AKRON COMMUNITY FOUNDATION
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL REPORT

MARCH 31, 2023
(With Summarized Comparative Information
as of March 31, 2022)

MALONEY + NOVOTNY LLC

AKRON COMMUNITY FOUNDATION AND SUBSIDIARIES

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated statement of financial position	3
Consolidated statement of activities and changes in net assets	4
Consolidated statement of functional expenses	5
Consolidated statement of cash flows	6
Notes to consolidated financial statements	7-18

MALONEY + NOVOTNY LLC

+ 1111 Superior Avenue, Suite 700, Cleveland, Ohio 44114
+ p 216.363.0100 | f 216.363.0500
+ www.maloneynovotny.com

Independent Auditors' Report

To the Board of Directors of
Akron Community Foundation and Subsidiaries
Akron, Ohio

Opinion

We have audited the accompanying consolidated financial statements of Akron Community Foundation and Subsidiaries, which comprise the consolidated statement of financial position as of March 31, 2023, and the related consolidated statement of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Akron Community Foundation and Subsidiaries as of March 31, 2023, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of Akron Community Foundation and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 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.

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

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Akron Community Foundation and Subsidiaries' 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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Akron Community Foundation and Subsidiaries' 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.

Summarized Comparative Information

The consolidated financial statements of Akron Community Foundation and Subsidiaries as of and for the year ended March 31, 2022 were audited by other auditors whose report dated September 13, 2022 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Maloney + Novotny LLC

Cleveland, Ohio
September 7, 2023

AKRON COMMUNITY FOUNDATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 2023
(With Comparative Totals at March 31, 2022)
(Amounts in thousands)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 139	$ 125
Prepaid expenses	104	109
Contributions receivable, net	157	241
Note receivable	216	343
Property and equipment, net	3,132	3,236
Accrued investment income	306	247
Cash surrender value of life insurance	39	39
Investments	211,360	228,593
Funds held as agency endowment obligations	32,525	33,108
Beneficial interest in perpetual trusts	11,092	13,104
Real property held for investment	552	550
Total assets	$ 259,622	$ 279,695
LIABILITIES AND NET ASSETS		
LIABILITIES		
Grants approved for future payment	$ 466	$ 383
Accounts payable and other liabilities	780	718
Funds held as agency endowment obligations	32,525	33,108
Total liabilities	33,771	34,209
NET ASSETS		
Without donor restrictions	117,326	127,707
With donor restrictions	108,525	117,779
Total net assets	225,851	245,486
Total liabilities and net assets	$ 259,622	$ 279,695

The accompanying notes are an integral part of these financial statements.

AKRON COMMUNITY FOUNDATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended March 31, 2023
(With summarized comparative financial information for the year ended March 31, 2022)
(Amounts in thousands)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	2022 Total
REVENUES AND OTHER SUPPORT				
Contributions and grants	$ 6,556	$ 2,490	$ 9,046	$ 19,837
Investment income, net	3,943	2,052	5,995	9,234
Net depreciation on investments	(9,817)	(5,687)	(15,504)	(5,851)
Change in beneficial interest in perpetual trusts	-	(2,097)	(2,097)	136
Less amounts for agency endowments:				
Contributions	(1,537)	-	(1,537)	(1,895)
Investment income	(324)	-	(324)	(1,073)
Net depreciation in investments	1,922	-	1,922	487
Net assets released from restrictions	6,012	(6,012)	-	-
Total revenues and other support	6,755	(9,254)	(2,499)	20,875
EXPENSES				
Grants and other distributions	14,147	-	14,147	13,530
Administrative expenses	3,511	-	3,511	3,257
Less amounts for agency endowments:				
Grants and other distributions	(522)	-	(522)	(1,233)
Total expenses	17,136	-	17,136	15,554
CHANGE IN NET ASSETS	(10,381)	(9,254)	(19,635)	5,321
NET ASSETS – BEGINNING OF YEAR	127,707	117,779	245,486	240,165
NET ASSETS – END OF YEAR	$ 117,326	$ 108,525	$ 225,851	$ 245,486

The accompanying notes are an integral part of these financial statements.

