



**AND SUPPORTING ORGANIZATIONS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED**  
**DECEMBER 31, 2021 AND 2020**

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of Central Valley Community Foundation  
Fresno, California

### **Opinion**

We have audited the accompanying consolidated financial statements of Central Valley Community Foundation (the Foundation), a nonprofit organization, and Supporting Organizations, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Central Valley Community Foundation and Supporting Organizations as of December 31, 2021 and 2020, 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 of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Foundation 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 the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 the Foundation's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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

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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 consolidated 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 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 the Foundation's 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 the Foundation's 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.

#### **Report on Supplementary Information**

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

*Price Paice & Company*

Clovis, California  
October 6, 2022

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020**

|  | <u>2021</u>           | <u>2020</u>           |
|--|-----------------------|-----------------------|
| <b>ASSETS</b>                            |                       |                       |
| Cash and cash equivalents                | \$ 21,301,184         | \$ 17,787,442         |
| Investment securities                    | 89,404,054            | 74,940,422            |
| Investments in other entities            | 33,486,880            | 32,538,574            |
| Assessment fees and other receivables    | 8,071                 | 12,552                |
| Prepaid expenses and other assets        | 463,884               | 382,995               |
| Taxes receivable                         | -                     | 211,509               |
| Contributions receivable                 | 1,450,000             | 10,823,801            |
| Property and equipment, net              | 127,901               | 155,906               |
| Land and real estate held for investment | <u>2,478,000</u>      | <u>1,906,816</u>      |
| Total assets                             | <u>\$ 148,719,974</u> | <u>\$ 138,760,017</u> |
| <b>LIABILITIES</b>                       |                       |                       |
| Accounts payable                         | \$ 250,197            | \$ 275,228            |
| Accrued payroll                          | 74,033                | 58,101                |
| Accrued expenses                         | 2,099,087             | 150,227               |
| Grants and pledges payable, net          | 8,167,835             | 9,740,955             |
| Agency and trust funds                   | 20,802,182            | 17,988,660            |
| Deferred unrelated business income tax   | <u>2,325,083</u>      | <u>2,113,332</u>      |
| Total liabilities                        | <u>33,718,417</u>     | <u>30,326,503</u>     |
| <b>NET ASSETS</b>                        |                       |                       |
| Without donor restrictions               | 25,094,527            | 22,734,917            |
| With donor restrictions                  | <u>89,907,030</u>     | <u>85,698,597</u>     |
| Total net assets                         | <u>115,001,557</u>    | <u>108,433,514</u>    |
| Total liabilities and net assets         | <u>\$ 148,719,974</u> | <u>\$ 138,760,017</u> |

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | Net Assets<br>Without Donor<br>Restrictions | Net Assets<br>With Donor<br>Restrictions | Total          |
|---|---|--|----------------|
| Revenues, gains and support:  |   |  |                |
| Gifts, grants, and contributions  | \$ 2,815,709                                | \$ 14,665,575                            | \$ 17,481,284  |
| Administrative assessments  | 119,084                                     | -  | 119,084        |
| Investment income, net  | 2,905,599                                   | 6,140,552                                | 9,046,151      |
| Equity earnings on investees  | -   | 1,056,448                                | 1,056,448      |
| Other income  | 19,969                                      | -  | 19,969         |
|   |   |  |                |
| Total revenues, gains and support before<br>net assets released from restrictions | 5,860,361                                   | 21,862,575                               | 27,722,936     |
| Net assets released from restrictions   | 17,654,142                                  | (17,654,142)                             | -              |
|   |   |  |                |
| Total revenue, gains and support after<br>net assets released from restrictions   | 23,514,503                                  | 4,208,433                                | 27,722,936     |
|   |   |  |                |
| Costs and expenses:   |   |  |                |
| Program services  | 18,680,571                                  | -  | 18,680,571     |
| Management and general  | 1,498,248                                   | -  | 1,498,248      |
| Fundraising   | 594,970                                     | -  | 594,970        |
| Tax provision:  |   |  |                |
| Current   | 173,372                                     | -  | 173,372        |
| Deferred  | 207,732                                     | -  | 207,732        |
|   |   |  |                |
| Total costs and expenses  | 21,154,893                                  | -  | 21,154,893     |
|   |   |  |                |
| Change in net assets  | 2,359,610                                   | 4,208,433                                | 6,568,043      |
|   |   |  |                |
| Net assets, beginning of year   | 22,734,917                                  | 85,698,597                               | 108,433,514    |
|   |   |  |                |
| Net assets, end of year   | \$ 25,094,527                               | \$ 89,907,030                            | \$ 115,001,557 |

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

|   | Net Assets<br>Without Donor<br>Restrictions | Net Assets<br>With Donor<br>Restrictions | Total                        |
|---|---|--|------------------------------|
| Revenues, gains and support:  |   |  |                              |
| Gifts, grants, and contributions  | \$ 10,002,777                               | \$ 25,828,853                            | \$ 35,831,630                |
| Administrative assessments  | 83,806                                      | -  | 83,806                       |
| Investment income (loss), net   | 1,350,665                                   | 5,016,918                                | 6,367,583                    |
| Equity earnings on investees  | -   | 1,030,212                                | 1,030,212                    |
| Other income  | <u>457</u>                                  | <u>49,063</u>                            | <u>49,520</u>                |
| <br>Total revenues, gains and support before<br>net assets released from restrictions | <br>11,437,705                              | <br>31,925,046                           | <br>43,362,751               |
| Net assets released from restrictions   | <u>16,412,882</u>                           | <u>(16,412,882)</u>                      | <u>-</u>                     |
| <br>Total revenues, gains and support after<br>net assets released from restrictions  | <br><u>27,850,587</u>                       | <br><u>15,512,164</u>                    | <br><u>43,362,751</u>        |
| Costs and expenses:   |   |  |                              |
| Program services  | 17,858,189                                  | -  | 17,858,189                   |
| Management and general  | 1,180,750                                   | -  | 1,180,750                    |
| Fundraising   | 525,677                                     | -  | 525,677                      |
| Tax provision:  |   |  |                              |
| Current   | 200,428                                     | -  | 200,428                      |
| Deferred  | <u>200,203</u>                              | <u>-</u>                                 | <u>200,203</u>               |
| <br>Total costs and expenses  | <br><u>19,965,247</u>                       | <br><u>-</u>                             | <br><u>19,965,247</u>        |
| Change in net assets  | 7,885,340                                   | 15,512,164                               | 23,397,504                   |
| Net assets, beginning of year   | <u>14,849,577</u>                           | <u>70,186,433</u>                        | <u>85,036,010</u>            |
| Net assets, end of year   | <u><u>\$ 22,734,917</u></u>                 | <u><u>\$ 85,698,597</u></u>              | <u><u>\$ 108,433,514</u></u> |

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|   |                      | Supporting Services       |                   |                      |
|---|----------------------|---------------------------|-------------------|----------------------|
|   | Program<br>Services  | Management<br>and General | Fundraising       | Total<br>Expenses    |
| Salaries  | \$ 704,213           | \$ 774,623                | \$ 331,468        | \$ 1,810,304         |
| Payroll taxes and benefits                                    | 121,441              | 163,585                   | 57,188            | 342,214              |
| Worker's compensation   | 4,617                | 6,220                     | 2,175             | 13,012               |
| Total personnel costs   | 830,271              | 944,428                   | 390,831           | 2,165,530            |
| Bad debt reserve (recoveries)                                 | -                    | -                         | -                 | -                    |
| Board/donor development training/coaching                     | 6,682                | 148                       | 241               | 7,071                |
| Depreciation  | 12,347               | 16,633                    | 5,815             | 34,795               |
| Education and training  | 15,493               | 5,589                     | 2,389             | 23,471               |
| Fees and memberships  | 32,261               | 14,290                    | 6,129             | 52,680               |
| Insurance   | 22,950               | 21,357                    | 9,130             | 53,437               |
| Interest  | 221                  | -                         | -                 | 221                  |
| Marketing and advertising                                     | 415,141              | 11,647                    | 4,979             | 431,767              |
| Meetings, luncheons, dinners                                  | 24,273               | 2,460                     | 1,159             | 27,892               |
| Office supplies and expenses                                  | 11,198               | 15,083                    | 5,273             | 31,554               |
| Other   | 14,524               | 7,886                     | 1,588             | 23,998               |
| Printing  | 4,920                | 6,628                     | 2,317             | 13,865               |
| Professional fees   | 78,205               | 74,002                    | 31,666            | 183,873              |
| Receptions and other events                                   | 25,656               | -                         | 90,353            | 116,009              |
| Rent and related  | 335,902              | 92,453                    | 39,522            | 467,877              |
| Taxes and licenses  | -                    | 276,215                   | -                 | 276,215              |
| Telephone and internet  | 5,322                | 7,168                     | 2,506             | 14,996               |
| Travel and auto   | 10,833               | 2,261                     | 1,072             | 14,166               |
| Total costs and expenses                                      | 1,015,928            | 553,820                   | 204,139           | 1,773,887            |
| Total costs and expenses before<br>gifts, grants and programs | 1,846,199            | 1,498,248                 | 594,970           | 3,939,417            |
| Gifts, grants and programs                                    | 16,834,372           | -                         | -                 | 16,834,372           |
| Total costs and expenses after<br>gifts, grants and programs  | <u>\$ 18,680,571</u> | <u>\$ 1,498,248</u>       | <u>\$ 594,970</u> | <u>\$ 20,773,789</u> |

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.



