The Organization, at the discretion of the Board of Directors, may match employee contributions up to 3 percent of compensation. For 2019 and 2018, contributions by the Organization totaled \$10,808 and \$10,535, respectively.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

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**NOTE 13. Leases**

The Community Foundation leases office facilities from Rust Building - Tacoma L.L.C. In June 2018, the Community Foundation executed a lease amendment, extending the lease term from May 2021 to May 2022. Monthly lease payments vary from \$7,468 per month to \$11,486 per month. In December 2019 the office building was purchased by Commerce Building Partners, LLC. The Community Foundation is also responsible for taxes, assessments, normal maintenance and insurance. Future minimum lease payments under the extended operating lease are as follows:

2020	\$ 132,842
2021	136,435
2022	<u>57,431</u>
TOTAL	<u><u>\$ 326,708</u></u>

Rent expense for the year ended December 31, 2019 and 2018 was \$142,613 and \$107,508, respectively.

**NOTE 14. Net Assets Without and With Donor Restrictions**

Net assets without donor restrictions are available for the following purposes at December 31:

	2019	2018
Community grant making	\$ 13,030,569	\$ 11,589,043
Designated	31,708,596	27,143,519
Advised	11,695,927	8,796,757
Field of interest	15,237,192	13,662,016
Scholarships	7,401,206	6,505,962
Supporting organizations	420,890	166,692
TOTAL ENDOWMENT FUNDS	<u>79,494,380</u>	<u>67,863,989</u>
Operating funds - non-endowed	30,181,316	25,349,699
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u><u>\$ 109,675,696</u></u>	<u><u>\$ 93,213,688</u></u>



**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

**NOTE 14. (Continued)**

Net assets with donor restrictions are available for the following purposes at December 31:

	2019	2018
Contributions receivable	\$ 4,745,292	\$ 810,152
Bequest receivable	65,000	591,944
Split interest agreements	2,473,865	2,453,967
Real estate held for sale	---	1,258,000
Other	206,774	150,423
Funds held in perpetuity	3,923,215	3,923,215
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 11,414,146	\$ 9,187,701

Donor restricted net assets held in perpetuity totaling \$3,923,215 at December 31, 2019 and 2018 are comprised of two endowment funds related to the Friends of Lakewold. The agency endowment fund corpus of \$1,879,527 was established by the Friends of Lakewold using its own fund for its own benefit and included as net assets of the Friends of Lakewold. The other endowment fund corpus of \$2,043,688 is included in net assets of the Community Foundation.

**NOTE 15. Release of Net Assets**

Net assets were released from donor restrictions as follows:

	2019	2018
Purpose or time restrictions accomplished:		
Expiration of time restriction	\$ 2,104,693	\$ 987,507
Other	201,803	271,047
NET ASSETS RELEASED FROM RESTRICTIONS	\$ 2,306,496	\$ 1,258,554

**NOTE 16. Endowments**

The Community Foundation's endowments consist of approximately 300 individual funds established by donors for a variety of purposes. When donations are received with restrictions to use the funds for a long-term nature, the Community Foundation invests these funds as endowments, with annual distributions to beneficiaries in keeping with donor intent. The net endowment assets related to Friends of Lakewold are donor restricted. The remaining net endowment assets are without donor restrictions and are subject to the Community Foundation's variance power as discussed below.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

**NOTE 16. (Continued)**

Interpretation of Relevant Law:

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted by Washington State as of July 2009. UPMIFA eliminates the historic dollar value threshold, an amount below which an organization cannot spend from the fund, and establishes a set of prudent management and investment standards for boards to follow when managing endowment funds. Under UPMIFA, the Community Foundation may spend as much of an endowment fund as it considers prudent, regardless of whether the fund is below its historic dollar value. The donor's intent that the fund be perpetual in nature must still be considered and the fund managed accordingly. Under the terms of the *Articles of Incorporation* and *Bylaws*, the Board of Directors has variance power which is the ability to distribute the property held by the organization, other than property held by the organization as a trustee, in the manner that best serves the charitable, social, civic, educational and scientific needs of the people of the greater Tacoma area. The Board of Directors has the authority in carrying out such duty to override specific bequests, conditions and directives of donors if, but only if, circumstances have changed in such a way as is determined to render execution of any bequest, condition or directive obsolete, inappropriate or impracticable.