AKRON COMMUNITY FOUNDATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended March 31, 2023
(With summarized comparative financial information for the year ended March 31, 2022)
(Amounts in thousands)

	Program Services	Supporting Services: Management and General	Supporting Services: Development and Fundraising	Total Supporting Services	2023	2022
Grants and other distributions	$ 14,147	$ -	$ -	$ -	$ 14,147	$ 13,530
Less: grants and other distributions from agency endowments	(522)	-	-	-	(522)	(1,233)
TOTAL GRANTS AND OTHER DISTRIBUTIONS	13,625	-	-	-	13,625	12,297
Salaries and related expenses	989	$ 739	$ 965	1,704	2,693	2,610
Professional fees	9	7	10	17	26	23
Office supplies	5	4	5	9	14	11
Telephone	8	6	8	14	22	22
Postage and shipping	4	3	5	8	12	11
Utilities and building maintenance	22	16	21	37	59	63
Equipment rental and maintenance	49	37	48	85	134	123
Printing and publications	22	16	88	104	126	119
Travel	3	2	3	5	8	3
Conferences, conventions and meetings	20	15	19	34	54	21
Depreciation	57	43	66	109	166	155
Insurance	15	11	17	28	43	38
Dues and subscriptions	12	12	16	28	40	33
Advertising	-	-	34	34	34	25
Research and special projects	-	-	80	80	80	-
TOTAL ADMINISTRATIVE EXPENSES	1,215	911	1,385	2,296	3,511	3,257
TOTAL FUNCTIONAL EXPENSES	$ 14,840	$ 911	$ 1,385	$ 2,296	$ 17,136	$ 15,554

The accompanying notes are an integral part of these financial statements.

AKRON COMMUNITY FOUNDATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended March 31, 2023
(With summarized comparative financial information for the year ended March 31, 2022)
(Amounts in thousands)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (19,635)	$ 5,321
Reconciliation of change in net assets to net cash (used) provided by operating activities:		
Net (appreciation) depreciation in investments and trust accounts	15,504	5,851
Change in beneficial interest in perpetual trusts	2,097	(136)
Depreciation	166	155
Contributions received for long-term purposes	(504)	(339)
Noncash contributions	(1,958)	(4,321)
Changes in operating assets and liabilities:		
Prepaid expenses	5	(12)
Contributions receivable, net	84	(111)
Grants approved for future payment	83	(654)
Accounts payable and other liabilities	62	48
Net cash (used) provided by operating activities	(4,096)	5,802
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(58,790)	(108,642)
Proceeds from sales and maturities of investments	62,331	102,344
Payments received from note receivable	127	125
Purchases of property and equipment	(62)	(284)
Net cash provided (used) by investing activities	3,606	(6,457)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions received for long-term purposes	504	339
Net cash provided by financing activities	504	339
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14	(316)
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	125	441
CASH AND CASH EQUIVALENTS – END OF YEAR	$ 139	$ 125

The accompanying notes are an integral part of these financial statements.

Note 1. Nature of Activities

Akron Community Foundation and Subsidiaries (the Foundation) is a nonprofit organization which was organized in 1955. Its primary mission is to improve the quality of life in the greater Akron area by building permanent endowments and providing philanthropic leadership that enables donors to make lasting investments in the community. The Foundation is committed to enriching the life of the community through grant making in distinct areas: arts and culture, education, health and human services and civic affairs/community services.

Note 2. Summary of Significant Accounting Policies

A. *Basis of Accounting* – The Foundation prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

B. *Principles of Consolidation* – The consolidated financial statements include the accounts of Akron Community Foundation, ACF Properties, LLC and Akron Digital Media Center/Akronist.com, LLC. ACF Properties, LLC holds certain donated and acquired real property which is included on the consolidated statement of financial position as real property held for investment. Akron Digital Media is focused on promoting citizen journalism and community involvement. All significant transactions between these entities have been eliminated from the consolidated amounts.