**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

|  |                          | Supporting Services       |                       |                          |
|--|--------------------------|---------------------------|-----------------------|--------------------------|
|  | Program<br>Services      | Management<br>and General | Fundraising           | Total<br>Expenses        |
| Salaries   | \$ 556,603               | \$ 749,764                | \$ 262,111            | \$ 1,568,478             |
| Payroll taxes and benefits   | 102,734                  | 143,365                   | 50,119                | 296,218                  |
| Worker's compensation  | 3,421                    | 4,608                     | 1,611                 | 9,640                    |
| <br>Total personnel costs  | <br>662,758              | <br>897,737               | <br>313,841           | <br>1,874,336            |
| <br>Board/staff development training/coaching                            | <br>-                    | <br>148                   | <br>241               | <br>389                  |
| Depreciation   | 11,023                   | 13,990                    | 10,996                | 36,009                   |
| Education and training   | 18,343                   | 5,589                     | 2,389                 | 26,321                   |
| Fees and memberships   | 13,018                   | 14,290                    | 6,129                 | 33,437                   |
| Insurance  | 25,730                   | 21,357                    | 9,130                 | 56,217                   |
| Interest   | 8,143                    | -                         | -                     | 8,143                    |
| Marketing and advertising  | 126,472                  | 11,647                    | 4,979                 | 143,098                  |
| Meetings/luncheons/dinners   | 5,212                    | 2,460                     | 1,159                 | 8,831                    |
| Office supplies and expense  | 35,191                   | 16,728                    | 7,148                 | 59,067                   |
| Other  | 11,799                   | 11,007                    | 8,599                 | 31,405                   |
| Printing   | 4,163                    | 5,607                     | 1,960                 | 11,730                   |
| Professional fees  | 56,398                   | 59,493                    | 25,431                | 141,322                  |
| Receptions and other events  | 61,711                   | -                         | 90,353                | 152,064                  |
| Rent and related   | 305,554                  | 92,453                    | 39,522                | 437,529                  |
| Taxes and licenses   | -                        | 19,601                    | -                     | 19,601                   |
| Telephone and internet   | 5,030                    | 6,382                     | 2,728                 | 14,140                   |
| Travel and auto  | 2,902                    | 2,261                     | 1,072                 | 6,235                    |
| <br>Total costs and expenses   | <br>690,689              | <br>283,013               | <br>211,836           | <br>1,185,538            |
| <br>Total costs and expenses before<br>before gifts, grants and programs | <br>1,353,447            | <br>1,180,750             | <br>525,677           | <br>3,059,874            |
| <br>Gifts, grants and programs   | <br>16,504,742           | <br>-                     | <br>-                 | <br>16,504,742           |
| <br>Total costs and expenses after<br>gifts, grants and programs         | <br><u>\$ 17,858,189</u> | <br><u>\$ 1,180,750</u>   | <br><u>\$ 525,677</u> | <br><u>\$ 19,564,616</u> |

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
DECEMBER 31, 2021 AND 2020**

|  | <u>2021</u>          | <u>2020</u>          |
|--|----------------------|----------------------|
| Cash flows from operating activities:  |                      |                      |
| Change in net assets   | \$ 6,568,043         | \$ 23,397,504        |
| Adjustments to reconcile change in net assets to<br>net cash provided by (used in) operating activities: |                      |                      |
| Depreciation   | 34,795               | 36,009               |
| Unrealized (gains) losses  | (5,351,139)          | (4,336,845)          |
| Change in equity earnings on investee  | (948,306)            | 261,729              |
| Donated securities   | (4,973,000)          | (7,710,609)          |
| Changes in operating assets and liabilities:   |                      |                      |
| Accounts and contributions receivable  | 9,378,282            | (8,495,615)          |
| Program investments  | -                    | 199,178              |
| Prepaid expenses and other assets  | 130,620              | (382,725)            |
| Accounts and grants payable  | (1,598,151)          | (1,117,808)          |
| Deferred unrelated business income tax   | 211,751              | 203,228              |
| Accrued payroll  | 15,932               | 16,658               |
| Accrued expenses and taxes payable   | 1,948,860            | 40,089               |
| Agency and trust funds   | <u>2,813,522</u>     | <u>5,479,429</u>     |
| Net cash provided by (used in) operating activities  | <u>8,231,209</u>     | <u>7,590,222</u>     |
| Cash flows provided by (used in) investing activities:   |                      |                      |
| Purchase of property and equipment   | (6,790)              | (46,395)             |
| Purchase of investment securities  | (28,728,337)         | (24,703,071)         |
| Proceeds from sales of investment securities   | <u>24,017,660</u>    | <u>22,371,883</u>    |
| Net cash provided by (used in) investing activities  | <u>(4,717,467)</u>   | <u>(2,377,583)</u>   |
| Cash flows provided by (used in) financing activities:   |                      |                      |
| Principal payments on long term debt   | <u>-</u>             | <u>(1,000,000)</u>   |
| Net cash provided by (used in) financing activities  | <u>-</u>             | <u>(1,000,000)</u>   |
| Increase (decrease) in cash and cash equivalents   | 3,513,742            | 4,212,639            |
| Cash and cash equivalents, beginning of year   | <u>17,787,442</u>    | <u>13,574,803</u>    |
| Cash and cash equivalents, end of year   | <u>\$ 21,301,184</u> | <u>\$ 17,787,442</u> |
| <b>Supplemental disclosures of cash flow information:</b>  |                      |                      |
| Interest paid  | <u>\$ 221</u>        | <u>\$ 8,143</u>      |
| Income taxes paid  | <u>\$ 166,014</u>    | <u>\$ 211,720</u>    |

See Independent Auditor's Report and Notes to the Consolidated Financial Statements.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 1 – ORGANIZATION AND OPERATIONS**

**Nature of Operations**

The Central Valley Community Foundation (the Foundation) is a California non-profit corporation formed in 1966 for the purpose of improving the quality of life in the Central San Joaquin Valley. It promotes and encourages charitable giving, provides grants to qualified organizations and projects, and administers funds established by donors and others for the benefit of the community. The Foundation is primarily supported by contributions and grants from the general public and private foundations, investment earnings, and administrative fees from services as a fiscal agent and fund manager.

The Foundation administers approximately 260 separate donor funds established by businesses and individuals for various charitable purposes. Funds provided to the Foundation by such donors are administered in accordance with the terms established by the donors and/or the Foundation's Board of Directors, as appropriate. The Foundation generally assesses each fund an administration fee based on the fund's average balance.

In connection with the acquisition of a real estate property and other assets, the Foundation formed Edna Lake, LLC in 2008 and FRF Holdings, LLC in 2013 to hold title to real estate parcels and other assets. In anticipation of further acquisitions of real estate parcels and other assets, the Foundation formed CVCF Holdings, LLC in 2016. Additionally in 2016, the Foundation formed LHCF, LLC to manage, operate and maintain a public park located in Lost Hills, California. The LLC's were formed to protect the Foundation from any claims related to assets acquired. These financial statements include the account balances and financial activities of the Foundation and its wholly owned LLCs.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**New Accounting Pronouncement**

In May 2014, the FASB issued guidance (Accounting Standards Codification [ASC] 606, Revenue from Contracts with Customers) which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. ASC 606 is effective for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Foundation adopted ASC 606 with a date of the initial application of January 1, 2020.

The Foundation applied ASC 606 using the cumulative effect method, which resulted in recognizing the cumulative effect of initially applying the new guidance as an adjustment to the opening balance of retained earnings at January 1, 2020. The details of the significant changes and quantitative impact of the changes are discussed below.