As of December 31, 2019, endowment net assets consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Supporting organization endowment funds	\$ 420,890	\$ 3,923,215	\$ 4,344,105
Other endowment funds:			
Community grant making	13,030,569	---	13,030,569
Designated	31,708,596	---	31,708,596
Advised	11,695,927	---	11,695,927
Field of interest	15,237,192	---	15,237,192
Scholarships	7,401,206	---	7,401,206
<b>TOTAL ENDOWMENT FUNDS</b>	<b>\$ 79,494,380</b>	<b>\$ 3,923,215</b>	<b>\$ 83,417,595</b>

**GREATER TACOMA COMMUNITY FOUNDATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended December 31, 2019 and 2018

**NOTE 16. (Continued)**

As of December 31, 2018, endowment net assets consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Supporting organization endowment funds	\$ 166,692	\$ 3,923,215	\$ 4,089,907
Other endowment funds:			
Community grant making	11,589,043	---	11,589,043
Designated	27,143,519	---	27,143,519
Advised	8,796,757	---	8,796,757
Field of interest	13,662,016	---	13,662,016
Scholarships	6,505,962	---	6,505,962
<b>TOTAL ENDOWMENT FUNDS</b>	<b>\$ 67,863,989</b>	<b>\$ 3,923,215</b>	<b>\$ 71,787,204</b>

Changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Endowment net assets as of January 1, 2018	\$ 74,879,389	\$ 3,923,215	\$ 78,802,604
Income received on investments	1,648,038	---	1,648,038
Loss on investments	(4,855,447)	---	(4,855,447)
Contributions	2,109,723	---	2,109,723
Amounts appropriated for expenditure	(2,687,162)	---	(2,687,162)
Net transfers	(3,230,552)	---	(3,230,552)
Change in endowment net assets	(7,015,400)	---	(7,015,400)
Endowment net assets as of December 31, 2018	67,863,989	3,923,215	71,787,204
Income received on investments	1,822,427	---	1,822,427
Gain on investments	11,292,950	---	11,292,950
Contributions	1,729,977	---	1,729,977
Amounts appropriated for expenditure	(2,617,087)	---	(2,617,087)
Net transfers	(597,876)	---	(597,876)
Change in endowment net assets	11,630,391	---	11,630,391
Endowment net assets as of December 31, 2019	<b>\$ 79,494,380</b>	<b>\$ 3,923,215</b>	<b>\$ 83,417,595</b>

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 16. (Continued)**

Return Objectives and Risk Parameters:

Endowed assets of the Community Foundation are prudently managed by an Investment Consultant under the direction of the Investment Committee. A thorough investment policy defines the objectives and acceptable risk-return parameters for these funds. To provide support for programs and agencies benefitting from this endowment, a specific spending policy is adhered to and reviewed at least annually. Over time, it is the goal of the endowment's investment policy to provide a return that keeps pace with the combined total of inflation, administrative expenses and the spending requirements of fund holders. The endowment investment pool is globally diversified but not immune to declines in value. However, over time, it is the expectation that investment principal can be maintained in perpetuity.

Strategies Employed for Achieving Objectives:

To satisfy its long-term return objectives, the Community Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Community Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

Spending Policy and How Investment Objectives Relate to Spending Policy:

The spending policy calculates the amount of money distributed annually for grant making from the Community Foundation's various endowed funds. The current spending policy is to distribute an amount equal to 4.3 percent of the sixteen-quarter rolling average market value. If the market value of an endowment fund on the date on which a distribution is being determined is less than the fund's historic dollar value (the amount of the original gift plus each additional donation to the fund), the allowable spending from the endowment fund is limited to 3 percent of the sixteen-quarter rolling average market value. Accordingly, over the long term, the Community Foundation expects the current spending policy to allow its endowment assets to grow at an average rate of 2 percent annually. This is consistent with the Community Foundation's objective of maintaining the purchasing power of endowment assets as well as providing additional real growth through new gifts and investment returns.

