

**GREATER HOUSTON COMMUNITY FOUNDATION  
AND AFFILIATES**

**COMBINED FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Governing Board  
Greater Houston Community Foundation  
Houston, Texas

### **Opinion**

We have audited the accompanying combined financial statements of Greater Houston Community Foundation and Affiliates (all Texas non-profit corporations or trusts), which comprise the combined statements of financial position as of December 31, 2022 and 2021 and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Greater Houston Community Foundation and Affiliates as of December 31, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Houston Community Foundation and Affiliates and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Houston Community Foundation and Affiliates' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greater Houston Community Foundation and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Houston Community Foundation and Affiliates' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in blue ink that reads "Harper & Pearson Company, P.C." The signature is written in a cursive, flowing style.

HARPER & PEARSON COMPANY, P.C.

Houston, Texas  
April 12, 2023

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022 AND 2021**

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 322,177,627	\$ 513,250,703
Marketable investments	803,147,537	756,355,920
Contributions and other receivables, net	16,210,823	1,807,245
Interest receivable	139,485	54,375
Limited marketable investments	69,451,642	67,889,142
Notes receivable	14,507,092	10,037,378
Split interest agreements	4,773,000	5,822,000
Other investments	2,138,416	2,122,987
Property and equipment, net	2,102,723	2,221,854
Right of use assets	3,099,685	-
Deposits and other assets	<u>153,293</u>	<u>772,214</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,237,901,323</u></b>	<b><u>\$ 1,360,333,818</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and other liabilities	\$ 2,422,641	\$ 2,033,463
Grants payable	22,202,524	9,861,866
Annuity payable	1,285,000	1,377,000
Operating lease liability	3,099,685	-
Funds held for others	<u>17,031,898</u>	<u>20,025,000</u>
<b>TOTAL LIABILITIES</b>	<b><u>46,041,748</u></b>	<b><u>33,297,329</u></b>
<b>NET ASSETS</b>		
Net assets without donor restrictions	1,171,773,075	1,319,787,049
Net assets with donor restrictions	<u>20,086,500</u>	<u>7,249,440</u>
<b>TOTAL NET ASSETS</b>	<b><u>1,191,859,575</u></b>	<b><u>1,327,036,489</u></b>
	<b><u>\$ 1,237,901,323</u></b>	<b><u>\$ 1,360,333,818</u></b>

See accompanying notes.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES  
COMBINED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Changes in net assets:			
Revenues and Other Support			
Contributions	\$ 263,775,641	\$ 25,546,163	\$ 289,321,804
Investment returns, net	(102,445,327)	-	(102,445,327)
Program income	880,023	-	880,023
Administrative fee revenue	414,901	-	414,901
Employee retention credit	778,472	-	778,472
Rental income	227,000	-	227,000
Change in value of split interest agreements	(33,000)	(558,579)	(591,579)
Net assets released from donor restrictions	<u>12,150,524</u>	<u>(12,150,524)</u>	<u>-</u>
Total Revenues and Other Support	<u>175,748,234</u>	<u>12,837,060</u>	<u>188,585,294</u>
Expenses			
Grants	300,014,244	-	300,014,244
Program	14,960,414	-	14,960,414
Development	3,096,489	-	3,096,489
General and administrative	<u>5,691,061</u>	<u>-</u>	<u>5,691,061</u>
Total Expenses	<u>323,762,208</u>	<u>-</u>	<u>323,762,208</u>
Change in Net Assets	(148,013,974)	12,837,060	(135,176,914)
Net Assets, Beginning of Year	<u>1,319,787,049</u>	<u>7,249,440</u>	<u>1,327,036,489</u>
Net Assets, End of Year	<u>\$ 1,171,773,075</u>	<u>\$ 20,086,500</u>	<u>\$ 1,191,859,575</u>

See accompanying notes.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES  
COMBINED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Changes in net assets:			
Revenues and Other Support			
Contributions	\$ 567,660,826	\$ 418,706	\$ 568,079,532
Investment returns, net	99,945,115	-	99,945,115
Program income	475,576	-	475,576
Administrative fee revenue	875,160	-	875,160
Paycheck Protection Program forgiveness	1,068,583	-	1,068,583
Rental income	227,000	-	227,000
Change in value of split interest agreements	(36,000)	491,740	455,740
Net assets released from donor restrictions	<u>1,494,525</u>	<u>(1,494,525)</u>	<u>-</u>
Total Revenues and Other Support	<u>671,710,785</u>	<u>(584,079)</u>	<u>671,126,706</u>
Expenses			
Grants	176,164,540	-	176,164,540
Program	16,003,138	-	16,003,138
Development	2,945,394	-	2,945,394
General and administrative	<u>5,394,633</u>	<u>-</u>	<u>5,394,633</u>
Total Expenses	<u>200,507,705</u>	<u>-</u>	<u>200,507,705</u>
Change in Net Assets	471,203,080	(584,079)	470,619,001
Net Assets, Beginning of Year	<u>848,583,969</u>	<u>7,833,519</u>	<u>856,417,488</u>
Net Assets, End of Year	<u>\$ 1,319,787,049</u>	<u>\$ 7,249,440</u>	<u>\$ 1,327,036,489</u>