As part of the adoption of ASC 606, the Foundation elected to use the following transition practical expedients: (1) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate; and (2) ASC 606 is applied only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

There were no significant changes that resulted from the adoption of ASC 606. The adoption of the new accounting policy did not have a significant impact on net income, and therefore, there was no adjustment to the opening balance of retained earnings. The Foundation does not expect the adoption of the new revenue standard to have a material impact on its net income on an ongoing basis.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Supporting Organizations**

The Foundation is the named beneficiary of at least two Supporting Organizations. One of the Supporting Organizations was funded in 2002 and the other was funded in 2010. Supporting Organizations are established by certain donors in connection with sponsoring non-profit organizations similar to the Foundation and have independent Boards of Directors.

The Lyles Foundation (LF) was established in October 2002 as a non-profit charitable trust and Supporting Organization to the Central Valley Community Foundation. The Indenture, which established the Lyles Foundation Trust, specifically states that it was organized to support the charitable activities of the Central Valley Community Foundation. Immediately following its organization and again in 2012, the Lyles Foundation Trust received donations consisting of shares of stock in privately held businesses that had an “S” election in effect for Federal and State of California income tax purposes. Future sales of the donated stock by the Lyles Foundation Trust as well as its share of the private company’s annual earnings give rise to an Unrelated Business Income Tax (“UBIT”). For this reason, the value of the donations for financial reporting purposes has been adjusted to reflect any estimated deferred tax liability. Any UBIT incurred is paid directly by the Lyles Foundation Trust. The value of any private company stock is determined by an independent business valuation expert upon donation and annually thereafter. As a Type I Supporting Organization, the Board of Directors comprises three directors elected by the Foundation and two members elected by the LF.

The Silkwood Family Foundation (SFF) was established in 1999 as a non-profit charitable trust and Type III Supporting Organization to the Central Valley Community Foundation for their various community services and programs. As a Type III Supporting Organization, the Board of Directors comprises two directors elected by the Foundation, two directors elected by SFF, and one jointly elected by the four directors. This supporting organization was initially funded during 2010.

The Central Valley Foundation (CVF) was established in 1993 as a non-profit charitable trust and a Type I Supporting Organization to the Central Valley Community Foundation and the Sacramento Region Community Foundation. As a Type I Supporting Organization, the Board of Directors shall not be less than three nor more than eleven and must comprise of a simple majority of directors appointed by the supported organizations. As the Foundation does not have control over this Supporting Organization, the activities of the Central Valley Foundation are not consolidated with the Foundation.

**Classification of Net Assets**

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the Board of Directors.

Certain net assets without donor restrictions have been specifically designated by the Board of Directors to be separately maintained for various projects and operating funds. Such funds are identified as Board Designated Net Assets.

*Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by 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.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

See Independent Auditor’s Report.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Principles of Consolidation**

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include accounts of the Lyles Foundation and Silkwood Family Foundation. All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of various demand and interest-bearing accounts on deposit with insured financial and brokerage institutions. The Foundation considers all investments with an original maturity of three months or less to be cash equivalents.

**Fair Value of Certain Financial Instruments**

The Foundation considers its cash and cash equivalents, assessment fees, receivables, prepaid expenses and other assets, accounts payable, and accrued expenses to be short-term in nature, and therefore their fair values approximate their carrying values. The carrying amount of grants payable approximates fair value because such liabilities are recorded at estimated net present value based on anticipated future cash flows.

**Investment Securities**

The Foundation maintains master trust and brokerage accounts for the investment of Agency and Trust Funds and certain of its Net Assets. All of the Foundation's investment securities are available for sale. Investment income and expenses, including realized and unrealized gains and losses, are generally allocated to the various maintained funds based on their relative fair values. Investment income, including unrealized gains and losses, interest, dividends and related items are recognized in the Consolidated Statement of Activities or Agency and Trust Funds Liability, as appropriate, as they occur. The Foundation's investment managers or advisors estimate such investments at their fair values based on quoted closing brokerage prices or other factors.

**Land and Real Estate Held for Investment**

Land and real estate held for investment is stated at its fair value as determined by real estate sales options applicable to the land, formal real estate appraisals and/or the Foundation's real estate consultant, less any sales option deposits collected. Appreciation or declines in land value during the year are recorded as unrealized gains or losses on real estate investments in the Consolidated Statement of Activities.

**Allowance for Doubtful Accounts**

The Foundation provides an allowance for doubtful accounts based on its review of the outstanding receivables and Program Related Investments. In considering the allowance account reserve, the Foundation evaluates certain factors including the organization and borrower's ability to pay, their financial condition, loan collateralized assets and others. Recoveries of accounts and programs previously written-off or changes in allowance estimates are recognized as income when received or recorded.

**Reclassification**

Certain reclassifications were made to the 2020 financial statements in order to conform to the presentation shown. These reclassifications had no effect on the Foundation's net assets at December 31, 2020.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Property and Equipment**

Property and equipment are stated at cost or, if donated, at the fair value at the date of donation. All assets acquired by the Foundation whose initial value or cost exceeds \$1,000 are capitalized and depreciated. Routine repairs and maintenance, including planned major maintenance activities, are expensed when incurred. Depreciation and amortization are recorded using the straight-line method over estimated useful lives of 3 to 10 years.

**Agency and Trust Funds**

The Foundation also serves as a fiscal agent/sponsor for third party donors that conduct various community programs. As a fiscal agent/sponsor, the Foundation has received funds with donor-imposed restrictions for which it does not have either 1) a unilateral right to redirect the funds to other uses (variance power) or 2) significant involvement in the determination of specific beneficiaries. Such funds are not considered contributions and are recorded as Agency and Trust Fund liabilities. Changes in the Agency and Trust Fund liabilities are reported separately and are not included in the Foundation's Consolidated Statement of Activities.

**Revenue and Revenue Recognition**

The Foundation recognizes contributions when cash, securities, or other assets; unconditional promise to give; or a notification of a beneficial interest is received. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions and a net asset released from restriction if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

A portion of the Foundation's revenue is obtained through the assessment of administrative fees. The Foundation assesses fees to cover the cost of administration and to continue its important work in the community. Fees deducted from fund balances provide the necessary resources to operate efficiently and effectively, ensuring fiscal responsibility in grant due diligence, donor and nonprofit education, investment management, research, and other activities. Total fees per fund are determined by the fund type and the choice of investment vehicle. Each fund pays a fund management fee plus an investment management fee. These fees are recognized at a point in time.

**Endowment Investment and Spending Policies**

The Foundation has adopted investment and spending policies for endowment assets (net assets with donor restrictions) that attempt to provide a predictable stream of funding to programs supported by endowments while seeking to maintain the purchasing power of the endowments' assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes the projected return objective through diversification of asset classes. The portfolio is designed to generate real rates of return in excess of inflation with regard to an appropriate balance of risk and reward for long-term capital growth.

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 income (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.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Endowment Investment and Spending Policies** (Continued)

The spending policy calculates the amount of money annually distributable from the Foundation's various endowed funds for grants and administration. At December 31, 2021 and 2020, the spending policy seeks to distribute an amount equal to 4.5% of the fund balance, calculated over a 16-quarter average. Accordingly, over the long term, the Foundation expects its current spending policy to allow its endowment assets to grow at an average rate of approximately 1% 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 returns.

**Method of Accounting for the Lyles Foundation (Supporting Organization)**

The Lyles Foundation has significant investments in a number of limited partnerships. These individual limited partnerships generally encounter delays in completing their accounting and reporting their annual valuations to Lyles Foundation. In prior years, the completion of the Foundation's financial statements has been delayed as a result of the delay in receiving the Lyles Foundation accounting. In order to expedite the preparation of the Foundation's financial statements, the Foundation has decided not to wait for the completion of the Lyles Foundation 2021 accounting and instead report the 2020 and 2019 Lyles Foundation balances. The net asset value of Lyles Foundation for the year ended December 31, 2020 increased by \$644,869. The net asset value of the Lyles Foundation for the year ended December 31, 2019 increased by \$2,491,859. The ultimate change in value, if any, for the Lyles Foundation's activities for the year ended December 31, 2021 will be reflected in the Foundation's consolidated financial statements for the year ending December 31, 2022. This policy is being applied consistently in current and future years and will allow the Foundation to prepare its consolidated financial statements in a timely manner.

**Donated In-Kind Assets and Services**

Donated in-kind assets are recognized as contributions if they have ascertainable fair values and are able to be realized in cash or other liquid assets. Donated services are recognized as contributions if they 1) significantly enhance non-financial assets or 2) involve a service that would otherwise have been purchased and whose values can be objectively measured. The Foundation received donated investment securities of approximately \$4,973,000 and \$7,710,000 for the years ended December 31, 2021 and 2020, respectively. The Foundation received approximately \$5,400 and \$3,500 in donated services during the years ended December 31, 2021 and 2020, respectively.