**GREATER TACOMA COMMUNITY FOUNDATION**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
For the years ended December 31, 2019 and 2018

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**NOTE 17. Split-Interest Agreements**

Some donors enter into trusts or other arrangements under which the Community Foundation receives benefits that are shared with other beneficiaries. The Community Foundation either receives distributions during the agreement's term, or it receives all or a portion of the assets remaining at the end of the term. Assets received under these split-interest agreements are recorded at fair value in the investments and receivable accounts and totaled \$4,036,245 and \$3,799,613 at December 31, 2019 and 2018, respectively. The related receivable or liability is calculated based on the life expectancy of the beneficiary or the term of the agreement, discounted at the applicable federal rate per the IRS tables. Included in split-interest agreements payable are charitable gift annuities with an actuarial present value of \$480,383 and \$496,505 at December 31, 2019 and 2018, respectively. The Community Foundation maintains a reserve fund adequate to meet the future payments under its charitable gift annuity contracts and in accordance with State law.

**NOTE 18. Subsequent Event**

The date to which events occurring after December 31, 2019, the date of the most recent consolidated statement of financial position, have been evaluated for possible adjustment to the consolidated financial statements or disclosure is July 2, 2020, which is the date on which the consolidated financial statements were available to be issued.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Community Foundation operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Community Foundation, to date, the Community Foundation is not experiencing any material negative effects related to the pandemic. The Community Foundation is considered an essential business and remains operational. Additionally, the Community Foundation applied for the Paycheck Protection Program and received \$384,127 subsequent to year end. Two of the subsidiaries applied as well, The Friends of Lakewold and Pacific Bonsai Museum, and received \$82,850 and \$105,800, respectively. Substantially all of the Paycheck Protection Program loans are expected to be forgiven.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**SUPPLEMENTAL SCHEDULE**  
December 31, 2019

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

	Greater Tacoma Community Foundation	The Asset Stewardship Foundation	The Friends of Lakewold	Pacific Bonsai Museum	Total	Eliminating Entries	Consolidated Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,275,805	\$ 385	\$ 215,758	\$ 87,735	\$ 7,579,683	\$ ---	\$ 7,579,683
Contributions and grants receivable	6,349,012	---	56,136	12,992	6,418,140	---	6,418,140
Trusts receivable	1,919,858	---	---	---	1,919,858	---	1,919,858
Other assets	52,615	---	40,323	9,547	102,485	---	102,485
Investments	114,868,308	---	---	---	114,868,308	---	114,868,308
Mission related investments	1,535,402	---	---	---	1,535,402	---	1,535,402
Property and equipment, net	60,505	---	1,756,869	239,925	2,057,299	---	2,057,299
Land use	---	---	---	1,281,699	1,281,699	---	1,281,699
Collections	---	---	---	525,075	525,075	---	525,075
Funds held by others for organization's benefit	---	---	2,300,418	---	2,300,418	(2,300,418)	---
<b>TOTAL ASSETS</b>	<b>\$ 132,061,505</b>	<b>\$ 385</b>	<b>\$ 4,369,504</b>	<b>\$ 2,156,973</b>	<b>\$ 138,588,367</b>	<b>\$ (2,300,418)</b>	<b>\$ 136,287,949</b>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities:</b>							
Accounts payable and other liabilities	\$ 186,188	\$ ---	\$ 57,437	\$ 65,279	\$ 308,904	\$ ---	\$ 308,904
Grants payable	147,727	---	---	---	147,727	---	147,727
Deferred revenue	1,368,662	---	---	---	1,368,662	---	1,368,662
Split-interest agreements payable	979,328	---	---	---	979,328	---	979,328
Funds held for the benefit of other organizations	14,693,904	---	---	---	14,693,904	(2,300,418)	12,393,486
<b>TOTAL LIABILITIES</b>	<b>17,375,809</b>	<b>---</b>	<b>57,437</b>	<b>65,279</b>	<b>17,498,525</b>	<b>(2,300,418)</b>	<b>15,198,107</b>
<b>Net Assets:</b>							
Without donor restrictions	105,344,023	385	2,283,922	2,047,366	109,675,696	---	109,675,696
With donor restrictions	9,341,673	---	2,028,145	44,328	11,414,146	---	11,414,146
<b>TOTAL NET ASSETS</b>	<b>114,685,696</b>	<b>385</b>	<b>4,312,067</b>	<b>2,091,694</b>	<b>121,089,842</b>	<b>---</b>	<b>121,089,842</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 132,061,505</b>	<b>\$ 385</b>	<b>\$ 4,369,504</b>	<b>\$ 2,156,973</b>	<b>\$ 138,588,367</b>	<b>\$ (2,300,418)</b>	<b>\$ 136,287,949</b>