See accompanying notes.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES  
COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2022**

	<u>Program</u>	<u>Development</u>	<u>General and Administrative</u>	<u>Total</u>
Grants	300,014,244	\$ -	\$ -	\$ 300,014,244
Salaries and benefits	6,763,103	1,378,269	3,859,021	12,000,393
Legal, accounting and professional services	4,072,489	21,456	485,971	4,579,916
Advertising and public relations	295,475	1,527,929	15,950	1,839,354
Office expenses	2,246,529	47,400	89,811	2,383,740
Computers and technology	1,079,395	88,867	106,045	1,274,307
Occupancy	21,286	-	839,545	860,831
Meetings and travel	249,008	29,354	56,388	334,750
Depreciation	27,018	-	92,113	119,131
Dues, licenses and continuing education	61,634	3,214	71,234	136,082
Other expenses	<u>144,477</u>	<u>-</u>	<u>74,983</u>	<u>219,460</u>
	<u>\$ 314,974,658</u>	<u>\$ 3,096,489</u>	<u>\$ 5,691,061</u>	<u>\$ 323,762,208</u>

See accompanying notes.



**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES  
COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021**

	<u>Program</u>	<u>Development</u>	<u>General and Administrative</u>	<u>Total</u>
Grants	\$ 176,164,540	\$ -	\$ -	\$ 176,164,540
Salaries and benefits	7,175,446	1,591,172	3,611,972	12,378,590
Legal, accounting and professional services	4,864,708	5,508	345,494	5,215,710
Advertising and public relations	212,464	1,248,545	15,229	1,476,238
Office expenses	1,927,691	31,975	105,737	2,065,403
Computers and technology	1,510,842	28,204	244,856	1,783,902
Occupancy	17,683	-	821,327	839,010
Meetings and travel	80,307	21,189	33,020	134,516
Depreciation	87,273	11,407	88,622	187,302
Dues, licenses and continuing education	78,003	7,394	70,137	155,534
Other expenses	<u>48,721</u>	<u>-</u>	<u>58,239</u>	<u>106,960</u>
	<u>\$ 192,167,678</u>	<u>\$ 2,945,394</u>	<u>\$ 5,394,633</u>	<u>\$ 200,507,705</u>

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES  
COMBINED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net change in net assets	\$ (135,176,914)	\$ 470,619,001
Adjustments to reconcile net change in net assets to net cash (used) provided by operating activities:		
Contributions of marketable investments	(8,502,725)	(5,728,552)
Contributions of limited marketable investments	(15,903,985)	(25,297,320)
Net realized and unrealized loss (gain) on investments	120,270,605	(85,754,604)
Depreciation of property and equipment	119,131	187,302
Paycheck Protection Program loan forgiveness	-	(1,068,583)
Change in operating assets and liabilities:		
Contributions and other receivables	(14,403,578)	649,859
Interest receivable	(85,110)	36,964
Split interest agreements	1,049,000	(250,000)
Deposits and other assets	618,921	1,630,821
Accounts payable and other liabilities	389,179	(562,906)
Grants payable	12,340,658	4,308,553
Annuity payable	(92,000)	(89,000)
Funds held for others	299,568	2,664,237
Net cash (used) provided by operating activities	(39,077,250)	361,345,772
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of marketable investments	(681,706,882)	(129,014,018)
Proceeds from sale of marketable investments	518,888,895	134,831,515
Proceeds from sale of limited marketable investments	3,814,248	2,011,625
Liquidating distributions from limited marketable investments	11,477,627	1,202,184
Collections on notes receivable	3,361	998,308
Issuance of notes receivable	(4,473,075)	(6,135,842)
Net cash (used) provided by investing activities	(151,995,826)	3,893,772
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(191,073,076)	365,239,544
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	513,250,703	148,011,159
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 322,177,627	\$ 513,250,703

See accompanying notes.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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NOTE A ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Greater Houston Community Foundation, a nonprofit Texas corporation (the Foundation), was organized in 1971 to administer and distribute property for charitable purposes, principally within the metropolitan area of Houston, Texas. The broad objectives of the Foundation include growing the amount and impact of charitable giving in the Houston area by serving individual, family and corporate donors in a flexible and tax-efficient way. The Foundation strives to connect donors to the causes they care about most and to the needs of the community.

Basis of Presentation - The combined financial statements include the accounts of the Greater Houston Community Foundation and its nonprofit supporting organizations. Supporting organizations are Texas nonprofit corporations or trusts that are affiliated with the Foundation by their purposes and operations and are deemed to be publicly supported charities rather than private foundations. All significant inter-entity activity and balances have been eliminated.

Management's Estimates - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles in the United States (GAAP). These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Concentrations of Credit Risk - Financial instruments which subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents, contributions receivable, and notes receivable. The Foundation places its cash and cash equivalents with high credit quality financial institutions and brokerage firms. Deposits with these financial institutions exceeded the amount of insurance provided on such deposits at December 31, 2022; however, these deposits typically may be redeemed upon demand and therefore, bear minimal risk.