C. *Financial Statement Presentation* – The Foundation presents information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions include general and board-designated net assets of the Foundation and are not subject to donor-imposed restrictions. The net assets without donor restrictions of the Foundation may be used at the discretion of management to support the Foundation's purposes and operations.

Net assets with donor restrictions are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

D. *Cash and Cash Equivalents* – Cash and cash equivalents primarily include amounts held for grants and other disbursements and amounts received from contributions which are held pending investment. Cash and cash equivalents include cash on hand and cash in checking and money market accounts and all highly liquid investments with an original maturity when purchased of three months or less.

The Foundation maintains their cash in accounts that at times exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Note 2. Summary of Significant Accounting Policies (Continued)

E. *Contributions Receivables* – Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give are recognized only when the conditions on which they depend are met and the promises become unconditional. An allowance for uncollectible pledges is provided based on experience and anticipated collection efforts and is adjusted for current conditions as deemed appropriate. Noncash bequests, gifts, and donations are recorded at the fair market value of the asset at the date of donation.

F. *Note receivable* – Notes receivable are initially recorded on the statement of financial position at cost when approved and remitted. Notes receivable are to be repaid to the Foundation in principal and interest at 1.81% through fiscal year 2025. As of March 31, 2023 and 2022, the Foundation had no allowance for notes receivable.

G. *Property and Equipment* – Property and equipment acquisitions with a cost of $1 or more and that have an estimated useful life greater than one year are capitalized at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 30 years. Repair and maintenance costs are expensed as incurred.

H. *Investments* – The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statement of financial position. In addition, the Foundation holds certain funds in alternative investments which are carried at the funds' net asset value. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and interest and dividends are recognized as revenue in the period earned. Realized gains and losses are determined by the specific identification method. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the consolidated statement of financial position and the consolidated statement of activities. Investment income is reported net of investment fees in the statement of activities. Income that is restricted by the donor is reported as increases in net assets with donor restrictions and reclassed to net assets without donor restrictions when the restriction expires.

I. *Funds Held as Agency Endowments – Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others* establishes accounting and reporting standards for transactions in which a donor transfers assets to a not-for-profit organization that accepts the assets from the donor and agrees to transfer those assets, the return on investment, or both, to the donor or another entity specified by the donor. Pursuant to this pronouncement, certain agency endowment funds received by the Foundation are considered liabilities, rather than net assets of the Foundation.

Note 2. Summary of Significant Accounting Policies (Continued)

J. *Contributions and Grants* – Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions.

In regard to grants made, unconditional grants made are recognized immediately and classified as grants and awards expense, while conditional grants are not recorded until the barriers to entitlement are overcome, at which point the transaction is recognized as grants and awards expense.

K. *Grants and Other Distributions* – The Board of Directors has established a spending policy based upon the quarterly market value of assets. The spending policy provides guidelines for amounts to be expended for grants and other expenses. All grants and other distributions are approved by the Board of Directors. Unconditional grants are recognized when approved. Grants approved by the Board of Directors that are payable upon performance of specified conditions by the grantee are recognized in the consolidated statement of activities when the specified conditions are satisfied.

L. *Functional Expenses* – The financial statements report certain categories of 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 allocated include salaries and wages, employee benefits and payroll taxes, supplies, utilities, equipment rental and maintenance, travel, conferences, conventions and meetings which are allocated based on time and effort. All other expenses are charged directly to the corresponding function by account.

M. *Use of 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 disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. *Comparative Financial Information* – The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's consolidated financial statements for the year ended March 31, 2022, from which the summarized information was derived.

O. *Income Taxes* – The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from income taxes. The Foundation is not a private foundation. ACF Properties, LLC and Akron Digital Media Center/Akronist.com, LLC are limited liability companies and are not tax paying entities for federal or state income tax purposes. Therefore, no provisions for federal and state income taxes have been recorded in the consolidated financial statements.

(Amounts in thousands)

Note 2. Summary of Significant Accounting Policies (Continued)

P. *Subsequent Events* – The Foundation has evaluated subsequent events through September 7, 2023, which is the date the consolidated financial statements were available to be issued.