See Independent Auditor's Report.

**GREATER TACOMA COMMUNITY FOUNDATION**  
SUPPLEMENTAL SCHEDULE  
December 31, 2018

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

	Greater Tacoma Community Foundation	The Asset Stewardship Foundation	The Friends of Lakewold	Pacific Bonsai Museum	Total	Eliminating Entries	Consolidated Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 9,212,621	\$ ---	\$ 146,451	\$ 73,617	\$ 9,432,689	\$ ---	\$ 9,432,689
Contributions and grants receivable	2,073,471	56,046	96,435	18,729	2,244,681	---	2,244,681
Bequest receivable	591,944	---	---	---	591,944	---	591,944
Trusts receivable	1,899,628	---	---	---	1,899,628	---	1,899,628
Real estate held for sale	---	1,258,000	---	---	1,258,000	---	1,258,000
Other assets	39,391	---	41,608	8,336	89,335	---	89,335
Investments	95,986,339	---	---	---	95,986,339	---	95,986,339
Mission related investments	1,375,836	---	---	---	1,375,836	---	1,375,836
Property and equipment, net	70,194	---	1,625,902	205,913	1,902,009	---	1,902,009
Land use	---	---	---	1,438,911	1,438,911	---	1,438,911
Collections	---	---	---	504,075	504,075	---	504,075
Funds held by others for organization's benefit	---	---	2,046,220	---	2,046,220	(2,046,220)	---
TOTAL ASSETS	<u>\$ 111,249,424</u>	<u>\$ 1,314,046</u>	<u>\$ 3,956,616</u>	<u>\$ 2,249,581</u>	<u>\$ 118,769,667</u>	<u>\$ (2,046,220)</u>	<u>\$ 116,723,447</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>Liabilities:</b>							
Accounts payable and other liabilities	\$ 169,994	\$ 31,143	\$ 25,474	\$ 55,764	\$ 282,375	\$ ---	\$ 282,375
Grants payable	1,254,399	---	---	---	1,254,399	---	1,254,399
Deferred revenue	1,303,626	---	---	---	1,303,626	---	1,303,626
Line of credit	---	---	68,231	---	68,231	---	68,231
Split-interest agreements payable	963,105	---	---	---	963,105	---	963,105
Funds held for the benefit of other organizations	12,496,542	---	---	---	12,496,542	(2,046,220)	10,450,322
TOTAL LIABILITIES	<u>16,187,666</u>	<u>31,143</u>	<u>93,705</u>	<u>55,764</u>	<u>16,368,278</u>	<u>(2,046,220)</u>	<u>14,322,058</u>
<b>Net Assets:</b>							
Without donor restrictions	89,161,819	24,903	1,857,149	2,169,817	93,213,688	---	93,213,688
With donor restrictions	5,899,939	1,258,000	2,005,762	24,000	9,187,701	---	9,187,701
TOTAL NET ASSETS	<u>95,061,758</u>	<u>1,282,903</u>	<u>3,862,911</u>	<u>2,193,817</u>	<u>102,401,389</u>	<u>---</u>	<u>102,401,389</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 111,249,424</u>	<u>\$ 1,314,046</u>	<u>\$ 3,956,616</u>	<u>\$ 2,249,581</u>	<u>\$ 118,769,667</u>	<u>\$ (2,046,220)</u>	<u>\$ 116,723,447</u>

See Independent Auditor's Report.