The collectability of the contributions and notes receivable is reviewed annually and an allowance for doubtful accounts is established as needed based upon factors surrounding the credit risk of specific donors, historical trends and other information. Management has determined that there is no need for an allowance for doubtful accounts as of December 31, 2022 or 2021. At December 31, 2022, one donor accounted for 94% of gross contributions and other receivables.

Investment Risk - The Foundation's investments subject the Foundation to various levels of risk associated with economic, operating, and political events beyond management's control. Consequently, management's judgment as to the level of losses that currently exist or may develop in the future involves the consideration of current and anticipated conditions and their potential effects on the Foundation's investments. Due to the level of risk associated with investments and the level of uncertainty related to changes in the value of investments, it is possible that changes in risks in the near term could materially impact the amounts reflected herein.

Cash and Cash Equivalents - Cash and cash equivalents generally consist of demand deposits and money market mutual funds invested in short-term, highly liquid time deposits having maturities in 90 days or less. All credit card and debit card transactions that process in fewer than seven days are classified as cash and cash equivalents.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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NOTE A ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketable Investments - The Foundation's investments are made in accordance with the investment policy and objectives adopted by the Foundation's Governing Board. These guidelines provide for investments in equity securities, fixed income securities, multi strategy funds, real assets, and other securities. Marketable investments are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Limited Marketable Investments - The Foundation receives contributions and assignments of interests in limited partnerships, limited liability companies, and stock in closely held corporations. These investments are recorded at appraised value at the date of contribution. Management annually evaluates these investments for impairment and reduces the carrying value when it believes there has been a permanent decline. Income from these investments is recorded using the cost method whereby non-liquidating distributions of cash or additional ownership units received are reflected as interest and dividend income in the statements of activities.

Other Investments - Other investments are held by donor advised funds and include mineral interests, cash surrender value of life insurance policies and real estate held for resale. Mineral interests and real estate held for resale are recorded at appraised value at the date of contribution and are evaluated annually for impairment based upon management's estimate of discounted anticipated future cash flows. Cash surrender value of life insurance policies are carried at fair value.

Property and Equipment - Property and equipment are stated at cost or estimated fair market value at the date of donation. Additions are capitalized and depreciated using the straight-line method over the following estimated useful lives of the assets as follows:

Buildings and improvements	40 years
Furniture and equipment	3 – 7 years

Maintenance and repairs are expensed as incurred. When property and equipment is retired or otherwise disposed of, the cost thereof and the applicable accumulated depreciation is removed from the respective accounts and the resulting gain or loss is reflected in earnings.

Grants Payable - Grants payable and related expenses are recognized in the period in which all due diligence has been completed, and they are approved by the Foundation's Governing Board. Grants payable in more than one year are discounted, if significant, to their present value at the time the grant is awarded.

Annuity Payable - The annuity payable is part of a gift annuity agreement with certain donors whereby the Foundation agrees to pay an amount annually to the donors in consideration of a gift contribution. The difference between the gift and present value of the annuity payable is recognized as a contribution on the combined statements of activities. The Foundation has no potential liability for annual payments in excess of the fund's assets.

Funds Held for Others - Funds held for others consist of the liability for pledges receivable and monies held in funds established by various not-for-profit organizations which have named themselves or their affiliates as the beneficiary of the fund and money received from court directed judgments administered by the Foundation. Also included are investment funds managed by the Foundation without variance power.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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NOTE A ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classifications - The Foundation classifies funds established by donors as net assets without donor restrictions by virtue of the variance power granted the Governing Board with certain limited exceptions.

Restricted Support - Grants, contributions of cash and other assets and the related earnings are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the current period are recorded as contributions without donor restrictions.

Net Assets Released From Donor Restrictions - Simultaneous increases and decreases in net asset classes are made when the Foundation fulfills the purposes for which net assets were restricted. Certain donor imposed restrictions expire with the passage of time.

Revenue Recognition - The Foundation recognizes revenue from unconditional contributions as funds are collected or pledges are made. Administrative fee revenue includes asset based fee revenue and service fee revenue and is recognized monthly in arrears in accordance with terms of contractual agreements. Certain contributions are received as a result of the donors' estate planning and may not occur predictably, which may cause significant fluctuations from year to year. During 2021 and 2022, one donor and two donors accounted for approximately 49% and 39%, respectively, of total contributions.

In-Kind Contributions - Contributions of non-cash assets are recorded at their fair values in the period received. Contributions of services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributions of non-financial assets and services were insignificant during 2022 and 2021.

In addition, volunteers assist management in budget analysis, insurance evaluation, and other administrative activities. The values of these donated services are not recognized in the accompanying combined financial statements as the nature of the services received do not meet the guidelines for recognition established by GAAP.