Q. *Adoption of New Accounting Standard* – In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), and has subsequently issued supplemental and clarifying ASUs (collectively ASC 842). ASC 842 changed the existing accounting standards for lease accounting, including requiring lessees to recognize most operating leases on their balance sheets, ASC 842 requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. Akron Community Foundation adopted ASC 842 on April 1, 2022. Accordingly, Akron Community Foundation 1) did not reassess whether any expired or existing contracts are or contain leases, 2) did not reassess the lease classification for any expired or existing lease and 3) did not reassess initial direct costs for any existing leases. The adoption had no effect on the consolidated financial statements.

Note 3. Liquidity and Availability

The following represents the Foundation's financial assets available for general expenditures within one year of the statement of financial position as of March 31:

	2023	2022
Cash and cash equivalents	$ 139	$ 125
Contributions receivable, due within one year	118	148
Note receivable, current portion	129	128
Assets available for use within one year	$ 386	$ 401

Board-designated endowment funds are shown as unavailable because it is the Foundation's intention to invest those resources for the long-term support of the Foundation's charitable mission. However, in the case of need, the Board of Directors could appropriate resources for use in general expenditure. In addition, the Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restriction. As described in Note 12, the Foundation has established a spending policy to provide guidelines for amounts available annually for distribution in the form of grants and operating expenses. These assets include spendable amounts of $27,301 for 2023 and $27,499 for 2022 to be made available for grant-making and operating expenses from board-designated and donor-restricted endowment funds within the next 12 months.

(Amounts in thousands)

Note 4. Contributions Receivable

Contributions receivable represent promises to pay recorded at the present value of estimated future cash flows. Aggregate maturities of contributions receivable are as follows:

2024	$ 118
2025	44
2026	2
	164
Less: Discounts to net present value	7
	$ 157

Note 5. Note Receivable

Maturities of the note receivable through fiscal year 2025 is as follows:

2024	$ 129
2025	87
	$ 216

Note 6. Property and Equipment

Property and equipment consist of the following as of March 31:

	Useful Life	2023	2022
Land	-	$ 580	$ 580
Building and Improvements	3-30 years	2,850	2,777
Furniture and fixtures	5-7 years	553	560
Construction-in-progress	-	5	31
		3,988	3,948
Less: accumulated depreciation		(856)	(712)
Property and equipment, net		$3,132	$3,236

Note 7. Cash Surrender Value of Life Insurance

The Foundation is the beneficiary of five individual life insurance policies with face values totaling $193 as of March 31, 2023 and 2022. The amount reported in the accompanying consolidated statement of financial position represents the cash surrender value of the policies as of fiscal year end.

Note 8. Fair Value Measurements and Investments

GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the Foundation to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Note 8. Fair Value Measurements and Investments (Continued)

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs in which little or no market data exists.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

If an investment that is measured using net asset value ("NAV") has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV), it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Levels 1, 2, or 3, but are separately reported.

Valuation Techniques

The following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the years ended March 31, 2023 and 2022.

Cash and cash equivalents – Cash and cash equivalents consist of investments in money market funds, short-term investments, and other securities with quoted prices in active markets.

Equity, mutual funds, fixed income – Equity and mutual funds are generally valued at quoted market prices in active markets for identical assets and are classified as Level 1. Fixed income includes corporate bonds, U.S. government agencies and municipal obligations measured at Level 2 and are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Real property held for investment – Real property held for investment (Note 10) is categorized as Level 3 and is reported at the fair value of the property at the time of the donation to the Foundation less any impairment losses.

Alternative investments – Alternative investments comprise of investments in private equity, real estate, and other funds measured using NAV per share as the practical expedient. The fair value amounts presented in the fair value hierarchy table below are intended to permit reconciliation of the fair value hierarchy to amounts presented in the statement of financial position.

Beneficial interests in perpetual trusts – Beneficial interests in perpetual trusts (Note 9) are valued using the fair value of the assets held in the trust reported by the trustee as of March 31, 2023 and 2022 and are valued at Level 3.