**GREATER TACOMA COMMUNITY FOUNDATION**  
**SUPPLEMENTAL SCHEDULE**  
For the year ended December 31, 2019

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Greater Tacoma Community Foundation			The Asset Stewardship Foundation			The Friends of Lakewold			Pacific Bonsai Museum			Total	Eliminating Entries	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total			
<b>REVENUE AND SUPPORT</b>															
Contributions and Agency Funds:															
Advised	\$ 5,123,002	\$ 27,155	\$ 5,150,157	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 5,150,157	\$ (1,347,848)	\$ 3,802,309
Designated	1,450,055	4,137,920	5,587,975	---	---	---	---	---	---	---	---	---	5,587,975	---	5,587,975
Field of interest	480	---	480	---	---	---	---	---	---	---	---	---	480	---	480
Scholarships	245,679	---	245,679	---	---	---	---	---	---	---	---	---	245,679	---	245,679
Community grantmaking	137,885	28,075	165,960	---	---	---	---	---	---	---	---	---	165,960	(117,204)	48,756
Initiatives	2,570	---	2,570	---	---	---	---	---	---	---	---	---	2,570	---	2,570
Administrative fund	74,953	---	74,953	---	---	---	---	---	---	---	---	---	74,953	---	74,953
Supporting organizations	---	---	---	---	---	---	421,546	224,186	645,732	878,943	33,328	912,271	1,558,003	(684,295)	873,708
Agency funds	661,293	---	661,293	---	---	---	---	---	---	---	---	---	661,293	---	661,293
	7,695,917	4,193,150	11,889,067	---	---	---	421,546	224,186	645,732	878,943	33,328	912,271	13,447,070	(2,149,347)	11,297,723
Less agency funds	661,293	---	661,293	---	---	---	---	---	---	---	---	---	661,293	---	661,293
<b>TOTAL CONTRIBUTIONS</b>	<b>7,034,624</b>	<b>4,193,150</b>	<b>11,227,774</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>421,546</b>	<b>224,186</b>	<b>645,732</b>	<b>878,943</b>	<b>33,328</b>	<b>912,271</b>	<b>12,785,777</b>	<b>(2,149,347)</b>	<b>10,636,430</b>
Net investment income	15,385,266	---	15,385,266	---	---	---	345,539	---	345,539	---	---	---	15,730,805	---	15,730,805
Grant revenue	3,486,924	---	3,486,924	---	---	---	---	---	---	---	---	---	3,486,924	---	3,486,924
Other income	202,672	---	202,672	289,659	---	289,659	126,869	---	126,869	8,883	---	8,883	628,083	---	628,083
Change in value of split-interest agreements	18,647	82,277	100,924	---	---	---	---	---	---	---	---	---	100,924	---	100,924
Net assets released from restrictions	833,693	(833,693)	---	1,258,000	(1,258,000)	---	201,803	(201,803)	---	13,000	(13,000)	---	---	---	---
<b>TOTAL REVENUE AND SUPPORT</b>	<b>26,961,826</b>	<b>3,441,734</b>	<b>30,403,560</b>	<b>1,547,659</b>	<b>(1,258,000)</b>	<b>289,659</b>	<b>1,095,757</b>	<b>22,383</b>	<b>1,118,140</b>	<b>900,826</b>	<b>20,328</b>	<b>921,154</b>	<b>32,732,513</b>	<b>(2,149,347)</b>	<b>30,583,166</b>
<b>EXPENSES</b>															
Program Services:															