Change in Value of Split Interest Agreements - The change in value of split interest agreements is reported as restricted support on the statement of activities and includes amortization of the discount of the contributions receivable from charitable trusts, changes in the discount of the related annuities payable and changes in the present value of the underlying assets of contributions receivable from charitable trusts. (See Note H)

Federal Income Taxes - The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). However, the Foundation is subject to taxes on unrelated business income. The Foundation had no significant unrelated business income in 2022 and 2021.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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NOTE A ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Foundation believes that all significant tax positions utilized by the Foundation will more likely than not be sustained upon examination. As of December 31, 2022, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the years 2019 through 2021 with limited exceptions. Tax penalties and interest, if any, would be accrued as incurred and would be classified as general and administrative expense in the statements of activities.

Functional Expenses - The financial statements report certain expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, rent and utilities which are allocated on a square footage basis, as well as salaries and benefits and related costs which are allocated on the basis of the number of direct program staff combined with estimates of time and effort for certain executive and support staff. Consulting fees, professional fees, and contract labor are generally incurred for specific functions.

Accounting Standard Adopted in 2022 - The Foundation adopted FASB ASC Topic 842, Leases ("ASC 842") effective January 1, 2022 utilizing the effective date approach. The Foundation applied ASC Topic 842 to all leases existing at or commencing after January 1, 2022 and elected the package of transition practical expedients for expired or existing contracts, which does not require reassessment of: (1) whether any contracts are or contain leases, (2) lease classification and (3) initial direct costs. There were no cumulative effects recorded from the adoption.

The Foundation determines if an arrangement is a lease at inception. The Foundation made the election to not apply the recognition requirements in ASC Topic 842 to short-term leases (i.e., leases of twelve months or less). Instead, the Foundation recognizes lease expense for short-term leases as payments are made. Long-term operating leases are included in right of use assets (ROU assets) and operating lease liability.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Foundation uses the implicit rate when readily determinable. As most of the Foundation's leases do not provide an implicit rate, an incremental borrowing rate is used in determining the present value of lease payments based on the information available at the commencement date. The incremental borrowing rate reflects the estimated rate of interest that would be paid to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment. The Foundation elected the practical expedient to utilize a risk free interest rate (the US Treasury rate) as the incremental borrowing rate. The ROU asset also includes any lease payments made and excludes lease incentives received. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense is recognized on a straight-line basis over the lease term.

Subsequent Events - The Foundation has evaluated subsequent events through April 12, 2023, the date the financial statements were available to be issued. In March 2023, the Foundation sold real estate held for investment for approximately \$1,962,000. No other subsequent events occurred which require adjustment or additional disclosure to the financial statements at December 31, 2022.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE B LIQUIDITY AND AVAILABILITY

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The following table reflects the Foundation's financial assets as of December 31, 2022 and 2021, reduced by amounts unavailable for grants and other expenses within one year. Financial assets are considered unavailable when they are illiquid, unable to be converted to cash within one year, funds held for others, or net assets with donor restrictions.

Financial assets are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 322,177,627	\$ 513,250,703
Marketable investments	803,147,537	756,355,920
Contributions and other receivables, net	16,210,823	1,807,245
Interest receivable	139,485	54,375
Limited marketable investments	69,451,642	67,889,142
Notes receivable	14,507,092	10,037,378
Split interest agreements	<u>4,773,000</u>	<u>5,822,000</u>
Total financial assets	<u>1,230,407,206</u>	<u>1,355,216,763</u>
Less amounts not available to be used within one year:		
Purpose restricted net assets	4,773,000	6,009,290
Funds held for others	17,031,898	20,025,000
Investments not convertible to cash within next 12 months	4,361,023	4,515,019
Contributions and other receivables collectible beyond one year	14,093,501	820,000
Interest receivable	113,619	40,319
Limited marketable investments	66,098,470	61,107,892
Notes receivable collectible beyond one year	<u>14,483,974</u>	<u>10,034,017</u>
	<u>120,955,485</u>	<u>102,551,537</u>
Financial assets available to meet operating expenditures over the next twelve months	<u>\$ 1,109,451,721</u>	<u>\$ 1,252,665,226</u>

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

NOTE C INVESTMENT RETURNS, NET

Investment returns, net are comprised of the following for the years ended December 31:

	2022	2021
Interest and dividend income	\$ 19,363,278	\$ 15,570,503
Investment management fees	(1,538,000)	(1,379,992)
Net realized and unrealized (loss) gain on marketable securities	(121,236,423)	85,740,388
Net realized and unrealized gain on limited marketable investments and other investments	965,818	14,216
	\$ (102,445,327)	\$ 99,945,115

NOTE D FAIR VALUE MEASUREMENTS

Following is information regarding the nature of the financial instruments and the techniques used to estimate the fair values. There have been no changes in the techniques used during 2022 and 2021.

Equity and fixed income securities - The fair value is determined by the investment custodians based on recent sales in the open market of same or similar investments.

Equity and fixed income securities also include long-short funds invested in equity and fixed income securities to generate optimal risk-adjusted returns. These funds can be redeemed at various intervals ranging from daily to semi-annually and have redemption notice requirements up to 90 days depending on the manager. The fair value of long-short funds is determined by the managers of the various investment vehicles using fair values of underlying assets, estimates of future earnings and other factors.