(Amounts in thousands)

Note 8. Fair Value Measurements and Investments (Continued)

The following table presents the financial instruments carried at fair value, on a recurring basis, as of March 31, 2023:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 10,373	$ -	$ -	$ 10,373
Equities:				
Stock	51,160	-	-	51,160
Mutual funds	118,134	-	-	118,134
Fixed income:				
Government obligations	-	13,934	-	13,934
Corporate bonds	-	12,399	-	12,399
Collateralized mortgage obligations	-	142	-	142
Mutual funds	18,450	-	-	18,450
Real property held for investment	-	-	552	552
Beneficial interest in perpetual trusts	-	-	11,092	11,092
Total assets in the fair value hierarchy	$ 198,117	$ 26,475	$ 11,644	236,236
Assets measured at NAV				19,599
Assets at fair value				$ 255,835

The following table presents the financial instruments carried at fair value, on a recurring basis, as of March 31, 2022:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 10,431	$ -	$ -	$ 10,431
Equities:				
Stock	57,455	-	-	57,455
Mutual funds	127,355	-	-	127,355
Fixed income:				
Government obligations	-	14,070	-	14,070
Corporate bonds	-	13,552	-	13,552
Collateralized mortgage obligations	-	96	-	96
Mutual funds	21,339	-	-	21,339
Real property held for investment	-	-	550	550
Beneficial interest in perpetual trusts	-	-	13,104	13,104
Total assets in the fair value hierarchy	$ 216,580	$ 27,718	$ 13,654	257,952
Assets measured at NAV				17,650
Assets at fair value				$ 275,602

(Amounts in thousands)

Note 8. Fair Value Measurements and Investments (Continued)

The Foundation is required to disclose the nature and risks of the investments recorded at NAV. The following table summarizes the nature and risk of these investments as of March 31:

	2023			
	March 31, Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real estate	$ 3,142	$ 2,227	None	None
Private equity	16,133	3,402	None	None
Other	324	-	None	None
	$ 19,599	$ 5,629		

	2022			
	March 31, Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real estate	$ 3,185	$ 3,161	None	None
Private equity	14,256	1,060	None	None
Other	209	-	None	None
	$ 17,650	$ 4,221		

Note 9. Beneficial Interest in Perpetual Trusts

The Foundation has a beneficial interest in perpetual trusts that provide the right to receive income earned on the trusts into perpetuity. The independent trustee controls the investment decisions and timing of distributions to the Foundation and the Foundation cannot transfer its interest in the trusts. The perpetual trusts are recorded at fair value based on the fair value of the underlying assets and are shown as net assets with donor restrictions.

Note 10. Real Property Held for Investment

The Foundation has ownership interest in a real estate property through its status as a tenant-in-common in a development agreement (46% ownership by the Foundation). Revenue is restricted from the property to support a scholarship fund held as a fund of the Foundation. As a tenant-in-common, the Foundation does not take part in management of the business or affairs of the partnership and does not have the right or authority to act on behalf of the partnership. Further, the Foundation is not liable for any losses, debts or liabilities of the partnership. The property's value was $552 and $550 as of March 31, 2023 and 2022, respectively and is valued using an income capitalization analysis.

(Amounts in thousands)

Note 11. Net Assets

Net assets without donor restrictions are available for the following purposes as of March 31:

	2023	2022
Undesignated	$ 3,720	$ 3,835
Donor advised	62,361	67,164
Board designated funds functioning as endowment	51,245	56,708
	$ 117,326	$ 127,707

Donor Advised funds are subject to ongoing recommendations or designations by donors. Donors serve as advisory members to the fund and recommend to the Foundation the charitable organizations or fields of interest to receive grants from the funds.

Board designated funds functioning as endowments are invested in accordance with the investment policy adopted and approved by the Board of Directors of the Foundation. The primary objective of board designated funds is the preservation of capital while providing long-term growth.