Grants:															
Advised	1,892,108	---	1,892,108	1,347,848	---	1,347,848	---	---	---	---	---	---	3,239,956	(1,347,848)	1,892,108
Designated	1,672,650	---	1,672,650	---	---	---	---	---	---	---	---	---	1,672,650	(559,695)	1,112,955
Field of interest	3,449,183	---	3,449,183	---	---	---	---	---	---	---	---	---	3,449,183	(124,600)	3,324,583
Scholarships	368,884	---	368,884	---	---	---	---	---	---	---	---	---	368,884	---	368,884
Community grantmaking	108,150	---	108,150	117,204	---	117,204	---	---	---	---	---	---	225,354	(117,204)	108,150
Agency funds	544,494	---	544,494	---	---	---	---	---	---	---	---	---	544,494	---	544,494
	8,035,469	---	8,035,469	1,465,052	---	1,465,052	---	---	---	---	---	---	9,500,521	(2,149,347)	7,351,174
Less agency funds	544,494	---	544,494	---	---	---	---	---	---	---	---	---	544,494	---	544,494
<b>TOTAL GRANTS</b>	<b>7,490,975</b>	<b>---</b>	<b>7,490,975</b>	<b>1,465,052</b>	<b>---</b>	<b>1,465,052</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>8,956,027</b>	<b>(2,149,347)</b>	<b>6,806,680</b>
Other program service expenses	1,590,007	---	1,590,007	---	---	---	450,379	---	450,379	651,340	---	651,340	2,691,726	---	2,691,726
<b>TOTAL PROGRAM SERVICES</b>	<b>9,080,982</b>	<b>---</b>	<b>9,080,982</b>	<b>1,465,052</b>	<b>---</b>	<b>1,465,052</b>	<b>450,379</b>	<b>---</b>	<b>450,379</b>	<b>651,340</b>	<b>---</b>	<b>651,340</b>	<b>11,647,753</b>	<b>(2,149,347)</b>	<b>9,498,406</b>
Management and general	1,257,720	---	1,257,720	107,125	---	107,125	208,396	---	208,396	219,183	---	219,183	1,792,424	---	1,792,424
Fundraising	440,920	---	440,920	---	---	---	10,209	---	10,209	152,754	---	152,754	603,883	---	603,883
<b>TOTAL EXPENSES</b>	<b>10,779,622</b>	<b>---</b>	<b>10,779,622</b>	<b>1,572,177</b>	<b>---</b>	<b>1,572,177</b>	<b>668,984</b>	<b>---</b>	<b>668,984</b>	<b>1,023,277</b>	<b>---</b>	<b>1,023,277</b>	<b>14,044,060</b>	<b>(2,149,347)</b>	<b>11,894,713</b>
<b>CHANGE IN NET ASSETS</b>	<b>16,182,204</b>	<b>3,441,734</b>	<b>19,623,938</b>	<b>(24,518)</b>	<b>(1,258,000)</b>	<b>(1,282,518)</b>	<b>426,773</b>	<b>22,383</b>	<b>449,156</b>	<b>(122,451)</b>	<b>20,328</b>	<b>(102,123)</b>	<b>18,688,453</b>	<b>---</b>	<b>18,688,453</b>
<b>NET ASSETS, Beginning</b>	<b>89,161,819</b>	<b>5,899,939</b>	<b>95,061,758</b>	<b>24,903</b>	<b>1,258,000</b>	<b>1,282,903</b>	<b>1,857,149</b>	<b>2,005,762</b>	<b>3,862,911</b>	<b>2,169,817</b>	<b>24,000</b>	<b>2,193,817</b>	<b>102,401,389</b>	<b>---</b>	<b>102,401,389</b>
<b>NET ASSETS, Ending</b>	<b>\$ 105,344,023</b>	<b>\$ 9,341,673</b>	<b>\$ 114,685,696</b>	<b>\$ 385</b>	<b>\$ ---</b>	<b>\$ 385</b>	<b>\$ 2,283,922</b>	<b>\$ 2,028,145</b>	<b>\$ 4,312,067</b>	<b>\$ 2,047,366</b>	<b>\$ 44,328</b>	<b>\$ 2,091,694</b>	<b>\$ 121,089,842</b>	<b>\$ ---</b>	<b>\$ 121,089,842</b>