Multi strategy funds - Multi strategy funds include funds that offer one core strategy across different hedge fund vehicles with allocations that range from long-short equity, long-short credit, global macro, fixed income arbitrage, managed futures, and event driven credit, among others. These funds can be liquidated at various intervals ranging from monthly to non-redeemable during the predetermined lifespan of the fund with 15-90 day redemption notice periods for redeemable funds depending on the manager. The fair value of multi strategy funds is determined by the managers of the various investment vehicles using fair values of underlying assets, estimates of future earnings and other factors.

Real assets - Real assets include actively managed mutual fund portfolios that invest in a broad array of commodity futures, commodity-related equities, bonds, and currencies. Sectors may include energy, industrial and precious metals, livestock and agriculture. The fair value of real assets is based on the quoted prices of the mutual funds.

Split interest agreements - The fair value of split interest agreements is estimated by management of the Foundation based on actuarial assumptions and discount rates applied to projected future cash flows. (See Note H).



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NOTE D FAIR VALUE MEASUREMENTS (CONTINUED)

Other investments - This classification includes life insurance policies whose fair value is the cash surrender value as determined by the insurance company. Also included in other investments on the accompanying statements of financial position are non-financial assets that are not included in the fair value tables consisting of land held for resale of \$1,960,000 and mineral interests of \$1,000 at both December 31, 2022 and 2021.

Limited marketable investments - Limited marketable investments are measured on a non-recurring basis at appraised value upon initial acquisition and subsequently adjusted for liquidating distributions and for impairment as determined by the Foundation's management. These determinations are based on information provided by the investee relating to income/losses and total assets in conjunction with projected distributions to be made to the Foundation.

For financial instruments recorded at fair value, GAAP provides a framework for measuring fair value using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based upon whether the inputs to those valuation techniques are observable or unobservable. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments and the lowest priority to unobservable inputs. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The financial instrument's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

These inputs are summarized in the three broad levels listed below:

Level 1 – Unadjusted quoted prices for identical financial instruments in active markets that the Foundation has the ability to access.

Level 2 – Other significant observable inputs (including quoted prices in active or inactive markets for similar financial instruments), or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the financial instruments.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the financial instruments. The fair value of Level 3 financial instruments is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The estimated fair value amounts of financial instruments have been determined by the Foundation using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Foundation could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

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NOTE D FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables summarize financial assets measured/recorded at fair value as of December 31, 2022 and 2021:

	2022			
	Level 1	Level 2	Level 3	Total
Measured on a recurring basis:				
Equity securities:				
Domestic equity	\$ 272,576,645	\$ 101,718,478	\$ -	\$ 374,295,123
Global equity	15,427,741	-	38,266,728	53,694,469
Foreign equity	66,890,854	-	-	66,890,854
Long-short equities	1,850,035	-	-	1,850,035
Fixed income securities:				
Government bonds	28,015,131	121,416,837	-	149,431,968
Corporate bonds	29,937,586	9,548,582	-	39,486,168
Asset backed	51,956,297	147,266	-	52,103,563
Long-short fixed income	25,607	-	-	25,607
Global fixed income	5,997,895	24,966	35,152,272	41,175,133
Multi strategy funds	705,204	103,968	22,188,229	22,997,401
Real assets	1,197,216	-	-	1,197,216
Split interest agreements	-	-	4,773,000	4,773,000
Measured on a nonrecurring basis:				
Other investments	-	177,416	-	177,416
Limited marketable investments	-	-	69,451,642	69,451,642
	<u>\$ 474,580,211</u>	<u>\$ 233,137,513</u>	<u>\$ 169,831,871</u>	<u>\$ 877,549,595</u>
	2021			
	Level 1	Level 2	Level 3	Total
Measured on a recurring basis:				
Equity securities:				
Domestic equity	\$ 241,146,510	\$ 123,514,576	\$ -	\$ 364,661,086
Global equity	10,093,488	-	65,397,144	75,490,632
Foreign equity	80,593,819	-	-	80,593,819
Long-short equities	2,412,670	-	-	2,412,670
Fixed income securities:				
Government bonds	39,105,076	1,789,101	-	40,894,177
Corporate bonds	55,343,042	8,628,206	-	63,971,248
Asset backed	33,384,071	108,941	-	33,493,012
Long-short fixed income	117,475	-	-	117,475
Global fixed income	5,019,439	45,111	37,524,476	42,589,026
Multi strategy funds	884,910	103,652	49,256,829	50,245,391
Real assets	1,887,384	-	-	1,887,384
Split interest agreements	-	-	5,822,000	5,822,000
Measured on a nonrecurring basis:				
Other investments	-	161,987	-	161,987
Limited marketable investments	-	-	67,889,142	67,889,142
	<u>\$ 469,987,884</u>	<u>\$ 134,351,574</u>	<u>\$ 225,889,591</u>	<u>\$ 830,229,049</u>

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
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NOTE D FAIR VALUE MEASUREMENTS (CONTINUED)

The Foundation manages its investments by the nature of the underlying securities regardless of the ownership vehicle. Fixed income and equity securities in the preceding tables include individually owned securities as well as comingled funds, mutual funds and limited partnerships investing in the specified type of fixed income or equity security.