**Marketing and Advertising**

The Foundation expenses all marketing and advertising costs as incurred. Total marketing and advertising costs for the years ended December 31, 2021 and 2020 were \$431,767 and \$143,098, respectively.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results will differ from those estimates.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Functional Classification of Expenses**

The costs of providing the Foundation's various charitable and general services have been summarized on a functional basis in the Consolidated Schedule of Functional Expenses. Accordingly, direct and indirect expenses have been allocated to program services or other activities based on their specific identification or the personnel resources utilized in the function. Supporting services consist principally of general, administrative and management costs not directly allocable to Program Services or Fundraising activities.

The expenses that are allocated include the following:

| <u>Expenses</u>              | <u>Method of Allocation</u> |
|------------------------------|-----------------------------|
| Salaries                     | Time and effort             |
| Payroll taxes and benefits   | Time and effort             |
| Workmen's compensation       | Time and effort             |
| Accounting and legal fees    | Time and effort             |
| Depreciation                 | Time and effort             |
| Education and training       | Time and effort             |
| Fees and memberships         | Time and effort             |
| Insurance                    | Time and effort             |
| Marketing and advertising    | Time and effort             |
| Meetings, luncheons, dinners | Time and effort             |
| Office supplies              | Time and effort             |
| Printing                     | Time and effort             |
| Rent and related             | Time and effort             |
| Telephone and internet       | Time and effort             |
| Travel and auto              | Time and effort             |

**Tax Exempt Status**

The Foundation and its Supporting Organizations have qualified as non-profit organizations and have been granted tax-exempt status pursuant to Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). The Foundation's LLCs are subject to the State of California's minimum tax for each entity.

Generally accepted accounting principles provides accounting and disclosures guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Foundation, Supporting Organizations and LLC's returns are subject to examination by federal and state taxing authorities, generally for three years and four years, respectively, after they are filed.



**CENTRAL VALLEY COMMUNITY FOUNDATION  
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**NOTE 3 – AVAILABILITY AND LIQUIDITY**

Financial assets available for general expenditure within one year of the Statement of Financial Position date, consist of the following:

|   | <u>2021</u>          | <u>2020</u>          |
|---|----------------------|----------------------|
| Cash in bank  | \$ 21,301,184        | \$ 17,787,442        |
| Grants and other receivables  | 1,458,071            | 11,047,862           |
| Investments   | <u>89,404,054</u>    | <u>74,940,422</u>    |
| Total financial assets  | 112,163,309          | 103,775,726          |
| Less amounts not available to be used within one year:                  |                      |                      |
| Board-designated with liquidity horizons greater than one year          | (1,968,078)          | (1,800,320)          |
| Donor-restricted with liquidity horizons greater than one year          | <u>(77,038,867)</u>  | <u>(73,103,084)</u>  |
| Financial assets not available to be used within one year               | <u>(79,006,945)</u>  | <u>(74,903,404)</u>  |
| Financial assets available to meet general expenditures within one year | <u>\$ 33,156,364</u> | <u>\$ 28,872,322</u> |

The Foundation has certain board-designated and donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above for financial assets to meet general expenditures within one year. However, the board-designated amounts could be made available, if necessary. The Foundation also has other assets limited to use for donor-restricted purposes.

As part of the Foundation's liquidity management plan, cash in excess of daily requirements are invested in short-term investments and money market funds. Funds that have been Board designated may be undersigned by the Board for alternative use to meet any unexpected liquidity needs.

**NOTE 4 – PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following at December 31:

|  | <u>2021</u>       | <u>2020</u>       |
|--|-------------------|-------------------|
| Furniture, fixtures and office equipment | \$ 199,244        | \$ 192,454        |
| Leasehold improvements                   | 91,399            | 91,399            |
| Software                                 | 116,764           | 116,764           |
| Less accumulated depreciation            | <u>(279,506)</u>  | <u>(244,711)</u>  |
| Total property and equipment, net        | <u>\$ 127,901</u> | <u>\$ 155,906</u> |

Depreciation expense for the years ended December 31, 2021 and 2020 was \$34,795 and \$36,009 respectively.

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**NOTE 5 – INVESTMENT SECURITIES**

Investment securities consist of the following at December 31:

|                          | Fair Value           |                      |
|--------------------------|----------------------|----------------------|
|                          | 2021                 | 2020                 |
| Equities                 | \$ 47,882,302        | \$ 37,234,036        |
| Fixed income             | 30,096,133           | 25,301,158           |
| Mutual funds             | 241,029              | 2,657,117            |
| Exchange traded products | -                    | 517,705              |
| Alternative investments  | 11,184,590           | 9,230,406            |
| Total investments        | <u>\$ 89,404,054</u> | <u>\$ 74,940,422</u> |

At December 31, 2021 and 2020, approximately \$85,015,000 and \$74,477,000, respectively, of the Foundation's funds were held in custodial accounts at SEI Private Trust Company. These custodial accounts are managed by SEI Investments ("SEI"), an independent investment management and advisory firm. The investment securities and cash and cash equivalents are invested primarily in SEI sponsored mutual funds and investment pools. At December 31, 2021 approximately 54%, 33%, and 13% of the Foundation's total investment securities at SEI were invested in SEI Large & Small "Cap" Funds, Core Fixed Income Funds, and Alternate Investment Funds, respectively. At December 31, 2020 approximately 53%, 33%, and 14% of the Foundation's total investment securities at SEI were invested in SEI Large & Small "Cap" Funds, Core Fixed Income Funds, and Alternate Investment Funds, respectively.

SEI manages the Foundation's funds in accordance with an Investment Policy established by the Foundation's Investment Committee and approved by its Board of Directors after considering the Foundation's needs for near-term financial resources, appropriate asset allocations and diversification. SEI's parent company, SEIC, and its subsidiaries maintain in full force and effect a comprehensive property/casualty insurance program that extends to all its subsidiaries and is underwritten by reputable insurers having an A.M. Best rating of A- or higher. The corresponding limits of coverage are in-line with peers and at levels SEIC management deems reasonable given the company's financial standing and its insurable risks. As a publicly held company, detailed information regarding SEIC's corporate insurance program is deemed proprietary and confidential, and is evidenced to third parties per terms specified by written agreement (i.e., client's written and fully executed SEI service agreement) that imposes conditions of confidentiality over the release of such information.

At December 31, 2021 and 2020, approximately \$129,800 and \$232,000 of the Foundation's funds, including approximately \$1,100 and \$4,100, respectively, of the Foundation's cash and cash equivalents, were held by First Republic Securities Company LLC., an independent investment management and advisory firm.

At December 31, 2021 and 2020, approximately \$5,700,000 and \$7,080,000, respectively, of the Lyles Foundation's funds, including approximately \$1,798,000 and \$1,888,000, respectively, of the Lyles Foundation's cash and cash equivalents, were also held by First Republic. The funds with First Republic are covered by a combination of insurance provided by FDIC, SIPC and private insurance provided by First Republic.

The Foundation also maintains cash balances in various accounts with other financial institutions. At December 31, 2021 and 2020, cash in the amounts of approximately \$23,264,000 and \$10,017,000, respectively, were in excess of insurance provided by the FDIC.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
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**NOTE 5 – INVESTMENT SECURITIES** (Continued)

The Foundation's investment earnings from investment securities activities during year ended December 31 were as follows:

|                              | 2021                | 2020                |
|------------------------------|---------------------|---------------------|
| Interest and dividends       | \$ 3,559,218        | \$ 2,040,498        |
| Unrealized gains (losses)    | 4,779,955           | 4,336,845           |
| Realized gains               | 998,174             | 211,478             |
| Investment fees              | (291,196)           | (221,238)           |
|                              | <u>\$ 9,046,151</u> | <u>\$ 6,367,583</u> |
| Total investment income, net | <u>\$ 9,046,151</u> | <u>\$ 6,367,583</u> |

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the levels of risk associated with certain investment securities, it is reasonably possible that changes, either increases or decreases, in the values of investment securities will occur in the near term and those changes could materially affect the Foundation's account balances and amounts reported in the Consolidated Statement of Activities.

**NOTE 6 – INVESTMENTS IN OTHER ENTITIES**

The Lyles Foundation has significant investments in other entities that are accounted for under the equity method of accounting. Under the equity method of accounting, an investor accounts for the ownership interest in another entity initially at cost and that value is periodically adjusted to reflect the changes in value due to the investor's ownership share in the entity's income or losses. The primary criteria in determining whether the equity method of accounting should be used is whether an investor is deemed to have the ability to significantly influence the investee's operating and financial policies, and is not solely based on the ownership percentage.