**GREATER TACOMA COMMUNITY FOUNDATION**  
**SUPPLEMENTAL SCHEDULE**  
For the year ended December 31, 2018

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS**

	Greater Tacoma Community Foundation			The Asset Stewardship Foundation			The Friends of Lakewold			Pacific Bonsai Museum			Total	Eliminating Entries	Consolidated Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total			
<b>REVENUE AND SUPPORT</b>															
Contributions and Agency Funds:															
Advised	\$ 4,299,190	\$ 620,528	\$ 4,919,718	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 4,919,718	\$ ---	\$ 4,919,718
Designated	330,953	810,340	1,141,293	---	---	---	---	---	---	---	---	---	1,141,293	---	1,141,293
Field of interest	1,055,139	---	1,055,139	---	---	---	---	---	---	---	---	---	1,055,139	---	1,055,139
Scholarships	170,488	---	170,488	---	---	---	---	---	---	---	---	---	170,488	---	170,488
Community grantmaking	51,000	541,857	592,857	---	---	---	---	---	---	---	---	---	592,857	---	592,857
Charitable annuities and remainder trusts	20,001	---	20,001	---	---	---	---	---	---	---	---	---	20,001	---	20,001
Administrative fund	158,672	---	158,672	---	---	---	---	---	---	---	---	---	158,672	---	158,672
Supporting organizations	---	---	---	---	---	---	403,003	220,008	623,011	773,389	---	773,389	1,396,400	(670,100)	726,300
Agency funds	1,457,491	---	1,457,491	---	---	---	---	---	---	---	---	---	1,457,491	---	1,457,491
	7,542,934	1,972,725	9,515,659	---	---	---	403,003	220,008	623,011	773,389	---	773,389	10,912,059	(670,100)	10,241,959
Less agency funds	1,457,491	---	1,457,491	---	---	---	---	---	---	---	---	---	1,457,491	---	1,457,491
<b>TOTAL CONTRIBUTIONS</b>	<b>6,085,443</b>	<b>1,972,725</b>	<b>8,058,168</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>403,003</b>	<b>220,008</b>	<b>623,011</b>	<b>773,389</b>	<b>---</b>	<b>773,389</b>	<b>9,454,568</b>	<b>(670,100)</b>	<b>8,784,468</b>
Net investment loss	(3,871,312)	---	(3,871,312)	---	---	---	(104,650)	---	(104,650)	---	---	---	(3,975,962)	---	(3,975,962)
Grant revenue	1,443,814	---	1,443,814	---	---	---	---	---	---	---	---	---	1,443,814	---	1,443,814
Other income	142,373	---	142,373	38,493	---	38,493	144,238	---	144,238	7,614	---	7,614	332,718	---	332,718
Change in value of split-interest agreements	(6,956)	(44,573)	(51,529)	---	---	---	---	---	---	---	---	---	(51,529)	---	(51,529)
Net assets released from restrictions	982,007	(982,007)	---	---	---	---	271,047	(271,047)	---	5,500	(5,500)	---	---	---	---
<b>TOTAL REVENUE AND SUPPORT</b>	<b>4,775,369</b>	<b>946,145</b>	<b>5,721,514</b>	<b>38,493</b>	<b>---</b>	<b>38,493</b>	<b>713,638</b>	<b>(51,039)</b>	<b>662,599</b>	<b>786,503</b>	<b>(5,500)</b>	<b>781,003</b>	<b>7,203,609</b>	<b>(670,100)</b>	<b>6,533,509</b>