The table below sets forth a summary of changes in the fair value of the Foundation's level 3 assets:

	Global Equity	Global Fixed Income	Multi Strategy Funds	Split Interest Agreements	Limited Marketable Investments	Total
Balance, December 31, 2020	\$ 73,042,359	\$ 37,823,068	\$ 52,799,611	\$ 5,572,000	\$ 45,806,506	\$ 215,043,544
Contributions	-	-	-	-	25,297,320	25,297,320
Total gains (losses) included in change in net assets	10,374,785	1,291,408	3,066,195	491,740	(875)	15,223,253
Purchases, issues, sales and settlements:						
Purchases	5,930,000	3,410,000	8,897,014	-	-	18,237,014
Sales	<u>(23,950,000)</u>	<u>(5,000,000)</u>	<u>(15,505,991)</u>	<u>(241,740)</u>	<u>(3,213,809)</u>	<u>(47,911,540)</u>
Balance, December 31, 2021	65,397,144	37,524,476	49,256,829	5,822,000	67,889,142	225,889,591
Contributions	-	-	-	-	15,903,985	15,903,985
Total gains (losses) included in change in net assets	(14,102,249)	(2,152,204)	(4,225,200)	(558,579)	950,390	(20,087,842)
Purchases, issues, sales and settlements:						
Purchases	10,000,000	6,700,000	-	-	-	16,700,000
Sales	<u>(23,028,167)</u>	<u>(6,920,000)</u>	<u>(22,843,400)</u>	<u>(490,421)</u>	<u>(15,291,875)</u>	<u>(68,573,863)</u>
Balance, December 31, 2022	<u>\$ 38,266,728</u>	<u>\$ 35,152,272</u>	<u>\$ 22,188,229</u>	<u>\$ 4,773,000</u>	<u>\$ 69,451,642</u>	<u>\$ 169,831,871</u>

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
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NOTE E INVESTMENT POOL ACTIVITY

The Foundation has several investment pools contributors may select to place their funds. The table below sets forth the summary of activity in these funds:

	<u>Growth &amp; Income</u>	<u>Growth</u>	<u>Income</u>	<u>Passive Growth</u>	<u>Passive Income</u>	<u>Money Market</u>
Balance, December 31, 2020	\$ 180,031,329	\$ 33,641,673	\$ 33,480,154	\$ 74,875,948	\$ 28,266,130	\$ 76,661,023
Interest and dividend income	522,996	192,522	209,277	5,163,866	1,001,848	17,187
Net realized and unrealized gain on investments	22,234,045	6,253,248	2,295,218	12,160,594	744,799	-
Investment management fees	(137,512)	(32,663)	(25,714)	(89,995)	(22,599)	-
Contributions and withdrawals, net	<u>1,595,742</u>	<u>15,829,025</u>	<u>(2,111,217)</u>	<u>88,448,892</u>	<u>3,826,702</u>	<u>329,768,446</u>
Balance, December 31, 2021	204,246,600	55,883,805	33,847,718	180,559,305	33,816,880	406,446,656
Interest and dividend income	1,357,740	1,693,360	613,181	1,274,972	340,079	2,323,950
Net realized and unrealized loss on investments	(31,084,797)	(9,055,518)	(3,653,827)	(24,008,379)	(4,500,838)	-
Investment management fees	(163,844)	(79,497)	(38,104)	(59,803)	(15,835)	-
Contributions and withdrawals, net	<u>(17,020,131)</u>	<u>79,650,665</u>	<u>14,493,067</u>	<u>(157,766,095)</u>	<u>(29,640,286)</u>	<u>(213,436,665)</u>
Balance, December 31, 2022	<u>\$ 157,335,568</u>	<u>\$ 128,092,815</u>	<u>\$ 45,262,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,333,941</u>

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
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NOTE F CONTRIBUTIONS AND OTHER RECEIVABLES, NET

Contributions receivable in more than one year are discounted, if significant, to their present value at the time the pledge is received using rates representing the risk free rate of return as of the date of the gift (3.0% and .37% in 2022 and 2021, respectively). Receivables may consist of pledges and billings to clients for service fees and out of pocket expenses. Contributions and other receivables at December 31, 2022 and 2021 consist of the following:

	2022	2021
Receivable in one year or less	\$ 2,117,322	\$ 987,245
Receivable in two years	1,200,000	820,000
Receivable in three years	1,000,000	-
Receivable in four years	1,000,000	-
Receivable in five years	1,000,000	-
Receivable in more than five years	15,000,000	-
Less discount on long-term pledges receivable	(5,106,499)	-
	\$ 16,210,823	\$ 1,807,245

NOTE G NOTES RECEIVABLE

The Foundation holds notes receivable for the benefit of certain donor advised funds at December 31 as follows:

	2022	2021
Promissory note from a non-profit organization accruing interest at the lesser of the maximum lawful rate applicable to the State of Texas or 1% annually; principal and unpaid interest due at maturity in December 2031.	\$ 3,500,000	\$ 3,500,000
Promissory note from a limited partnership accruing interest at 4.30% annually; interest due annually beginning December 29, 2015; principal due at maturity in December 2034; unsecured.	2,500,000	2,500,000
Promissory note from a non-profit organization bearing no interest; principal due at maturity in June 2029.	2,000,000	-
Promissory note from a non-profit organization accruing interest at 4% annually; principal and unpaid interest due at maturity in August 2026.	2,000,000	2,000,000
Promissory note from a limited liability company accruing interest at 2% annually; principal and unpaid interest due at maturity in April 2028.	1,873,075	-

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
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NOTE G                      NOTES RECEIVABLE (CONTINUED)

Senior promissory note from a social impact investment LLC, accruing interest at an annual rate of 2% which is payable in arrears quarterly with any remaining unpaid interest and principal due at maturity in March 2025.	1,250,000	1,250,000
Subordinated promissory note from a social impact investment LLC, accruing interest at an annual rate of 4% which is payable in arrears quarterly with any remaining unpaid interest and principal due at maturity in March 2025.	750,000	750,000
Promissory note from a non-profit organization with total available borrowings of \$1,200,000, interest due annually at the lesser of the maximum lawful rate applicable to the State of Texas or 1%; principal and unpaid interest due at maturity in December 2036.	300,000	-
Promissory note from a non-profit organization with total available borrowings of \$800,000, interest due annually at the lesser of the maximum lawful rate applicable to the State of Texas or 1.5%; principal and unpaid interest due at maturity in December 2036.	300,000	-
Other notes receivable	<u>34,017</u>	<u>37,378</u>
	<u>\$ 14,507,092</u>	<u>\$ 10,037,378</u>

NOTE H                      SPLIT INTEREST AGREEMENTS

The Foundation has beneficial interests in irrevocable charitable remainder trusts (CRTs) in which the Foundation is not the trustee. Under the terms of the trust agreements, the donors have established and funded trusts which specify that distributions be made to a designated beneficiary or beneficiaries over the trust terms. Upon termination of the trusts, the Foundation receives the assets remaining in the trust.

The Foundation is also the beneficiary of charitable lead trusts (CLTs) in which the Foundation is not the trustee. Under the terms of the trust agreements, the Foundation is to receive a fixed payment annually over the specified term in the trust agreements. Upon the expiration of the trust agreements, the remaining trust assets are distributed to others.

When the Foundation has irrevocable rights to CRTs or CLTs and does not hold the assets, the Foundation's interest in the trust assets and specified future distributions is recorded as a beneficial interest in split interest agreements. Assets are initially recorded as contributions at the present value of the projected future cash flows using actuarial assumptions and discount rates based on market conditions in effect when the trusts were established and based on terms established in the trust agreements. As of December 31, 2022 and 2021, discount rates ranged from 2.55% to 4.90%.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
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NOTE H SPLIT INTEREST AGREEMENTS (CONTINUED)

The change in value during the year is recorded as a change in value of split interest agreements. At December 31, 2022, beneficial interest in CRTs and CLTs totaled \$3,483,000 and \$1,290,000, respectively. At December 31, 2021, beneficial interest in CRTs and CLTs totaled \$4,446,000 and \$1,376,000, respectively.

No contributions of interest in charitable trusts were received in 2022 or 2021.

NOTE I PROPERTY AND EQUIPMENT, NET

Cost of property and equipment by major asset category and accumulated depreciation are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,328,910	\$ 1,328,910
Buildings and improvements	1,729,968	1,729,968
Furniture and equipment	<u>1,237,511</u>	<u>1,237,511</u>
	4,296,389	4,296,389
Less accumulated depreciation	<u>(2,193,666)</u>	<u>(2,074,535)</u>
	<u>\$ 2,102,723</u>	<u>\$ 2,221,854</u>

Land, buildings and improvements with a cost of \$2,971,968 and accumulated depreciation of \$1,129,720 at December 31, 2022 are included in the assets of a support organization, the purpose of which is to provide operating facilities for another nonprofit organization.

NOTE J GRANTS PAYABLE

Grants payable at December 31, 2022 and 2021 are payable in the following periods:

	<u>2022</u>	<u>2021</u>
Payable in one year	<u>\$ 10,024,584</u>	<u>\$ 3,553,600</u>
Payable in two years	6,008,917	2,763,266
Payable in three years	5,416,417	1,852,500
Payable in four years	735,106	1,472,500
Payable in five years	2,500	202,500
Payable in more than five years	<u>15,000</u>	<u>17,500</u>
	<u>12,177,940</u>	<u>6,308,266</u>
Total grants payable	<u>\$ 22,202,524</u>	<u>\$ 9,861,866</u>

Discounts on long-term grants payable were deemed insignificant at December 31, 2022 and 2021.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
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NOTE K NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are time restricted and consist of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Contributions receivable	\$ 15,313,500	\$ 1,240,150
Understanding Houston	-	187,290
Split interest agreements	<u>4,773,000</u>	<u>5,822,000</u>
Net assets with donor restrictions	<u>\$ 20,086,500</u>	<u>\$ 7,249,440</u>

NOTE L LEASES

The Foundation leases office space and office equipment under operating leases expiring from 2023 to 2029.