The Lyles Foundation's investments in other entities are as follows for the years ended December 31 (see Note 2— Method of Accounting for the Lyles Foundation):

|                                     | 2021                  |                      | 2020                  |                      |
|-------------------------------------|-----------------------|----------------------|-----------------------|----------------------|
|                                     | Ownership<br>Interest | Carrying<br>Value    | Ownership<br>Interest | Carrying<br>Value    |
| Lyles Diversified, Inc.             | 6.27%                 | \$ 23,889,934        | 6.28%                 | \$ 22,824,780        |
| Lyles Investments, LLC              | 2.89%                 | 5,619,291            | 2.58%                 | 3,997,963            |
| Lyles United, LLC                   | 1.11%                 | 3,962,111            | 1.26%                 | 5,699,639            |
| Pelco Sales, Inc. Liquidating Trust | 2.07%                 | 8,044                | 2.07%                 | 8,692                |
| Total investments in other entities |                       | <u>\$ 33,479,380</u> |                       | <u>\$ 32,531,074</u> |

The Lyles Foundation has the ability to significantly influence the activities of the investees as the Lyles Foundation has certain Board of Director representatives that serve as the investees' management and participate in the investees' policy-making processes.

**NOTE 7 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable comprises amounts due from grantors for the implementation of various community programs activities and services. The Foundation generally has discretion as to how funds are disbursed and expended for such programs and services. Grants are generally made by the Grantor in various annual progress installments, based upon contractual agreements. Grant progress payments are dependent upon approval by the Grantor of project or program progress reports.

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**NOTE 7 – CONTRIBUTIONS RECEIVABLE** (Continued)

The Foundation's contributions receivable consists of the following at December 31:

|                                     | 2021         | 2020          |
|-------------------------------------|--------------|---------------|
| Resnick Foundation                  | \$ 650,000   | \$ -          |
| Kresge Foundation                   | 500,000      | -             |
| Central Valley Opportunity Fund     | 300,000      | 450,000       |
| Bill and Melinda Gates Foundation   | -            | 94,134        |
| James Irvine Foundation             | -            | 10,004,667    |
| Silicon Valley Community Foundation | -            | 150,000       |
| College Futures Foundation          | -            | 125,000       |
|                                     | <hr/>        | <hr/>         |
| Total contributions receivable      | \$ 1,450,000 | \$ 10,823,801 |

Contributions receivable at December 31, 2021 represent unconditional promises to give to the Foundation that remain uncollected at year-end and are expected to be collected as follows:

|                      |              |
|----------------------|--------------|
| Less than one year   | \$ 1,450,000 |
| Two to five years    | -            |
| More than five years | <hr/> -      |
|                      | <hr/>        |
| Total                | \$ 1,450,000 |

**NOTE 8 – LAND AND REAL ESTATE HELD FOR INVESTMENT**

The Foundation owns two commercial land properties that were donated in the prior years. The fair value of the Foundation's Land and Real Estate Held for Investment was \$2,478,000 and \$1,906,816 at December 31, 2021 and 2020, respectively. Increases or decreases in the fair value of the land parcels are recognized in the Consolidated Statement of Activities as gains or losses on real estate investments in accordance with the Foundation's policies.

**NOTE 9 – PROGRAM RELATED INVESTMENT AND NOTE PAYABLE**

The Foundation implemented a program which provides financing to Valley Small Business Development Corporation (VSBDC) to make micro loans to small businesses and farmers in the San Joaquin Valley community. The Foundation obtained financing from Wells Fargo Bank for an amount up to \$1,000,000, with interest-only payments made on the outstanding balance at an annual interest rate of 2%. Interest-only payments are due quarterly, and the principal balance is payable on the maturity date in February 2021. The note due to Wells Fargo Bank is unsecured. The loan was paid in full during the year ended December 31, 2020. Interest expense related to the loan for the year ended December 31, 2020 was \$8,143.

The funds received from the Wells Fargo Bank loan to the Foundation were re-loaned to VSBDC. Funds advanced to VSBDC bear interest at 3% annually. Funding of the loan by the Foundation to VSBDC was used to finance small businesses and farmers based on certain lending criteria that would not otherwise be available in traditional bank financing. Financing of the loans by the VSBDC to the borrower bears interest at various rates based on the borrower's credit worthiness and other factors. The loan was paid in full by VSBDC during the year ended December 31, 2020. Interest income was \$5,551 for the year ended December 31, 2020.

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**NOTE 10 – CHARITABLE REMAINDER AND OTHER TRUSTS**

The Foundation is named as a remainder beneficiary of several charitable remainder and other trusts administered by other trustees. The balances in the trusts, and the income thereon, are available in various amounts to the life beneficiaries. In several cases, the donors have the right to change the beneficiary prior to their demise. Any balances remaining in the trusts upon the demise of the life beneficiaries may be distributed to the Foundation and/or other named beneficiaries. Amounts ultimately available to the Foundation from these trusts are dependent upon future events and cannot reasonably be determined. Such amounts are recognized as donations when the donor's conditions are met and/or when received by the Foundation.

**NOTE 11 – LEASE COMMITMENTS**

During April 2015, the Foundation entered into a new lease agreement for a period of 124 months in another building which commenced August 2015. The Foundation or lessor has the option to terminate the lease on the last day of the 64<sup>th</sup> full calendar month under certain conditions. Terms of the agreement provides for the Foundation to make monthly rental payments of \$17,093 (base rent and other costs related to common area maintenance of the facilities) commencing December 2015 through November 2025. In December 2021, the Foundation signed a fourth addendum to the lease agreement to terminate the lease on or before May 1, 2022. In consideration for changing the end date of the lease, the Foundation incurred a lease cancellation fee of \$250,000. This fee was paid in January 2022. Rent and related expense for the years ended December 31, 2021 and 2020 was \$220,039 and \$202,848, respectively.

The Foundation leases a copier under an operating lease agreement with base monthly lease payments of \$757, plus applicable taxes and usage fees through September 2024. The aggregate future commitment remaining on the lease is as follows: \$9,806 for each year 2022 to 2023 and \$7,355 for 2024. Total office expense related to the lease was \$11,085 and \$9,452 for the years ended December 31, 2021 and 2020, respectively.

**NOTE 12 – GRANTS AND PLEDGES PAYABLE**

Grants and pledges payable, net of discount, at December 31, 2021, consist of approved grant and pledge commitments that are expected to be paid during the following year-ends:

|                                       | Grants<br>Payable   | Pledges<br>Payable  |
|---------------------------------------|---------------------|---------------------|
| 2022                                  | \$ 2,809,587        | \$ 735,000          |
| 2023                                  | 41,000              | 1,000,000           |
| 2024                                  | 14,375              | 1,000,000           |
| 2025                                  | 3,750               | 1,000,000           |
| 2026 and thereafter                   | -                   | 2,000,000           |
|                                       | 2,868,712           | 5,735,000           |
| Less discount                         | -                   | (435,877)           |
|                                       | <u>\$ 2,868,712</u> | <u>\$ 5,299,123</u> |
| Total grants and pledges payable, net | <u>\$ 2,868,712</u> | <u>\$ 5,299,123</u> |

The pledges have been discounted to net present value using a 3.0% discount rate determined during the year of origination of the initial pledge.

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**NOTE 13 – AGENCY AND TRUST FUND LIABILITY**

The Foundation's Agency and Trust Fund Liability activities consist of the following at December 31:

|   | <u>2021</u>                     | <u>2020</u>                     |
|---|---------------------------------|---------------------------------|
| Contributions and grant income  | \$ 500,107                      | \$ 3,786,376                    |
| Investment income (expense):  |                                 |                                 |
| Interest and dividends  | 1,192,837                       | 696,280                         |
| Investment gains (losses), net  | 1,629,332                       | 1,265,145                       |
| Investment management fees  | (100,434)                       | (77,886)                        |
| Administrative assessments paid to the<br>Central Valley Community Foundation | (109,101)                       | (87,015)                        |
| Gifts and grants made   | <u>(299,219)</u>                | <u>(103,471)</u>                |
| <br>Total agency and trust fund activity                                      | <br>2,813,522                   | <br>5,479,429                   |
| <br>Agency and trust fund balance, beginning of year                          | <br><u>17,988,660</u>           | <br><u>12,509,231</u>           |
| <br>Agency and trust fund balance, end of year                                | <br><u><u>\$ 20,802,182</u></u> | <br><u><u>\$ 17,988,660</u></u> |

**NOTE 14 – FAIR VALUE MEASUREMENTS**

In accordance with generally accepted accounting principles, fair value is defined as the price that the Foundation would receive upon selling an asset or have paid to transfer a liability at the reporting date. Generally accepted accounting principles established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are those that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the asset or liability developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, and fair value is determined through the use of other valuation methodologies.

Level 3 – Valuations based on inputs that are not observable and significant to the overall fair value measurement, including the Foundation's own assumptions in determining the fair value of assets or liabilities.