<b>EXPENSES</b>															
Program Services:															
Grants:															
Advised	1,625,610	---	1,625,610	---	---	---	---	---	---	---	---	---	1,625,610	---	1,625,610
Designated	1,497,803	---	1,497,803	---	---	---	---	---	---	---	---	---	1,497,803	(493,700)	1,004,103
Field of interest	1,601,437	---	1,601,437	---	---	---	---	---	---	---	---	---	1,601,437	(176,400)	1,425,037
Scholarships	339,736	---	339,736	---	---	---	---	---	---	---	---	---	339,736	---	339,736
Community grantmaking	333,050	---	333,050	---	---	---	---	---	---	---	---	---	333,050	---	333,050
Agency funds	474,833	---	474,833	---	---	---	---	---	---	---	---	---	474,833	---	474,833
	5,872,469	---	5,872,469	---	---	---	---	---	---	---	---	---	5,872,469	(670,100)	5,202,369
Less agency funds	474,833	---	474,833	---	---	---	---	---	---	---	---	---	474,833	---	474,833
<b>TOTAL GRANTS</b>	<b>5,397,636</b>	<b>---</b>	<b>5,397,636</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>5,397,636</b>	<b>(670,100)</b>	<b>4,727,536</b>
Other program service expenses	1,171,238	---	1,171,238	---	---	---	468,593	---	468,593	695,351	---	695,351	2,335,182	---	2,335,182
<b>TOTAL PROGRAM SERVICES</b>	<b>6,568,874</b>	<b>---</b>	<b>6,568,874</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>468,593</b>	<b>---</b>	<b>468,593</b>	<b>695,351</b>	<b>---</b>	<b>695,351</b>	<b>7,732,818</b>	<b>(670,100)</b>	<b>7,062,718</b>
Management and general	1,058,578	---	1,058,578	14,725	---	14,725	142,107	---	142,107	182,890	---	182,890	1,398,300	---	1,398,300
Fundraising	462,357	---	462,357	---	---	---	53,715	---	53,715	129,770	---	129,770	645,842	---	645,842
<b>TOTAL EXPENSES</b>	<b>8,089,809</b>	<b>---</b>	<b>8,089,809</b>	<b>14,725</b>	<b>---</b>	<b>14,725</b>	<b>664,415</b>	<b>---</b>	<b>664,415</b>	<b>1,008,011</b>	<b>---</b>	<b>1,008,011</b>	<b>9,776,960</b>	<b>(670,100)</b>	<b>9,106,860</b>
<b>CHANGE IN NET ASSETS</b>	<b>(3,314,440)</b>	<b>946,145</b>	<b>(2,368,295)</b>	<b>23,768</b>	<b>---</b>	<b>23,768</b>	<b>49,223</b>	<b>(51,039)</b>	<b>(1,816)</b>	<b>(221,508)</b>	<b>(5,500)</b>	<b>(227,008)</b>	<b>(2,573,351)</b>	<b>---</b>	<b>(2,573,351)</b>
<b>NET ASSETS, Beginning</b>	<b>92,476,259</b>	<b>4,953,794</b>	<b>97,430,053</b>	<b>1,135</b>	<b>1,258,000</b>	<b>1,259,135</b>	<b>1,807,926</b>	<b>2,056,801</b>	<b>3,864,727</b>	<b>2,391,325</b>	<b>29,500</b>	<b>2,420,825</b>	<b>104,974,740</b>	<b>---</b>	<b>104,974,740</b>
<b>NET ASSETS, Ending</b>	<b>\$ 89,161,819</b>	<b>\$ 5,899,939</b>	<b>\$ 95,061,758</b>	<b>\$ 24,903</b>	<b>\$ 1,258,000</b>	<b>\$ 1,282,903</b>	<b>\$ 1,857,149</b>	<b>\$ 2,005,762</b>	<b>\$ 3,862,911</b>	<b>\$ 2,169,817</b>	<b>\$ 24,000</b>	<b>\$ 2,193,817</b>	<b>\$ 102,401,389</b>	<b>\$ ---</b>	<b>\$ 102,401,389</b>