Future minimum lease payments, including those of the supporting organization, consist of the following at December 31, 2022:

	<u>Operating Leases</u>	<u>Equipment Leases</u>
2023	\$ 593,651	\$ 12,654
2024	516,761	12,326
2025	527,371	4,894
2026	419,179	-
2027	417,726	-
Thereafter	<u>752,367</u>	<u>-</u>
Total minimum lease payments	3,227,055	29,874
Less: Imputed interest	<u>(156,282)</u>	<u>(962)</u>
Present value of lease liabilities	<u>\$ 3,070,773</u>	<u>\$ 28,912</u>
Weighted-average remaining lease term (years)	6	2
Weighted-average discount rate	1.7%	2.9%



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NOTE L LEASES (CONTINUED)

The Foundation also pays property taxes, maintenance and other routine building operating expenses. Rent expense under these agreements totaled \$853,216 and \$834,427 for the years ended December 31, 2022 and 2021, respectively. The following table provides details regarding the components of operating lease expense for the year ended December 31, 2022:

Operating lease expense components	
Leases with term greater than 12 months	\$ 620,174
Property tax and operating expense	<u>233,042</u>
Total operating lease expense	<u>\$ 853,216</u>

The Foundation had the following cash and non-cash activities associated with leases:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating cash flows from operating leases	<u>\$ 620,174</u>
Non-Cash Activities:	
Additions to right of use asset from new operating lease liabilities	<u>\$ 3,099,685</u>

NOTE M RETIREMENT PLAN

Effective January 1, 2007, the Foundation established a 401(k) plan for all eligible employees. The plan is a defined contribution plan and the investments are selected by the participants. The Foundation matches 100% of an eligible participant's pre-tax contribution up to 6% of allowable compensation. Employer and employee contributions vest immediately.

For the years ended December 31, 2022 and 2021, the Foundation's contributions to the plan were \$401,934 and \$443,128, respectively.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
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NOTE N            ENDOWMENT

Net Asset Classifications - GAAP provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). GAAP also requires disclosures about an organization's endowed funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Texas adopted UPMIFA effective September 1, 2007. The Governing Board, on the advice of legal counsel, has classified as endowments those funds with spending policies stipulated in the fund agreements.

The Foundation is governed subject to the Certificate of Formation and Bylaws of the Greater Houston Community Foundation. The Bylaws of the Foundation include a variance power provision which gives the Governing Board the authority to modify any restriction or condition placed on gifts, if in its sole judgment the Governing Board determines that the restriction becomes, in effect, incapable of fulfillment or is inconsistent with the charitable needs of the community. Further, under the governing documents of the Foundation, the Governing Board has the authority to distribute as much of the corpus of any gift, devise, bequest, or fund as the Governing Board in its sole discretion shall determine. As a result, all contributions not reported as net assets with donor restrictions are reported as net assets without donor restrictions for financial statement purposes, including those classified as endowments.

Endowment Investment and Spending Policies - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowments while seeking to maintain the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

To satisfy its long-term rate-of-return objectives, the 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 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.

The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds for grant making and administration. The current spending policy is to distribute an amount up to 4% of the previous twelve quarter average fund balance. Accordingly, over the long term, the Foundation expects current spending policy to allow its endowment assets to grow at a rate exceeding inflation at an average rate of 3% annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

**GREATER HOUSTON COMMUNITY FOUNDATION AND AFFILIATES**  
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NOTE N            ENDOWMENT (CONTINUED)

The composition of and changes in endowment net assets as of December 31, 2022 and 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2020	\$ 22,651,685	\$ 369,000	\$ 23,020,685
Contributions	3,286,306	-	3,286,306
Investment return:			
Investment income, net of fees	793,851	-	793,851
Net realized and unrealized gain	3,084,017	-	3,084,017
Change in value of split interest agreements	-	3,000	3,000
Total revenue	7,164,174	3,000	7,167,174
Grants	(509,355)	-	(509,355)
Administration and other expenses	(179,128)	-	(179,128)
Total disbursements	(688,483)	-	(688,483)
Endowment net assets, December 31, 2021	29,127,376	372,000	29,499,376
Contributions	198,681	-	198,681
Investment return:			
Investment income, net of fees	515,596	-	515,596
Net realized and unrealized loss	(5,246,277)	-	(5,246,277)
Change in value of split interest agreements	-	91,315	91,315
Total revenue	(4,532,000)	91,315	(4,440,685)
Grants	(653,347)	(338,315)	(991,662)
Administration and other expenses	(190,231)	-	(190,231)
Total disbursements	(843,578)	(338,315)	(1,181,893)
Endowment net assets, December 31, 2022	\$ 23,751,798	\$ 125,000	\$ 23,876,798

NOTE O            SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES

	2022	2021
Net realized and unrealized gain on marketable securities related to funds held for others	\$ 3,292,670	\$ 1,929,545