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**NOTE 14 – FAIR VALUE MEASUREMENTS** (Continued)

The following is a summary of the inputs used as of December 31, 2021 in valuing the Foundation's assets carried at fair value:

| Asset Description                        | Level 1             | Level 2             | Level 3     | Total               |
|--|---------------------|---------------------|-------------|---------------------|
| Investment securities:                   |                     |                     |             |                     |
| Equities                                 | \$47,882,302        | \$ -                | \$ -        | \$47,882,302        |
| Fixed income                             | 30,096,133          | -                   | -           | 30,096,133          |
| Mutual funds                             | 241,029             | -                   | -           | 241,029             |
| Alternative investments                  | 11,184,590          | -                   | -           | 11,184,590          |
| Land and real estate held for investment | -                   | 2,478,000           | -           | 2,478,000           |
| Assets measured at fair value            | <u>\$89,404,054</u> | <u>\$ 2,478,000</u> | <u>\$ -</u> | <u>\$91,882,054</u> |

The following is a summary of the inputs used as of December 31, 2020 in valuing the Foundation's assets carried at fair value:

| Asset Description                        | Level 1             | Level 2             | Level 3     | Total               |
|--|---------------------|---------------------|-------------|---------------------|
| Investment securities:                   |                     |                     |             |                     |
| Equities                                 | \$37,234,036        | \$ -                | \$ -        | \$37,234,036        |
| Fixed income                             | 25,301,158          | -                   | -           | 25,301,158          |
| Mutual funds                             | 2,657,117           | -                   | -           | 2,657,117           |
| Exchange Traded products                 | 517,705             | -                   | -           | 517,705             |
| Alternative investments                  | 9,230,406           | -                   | -           | 9,230,406           |
| Land and real estate held for investment | -                   | 1,906,816           | -           | 1,906,816           |
| Assets measured at fair value            | <u>\$74,940,422</u> | <u>\$ 1,906,816</u> | <u>\$ -</u> | <u>\$76,847,238</u> |

The following methods and assumptions were used by the Foundation in estimating the fair value of other financial instruments:

*Investment Securities* – All of the Foundation's Investment Securities are available for sale, and are stated at their fair value based on quoted closing prices.

*Program Related Investments* – The fair value of Program Related Investments approximates its carrying value, net of considerations for uncollectible accounts.

*Land Held for Investment* – The fair value of land is generally determined by independent real estate appraisals, as updated for changes in market conditions.

**NOTE 15 – RETIREMENT PLAN**

The Foundation maintains an Internal Revenue Code Section 403(b) plan (the Plan) for eligible employees administered by the American Funds Service Company. An employee becomes eligible to participate on the date of hire. The Plan provides for the Foundation to make discretionary and/or matching contributions of up to 5% of the deferring employee's salary after completion of 30 days of service. The Foundation's matching contributions for the years ended December 31, 2021 and 2020 was \$64,634 and \$52,904, respectively.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS**

**Interpretation of Relevant Law**

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the Foundation to classify as endowments (included with Net Assets with Donor Restrictions), the fair value of the original gift as of the gift date and the original value of subsequent gifts, including any accumulations to the donor-restricted endowments made in accordance with the applicable gift instruments. Accumulated earnings above or deficits below the original gift values in each endowment fund are reported as an increase or decrease to each fund within Net Assets with Donor Restrictions.

**Variance Power**

The Foundation's fund agreements generally provide the Foundation with variance power. Variance power grants the Foundation's governing board the power to modify certain restrictions or conditions on the distribution of funds for any specified charitable purpose or purposes, or to a specified charitable organization or organizations, if such restrictions or conditions become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served.

Net assets with donor restrictions consist of the following at December 31:

|   | <u>2021</u>       | <u>2020</u>       |
|---|-------------------|-------------------|
| <u>Subject to expenditure for specified programs:</u> |                   |                   |
| Arts, Culture, and Humanities                         | \$ 692,567        | \$ 535,612        |
| Civil Rights, Social Action and Advocacy              | 2,056,584         | 26,693            |
| Community Improvement and Capacity Building           | 8,896,873         | 13,196,566        |
| Education   | 4,824,848         | 3,401,119         |
| Environment   | 4,183,925         | 3,712,511         |
| Food, Agriculture and Nutrition                       | 96                | 75,000            |
| Health Care   | 6,028             | 94,805            |
| Human Services  | 3,411,101         | 3,059,803         |
| Interest in supporting organizations                  | 35,790,242        | 35,334,990        |
| Philanthropy, Voluntarism and Grantmaking Foundation  | 289,935           | 156,866           |
| Public Safety, Disaster Preparedness and Relief       | 99,009            | 77,629            |
| Recreation and Sports                                 | -                 | 63,830            |
| Youth Development                                     | <u>39,424</u>     | <u>7,585</u>      |
| Total subject to expenditure for specified programs   | <u>60,290,632</u> | <u>59,743,009</u> |

Investment in perpetuity (including amounts above original gift amounts of \$20,760,742 and \$20,548,103 for the years ended December 31, 2021 and 2020), which, once appropriated, is expendable to support:

|   |                   |                   |
|---|-------------------|-------------------|
| <u>Subject to Foundation's spending policy and appropriation:</u> |                   |                   |
| Animal Related  | 63,280            | 11,952            |
| Arts, Culture, and Humanities                                     | 258,206           | 212,296           |
| Education   | 8,113,091         | 7,386,918         |
| Environment   | 163,817           | 153,038           |
| Human Services  | 137,585           | 151,223           |
| Philanthropy, Voluntarism and Grantmaking Foundation              | 8,085,543         | 6,486,002         |
| Recreation and Sports   | 2,161,571         | 1,898,591         |
| Science and Technology  | 30,160            | 26,456            |
| Youth Development   | <u>10,603,145</u> | <u>9,629,112</u>  |
| Total subject to Foundation's spending policy and appropriation   | <u>29,616,398</u> | <u>25,955,588</u> |

|  |                      |                      |
|--|----------------------|----------------------|
| Total net assets with donor restrictions | <u>\$ 89,907,030</u> | <u>\$ 85,698,597</u> |
|--|----------------------|----------------------|

See Independent Auditor's Report.



**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS** (Continued)

The Foundation's Endowment Net Assets by Composition is as follows for the year ended December 31, 2021:

|                                   | Without Donor<br>Restrictions | With Donor Restriction |                               |                      | Total Funds as<br>of December 31,<br>2021 |
|-----------------------------------|-------------------------------|------------------------|-------------------------------|----------------------|---|
|                                   |                               | Original<br>Gift       | Accumulated<br>Gains (Losses) | Total                |   |
| Board designated endowment funds  | \$ 2,125,512                  | \$ -                   | \$ -                          | \$ -                 | \$ 2,125,512                              |
| Donor restricted endowment funds: |                               |                        |                               |                      |   |
| Underwater funds                  | -                             | 79,357                 | (4,188)                       | 75,169               | 75,169                                    |
| Other funds                       | -                             | 21,512,342             | 8,028,887                     | 29,541,229           | 29,541,229                                |
| Total endowment funds             | <u>\$ 2,125,512</u>           | <u>\$ 21,591,699</u>   | <u>\$ 8,024,699</u>           | <u>\$ 29,616,398</u> | <u>\$ 31,741,910</u>                      |

The Foundation's Endowment Net Assets by Composition is as follows for the year ended December 31, 2020:

|                                   | Without Donor<br>Restrictions | With Donor Restriction |                               |                      | Total Funds as<br>of December 31,<br>2020 |
|-----------------------------------|-------------------------------|------------------------|-------------------------------|----------------------|---|
|                                   |                               | Original<br>Gift       | Accumulated<br>Gains (Losses) | Total                |   |
| Board designated endowment funds  | \$ 1,878,920                  | \$ -                   | \$ -                          | \$ -                 | \$ 1,878,920                              |
| Donor restricted endowment funds: |                               |                        |                               |                      |   |
| Underwater funds                  | -                             | 30,779                 | (5,735)                       | 25,044               | 25,044                                    |
| Other funds                       | -                             | 20,512,824             | 5,417,720                     | 25,930,544           | 25,930,544                                |
| Total endowment funds             | <u>\$ 1,878,920</u>           | <u>\$ 20,543,603</u>   | <u>\$ 5,411,985</u>           | <u>\$ 25,955,588</u> | <u>\$ 27,834,508</u>                      |

The Foundation classifies as endowments (included with Net Assets with Donor Restrictions) funds that have both explicit restrictions by donors in their agreements prohibiting the spending of principal and endowment funds which are subject to the Foundation's spending policy, absent of specific donor restrictions on the spending of principal under the guidelines of UPMIFA.