Net assets with donor restrictions consist of the following as of March 31:

	2023	2022
Net assets subject to spending policy and appropriation:		
Unappropriated endowment earnings		
Donor restricted	$ 41,261	$ 48,035
Scholarship	8,664	9,536
Building	335	335
Endowment funds restricted in perpetuity:		
Donor restricted	47,258	46,769
Beneficial interest in perpetual trusts	11,007	13,104
	$ 108,525	$ 117,779

Note 12. Endowment

The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 12. Endowment (Continued)

Interpretation of Relevant Law – Contributions made to the Foundation are subject to the terms of the Foundation's governing documents. The governing documents have been designed based upon the Board's interpretation of the Ohio Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and consideration of the factors described in UPMIFA. Certain contributions are received subject to other gift instruments or are subject to specific agreements with the Foundation. In addition, under the terms of agreements with donors, the Foundation has variance power over amounts contributed to the Foundation; that is, the ultimate discretion of the use of such funds lies with the discretion of the Board of Directors.

Return Objectives and Risk Parameters – The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to grants supported by its endowment 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. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives – 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.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Foundation has established a spending policy providing guidelines for amounts available annually for distribution in the form of grants and operating expenses net of certain offsetting contributions and administrative fee income. Investment management fees are not included in the spending policy. The spending policy is based upon a maximum of 5% of the average market value of the Foundation's total investment pool for the previous 12 calendar quarters. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the Foundation's objective to maintain purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

(Amounts in thousands)

Note 12. Endowment (Continued)

Endowment assets for the year ended March 31, 2023 were as follows:

	Without Donor Restrictions	With Donor Restrictions: Original Gift Amount	With Donor Restrictions: Accumulated Earnings	With Donor Restrictions: Total	Total Endowment Assets
Endowment assets, beginning of year	$ 123,872	$ 59,873	$ 57,906	$ 117,779	$ 241,651
Investment return:					
Investment income, net	3,418	-	2,052	2,052	5,470
Net depreciation on investments	(7,837)	-	(5,687)	(5,687)	(13,524)
Total investment return	(4,419)	-	(3,635)	(3,635)	(8,054)
Contributions	5,019	489	2,001	2,490	7,509
Change in beneficial interest in perpetual trusts	-	(2,097)	-	(2,097)	(2,097)
Appropriation of endowment assets for expenditure	(10,866)	-	(6,012)	(6,012)	(16,878)
Endowment assets, end of year	$ 113,606	$ 58,265	$ 50,260	$ 108,525	$ 222,131

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the Foundation is required to retain as a fund of perpetual duration pursuant to donor stipulation or UPMIFA. Such endowments are often referred to as "underwater" endowments. Though the Foundation is not required by donor-imposed restriction or law to use its unrestricted resources to restore the endowments to their historic dollar value, accounting guidance for not-for-profit organization require that such losses and subsequent gains be reflected as changes in net assets with donor restrictions. There were no such deficiencies at March 31, 2023.

Note 13. Legal Matters

During the normal course of business, the Foundation may, from time to time, be involved in routine legal matters which management intends to defend. Management believes the likelihood of any material adverse outcome to be remote. As of the date of this report, the Foundation has no known open legal matters requiring adjustment to or disclosure in the financial statements.

Note 14. Retirement Plans

The Foundation offers a voluntary tax deferred plan under the provisions of Section 403(b) of the Internal Revenue Code, which permits employees to elect to invest a portion of their compensation until retirement. The plan is available to all full-time employees. The Foundation makes a matching contribution of 100% of each participant elective deferral up to 4% of the participant compensation. The amount of employer contributions to the Plan for the years ended March 31, 2023 and 2022 were $68 and $65, respectively.

Note 14. Retirement Plans (Continued)

The Foundation has a non-qualified, tax-deferred compensation plan under Section 457(f) of the Internal Revenue Code (IRC) for the benefit of certain key managerial employees. Under this plan, the Foundation may make a discretionary employer contribution to the plan. Employer discretionary contributions made to the plan totaled $65 and $65 during the years ended March 31, 2023 and 2022, respectively. The Foundation also has a non-qualified, tax-deferred compensation plan under Section 457(b) of the IRC for the benefit of certain key managerial employees. The 457(b) plan allows for only employee contributions to this plan. Both plans' investment assets and the related liabilities are included in the consolidated statement of financial position and totaled $449 and $392 as of March 31, 2023 and 2022, respectively.