The following represents endowment funds that have explicit donor stipulations prohibiting the spending of principal and endowment funds that do not have specific donor stipulations, however subject to the Foundation's endowment spending policies at December 31, 2021 and 2020:

|   | 2021                 | 2020                 |
|---|----------------------|----------------------|
| Endowment funds with explicit donor restrictions on expending principal | \$ 2,841,234         | \$ 4,510,592         |
| Endowment funds subject to the Foundation's spending policy             | <u>26,775,164</u>    | <u>21,444,996</u>    |
| Total endowment net assets  | <u>\$ 29,616,398</u> | <u>\$ 25,955,588</u> |

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS** (Continued)

The changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total                |
|--|-------------------------------|----------------------------|----------------------|
| Endowment net assets, December 31, 2019              | \$ 1,727,844                  | \$ 22,492,707              | \$ 24,220,551        |
| Investment return, net                               | 184,800                       | 2,636,043                  | 2,820,843            |
| Contributions and others                             | -                             | 1,576,765                  | 1,576,765            |
| Appropriation of endowment assets<br>for expenditure | (33,724)                      | (749,927)                  | (783,651)            |
| Other changes and reclassifications                  | -                             | -                          | -                    |
| Endowment net assets, December 31, 2020              | 1,878,920                     | 25,955,588                 | 27,834,508           |
| Investment return, net                               | 287,833                       | 3,818,389                  | 4,106,222            |
| Contributions and others                             | -                             | 1,258,994                  | 1,258,994            |
| Appropriation of endowment assets<br>for expenditure | (41,241)                      | (1,416,573)                | (1,457,814)          |
| Other changes and reclassifications                  | -                             | -                          | -                    |
| Endowment net assets, December 31, 2021              | <u>\$ 2,125,512</u>           | <u>\$ 29,616,398</u>       | <u>\$ 31,741,910</u> |

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in 3 donor-restricted endowment funds, which together have an original gift value of \$79,357 a current fair value of \$75,169 and a deficiency of \$4,188 as of December 31, 2021. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

The Foundation has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

**NOTE 17 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue from performance obligations satisfied at a point in time consists of the assessment of fees to cover the costs of administration of the funds. The total amount of revenue recognized from the assessment of administrative fees during the years ended December 31, 2021 and 2020 was \$119,084 and \$83,806, respectively.

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021 AND 2020**

**NOTE 18 – CONTINGENCIES**

**Financial Resources**

The ability of the Foundation to maintain its present level of operations is dependent upon the continuity of sufficient annual financial support from grantors and other funders, program support, donations from individuals and fees from its ongoing operations. Operations are also supported by distributions of funds at the discretion of the Board of Directors.

**NOTE 19 – UNCERTAINTY**

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus, COVID-19, a pandemic. Accordingly, some functions of the Foundation's operations were limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

**NOTE 20 – SUBSEQUENT EVENTS**

On December 8, 2021, the Foundation entered into a lease agreement for a period of 60 months in another facility that is undergoing renovations. The lease commenced May 1, 2022. Terms of the agreement provide for the Foundation to make monthly rental payments of \$15,000 (base rent and other costs related to common area maintenance of the facility) commencing November 2022 through April 2027. The aggregate future commitment remaining on this lease is as follows: \$30,000 for 2022, \$180,000 for each year from 2023 to 2026, and an aggregate of \$105,000 for 2027, expiring April 2027.

Management has evaluated and concluded that there were no other subsequent events that have occurred from December 31, 2021 through the date the financial statements were available to be issued at October 6, 2022 that would require disclosure or adjustment.

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## SUPPLEMENTARY INFORMATION

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021**

|  | CVCF                  | Supporting Organizations |                      | Consolidated          |
|--|-----------------------|--------------------------|----------------------|-----------------------|
|  |                       | SFF                      | LF                   | Total                 |
| <b>ASSETS</b>                            |                       |                          |                      |                       |
| Cash and cash equivalents                | \$ 15,658,663         | \$ (3,881)               | \$ 5,646,402         | \$ 21,301,184         |
| Investment securities                    | 85,220,961            | 112,744                  | 4,070,349            | 89,404,054            |
| Investments in other entities            | 7,500                 | -                        | 33,479,380           | 33,486,880            |
| Assessment fees and other receivables    | 8,071                 | -                        | -                    | 8,071                 |
| Prepaid expenses and other assets        | 463,884               | -                        | -                    | 463,884               |
| Contributions receivable                 | 1,450,000             | -                        | -                    | 1,450,000             |
| Property and equipment, net              | 127,901               | -                        | -                    | 127,901               |
| Land and real estate held for investment | 2,478,000             | -                        | -                    | 2,478,000             |
| Total assets                             | <u>\$ 105,414,980</u> | <u>\$ 108,863</u>        | <u>\$ 43,196,131</u> | <u>\$ 148,719,974</u> |
| <b>LIABILITIES</b>                       |                       |                          |                      |                       |
| Accounts payable                         | \$ 359,650            | \$ -                     | \$ (109,453)         | \$ 250,197            |
| Accrued payroll                          | 74,033                | -                        | -                    | 74,033                |
| Accrued expenses                         | 2,099,087             | -                        | -                    | 2,099,087             |
| Grants and pledges payable, net          | 2,868,712             | -                        | 5,299,123            | 8,167,835             |
| Agency and trust funds                   | 20,802,182            | -                        | -                    | 20,802,182            |
| Deferred unrelated business income tax   | -                     | -                        | 2,325,083            | 2,325,083             |
| Total liabilities                        | <u>26,203,664</u>     | <u>-</u>                 | <u>7,514,753</u>     | <u>33,718,417</u>     |
| <b>NET ASSETS</b>                        |                       |                          |                      |                       |
| Without donor restrictions               | 25,094,527            | -                        | -                    | 25,094,527            |
| With donor restrictions                  | 54,116,789            | 108,863                  | 35,681,378           | 89,907,030            |
| Total net assets                         | <u>79,211,316</u>     | <u>108,863</u>           | <u>35,681,378</u>    | <u>115,001,557</u>    |
| Total liabilities and net assets         | <u>\$ 105,414,980</u> | <u>\$ 108,863</u>        | <u>\$ 43,196,131</u> | <u>\$ 148,719,974</u> |

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020**

|  | CVCF                 | Supporting Organizations |                      | Consolidated          |
|--|----------------------|--------------------------|----------------------|-----------------------|
|  |                      | SFF                      | LF                   | Total                 |
| <b>ASSETS</b>                            |                      |                          |                      |                       |
| Cash and cash equivalents                | \$ 12,177,830        | \$ (1,136)               | \$ 5,610,748         | \$ 17,787,442         |
| Investment securities                    | 69,523,183           | 100,421                  | 5,316,818            | 74,940,422            |
| Investments in other entities            | 7,500                | -                        | 32,531,074           | 32,538,574            |
| Assessment fees and other receivables    | 12,543               | 9                        | -                    | 12,552                |
| Prepaid expenses and other assets        | 382,995              | -                        | -                    | 382,995               |
| Taxes receivable                         | -                    | -                        | 211,509              | 211,509               |
| Contributions receivable                 | 10,823,801           | -                        | -                    | 10,823,801            |
| Property and equipment, net              | 155,906              | -                        | -                    | 155,906               |
| Land and real estate held for investment | 1,906,816            | -                        | -                    | 1,906,816             |
| Total assets                             | <u>\$ 94,990,574</u> | <u>\$ 99,294</u>         | <u>\$ 43,670,149</u> | <u>\$ 138,760,017</u> |
| <b>LIABILITIES</b>                       |                      |                          |                      |                       |
| Accounts payable                         | \$ 184,389           | \$ -                     | \$ 90,839            | \$ 275,228            |
| Accrued payroll                          | 58,101               | -                        | -                    | 58,101                |
| Accrued expenses                         | 150,227              | -                        | -                    | 150,227               |
| Grants and pledges payable, net          | 3,510,672            | -                        | 6,230,283            | 9,740,955             |
| Agency and trust funds                   | 17,988,660           | -                        | -                    | 17,988,660            |
| Deferred unrelated business income tax   | -                    | -                        | 2,113,332            | 2,113,332             |
| Total liabilities                        | <u>21,892,049</u>    | <u>-</u>                 | <u>8,434,454</u>     | <u>30,326,503</u>     |
| <b>NET ASSETS</b>                        |                      |                          |                      |                       |
| Without donor restrictions               | 22,734,917           | -                        | -                    | 22,734,917            |
| With donor restrictions                  | <u>50,363,608</u>    | <u>99,294</u>            | <u>35,235,695</u>    | <u>85,698,597</u>     |
| Total net assets                         | <u>73,098,525</u>    | <u>99,294</u>            | <u>35,235,695</u>    | <u>108,433,514</u>    |
| Total liabilities and net assets         | <u>\$ 94,990,574</u> | <u>\$ 99,294</u>         | <u>\$ 43,670,149</u> | <u>\$ 138,760,017</u> |

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|  | CVCF          | SFF        | LF            | Eliminating<br>Entries | Consolidated<br>Total |
|--|---------------|------------|---------------|------------------------|-----------------------|
| Revenues, gain and support:  |               |            |               |                        |                       |
| Gifts, grants, and contributions   | \$ 13,712,869 | \$ -       | \$ 3,768,415  | \$ -                   | \$ 17,481,284         |
| Administrative assessments   | 1,190,039     | -          | -             | (1,070,955)            | 119,084               |
| Investment income (losses), net  | 8,354,358     | 12,325     | 679,468       | -                      | 9,046,151             |
| Equity earnings on investees   | -             | -          | 1,056,448     | -                      | 1,056,448             |
| Other income   | 19,969        | -          | -             | -                      | 19,969                |
| Total revenues, gain and support before<br>net assets released from restrictions | 23,277,235    | 12,325     | 5,504,331     | (1,070,955)            | 27,722,936            |
| Net assets released from restrictions  | -             | -          | -             | -                      | -                     |
| Total revenue, gain and support after<br>net assets released from restrictions   | 23,277,235    | 12,325     | 5,504,331     | (1,070,955)            | 27,722,936            |
| Costs and expenses:  |               |            |               |                        |                       |
| Program services   | 15,071,226    | 2,756      | 4,677,544     | (1,070,955)            | 18,680,571            |
| Management and general   | 1,498,248     | -          | -             | -                      | 1,498,248             |
| Fundraising  | 594,970       | -          | -             | -                      | 594,970               |
| Tax provision:   |               |            |               |                        |                       |
| Current  | -             | -          | 173,372       | -                      | 173,372               |
| Deferred   | -             | -          | 207,732       | -                      | 207,732               |
| Total costs and expenses   | 17,164,444    | 2,756      | 5,058,648     | (1,070,955)            | 21,154,893            |
| Change in net assets   | 6,112,791     | 9,569      | 445,683       | -                      | 6,568,043             |
| Net assets, beginning of year  | 73,098,525    | 99,294     | 35,235,695    | -                      | 108,433,514           |
| Net assets, end of year  | \$ 79,211,316 | \$ 108,863 | \$ 35,681,378 | \$ -                   | \$ 115,001,557        |



**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATING STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

|  | CVCF          | SFF       | LF            | Eliminating<br>Entries | Consolidated<br>Total |
|--|---------------|-----------|---------------|------------------------|-----------------------|
| Revenues, gain and support:  |               |           |               |                        |                       |
| Gifts, grants, and contributions   | \$ 33,842,308 | \$ -      | \$ 1,989,322  | \$ -                   | \$ 35,831,630         |
| Administrative assessments   | 1,103,458     | -         | -             | (1,019,652)            | 83,806                |
| Investment income (losses), net  | 4,902,812     | 12,345    | 1,452,426     | -                      | 6,367,583             |
| Equity earnings on investees   | -             | -         | 1,030,212     | -                      | 1,030,212             |
| Other income   | 48,662        | -         | 858           | -                      | 49,520                |
| Total revenues, gain and support before<br>net assets released from restrictions | 39,897,240    | 12,345    | 4,472,818     | (1,019,652)            | 43,362,751            |
| Net assets released from restrictions  | -             | -         | -             | -                      | -                     |
| Total revenue, gain and support after<br>net assets released from restrictions   | 39,897,240    | 12,345    | 4,472,818     | (1,019,652)            | 43,362,751            |
| Costs and expenses:  |               |           |               |                        |                       |
| Program services   | 17,295,897    | 1,616     | 1,580,328     | (1,019,652)            | 17,858,189            |
| Management and general   | 1,180,750     | -         | -             | -                      | 1,180,750             |
| Fundraising  | 525,677       | -         | -             | -                      | 525,677               |
| Tax provision:   |               |           |               |                        |                       |
| Current  | -             | -         | 200,428       | -                      | 200,428               |
| Deferred   | -             | -         | 200,203       | -                      | 200,203               |
| Total costs and expenses   | 19,002,324    | 1,616     | 1,980,959     | (1,019,652)            | 19,965,247            |
| Change in net assets   | 20,894,916    | 10,729    | 2,491,859     | -                      | 23,397,504            |
| Net assets, beginning of year, restated  | 52,203,609    | 88,565    | 32,743,836    | -                      | 85,036,010            |
| Net assets, end of year, restated  | \$ 73,098,525 | \$ 99,294 | \$ 35,235,695 | \$ -                   | \$ 108,433,514        |

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

|   | CVCF                 | SFF             | LF                  | Eliminating<br>Entries | Consolidated<br>Total |
|---|----------------------|-----------------|---------------------|------------------------|-----------------------|
| Salaries  | \$ 1,810,304         | \$ -            | \$ -                | \$ -                   | \$ 1,810,304          |
| Payroll taxes and benefits                                    | 342,214              | -               | -                   | -                      | 342,214               |
| Worker's compensation   | 13,012               | -               | -                   | -                      | 13,012                |
| Total personnel costs   | <u>2,165,530</u>     | <u>-</u>        | <u>-</u>            | <u>-</u>               | <u>2,165,530</u>      |
| Administrative assessments                                    | 869,686              | 2,083           | 199,186             | (1,070,955)            | -                     |
| Board/staff development training/coaching                     | 7,071                | -               | -                   | -                      | 7,071                 |
| Depreciation  | 34,795               | -               | -                   | -                      | 34,795                |
| Education and training  | 23,471               | -               | -                   | -                      | 23,471                |
| Fees and memberships  | 52,680               | -               | -                   | -                      | 52,680                |
| Insurance   | 53,437               | -               | -                   | -                      | 53,437                |
| Interest  | 221                  | -               | -                   | -                      | 221                   |
| Marketing and advertising                                     | 431,767              | -               | -                   | -                      | 431,767               |
| Meetings, luncheons, dinners                                  | 27,892               | -               | -                   | -                      | 27,892                |
| Office supplies and expenses                                  | 31,554               | -               | -                   | -                      | 31,554                |
| Other   | 23,016               | -               | 982                 | -                      | 23,998                |
| Printing  | 13,865               | -               | -                   | -                      | 13,865                |
| Professional fees   | 172,944              | 673             | 10,256              | -                      | 183,873               |
| Receptions and other events                                   | 116,009              | -               | -                   | -                      | 116,009               |
| Rent and related  | 467,877              | -               | -                   | -                      | 467,877               |
| Taxes and licenses  | 276,215              | -               | -                   | -                      | 276,215               |
| Telephone and internet  | 14,996               | -               | -                   | -                      | 14,996                |
| Travel and auto   | 14,166               | -               | -                   | -                      | 14,166                |
| Total costs and expenses                                      | <u>2,631,662</u>     | <u>2,756</u>    | <u>210,424</u>      | <u>(1,070,955)</u>     | <u>1,773,887</u>      |
| Total costs and expenses before<br>gifts, grants and programs | 4,797,192            | 2,756           | 210,424             | (1,070,955)            | 3,939,417             |
| Gifts, grants and programs                                    | <u>12,367,252</u>    | <u>-</u>        | <u>4,467,120</u>    | <u>-</u>               | <u>16,834,372</u>     |
| Total costs and expenses after<br>gifts, grants and programs  | <u>\$ 17,164,444</u> | <u>\$ 2,756</u> | <u>\$ 4,677,544</u> | <u>\$ (1,070,955)</u>  | <u>\$ 20,773,789</u>  |

**CENTRAL VALLEY COMMUNITY FOUNDATION  
AND SUPPORTING ORGANIZATIONS  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

|   | CVCF                 | SFF             | LF                  | Eliminating<br>Entries | Consolidated<br>Total |
|---|----------------------|-----------------|---------------------|------------------------|-----------------------|
| Salaries  | \$ 1,568,478         | \$ -            | \$ -                | \$ -                   | \$ 1,568,478          |
| Payroll taxes and benefits                                    | 296,218              | -               | -                   | -                      | 296,218               |
| Workmen's compensation  | <u>9,640</u>         | <u>-</u>        | <u>-</u>            | <u>-</u>               | <u>9,640</u>          |
| Total personnel costs   | <u>1,874,336</u>     | <u>-</u>        | <u>-</u>            | <u>-</u>               | <u>1,874,336</u>      |
| Administrative assessments                                    | 815,641              | 1,616           | 202,395             | (1,019,652)            | -                     |
| Board/staff development training/coaching                     | 389                  | -               | -                   | -                      | 389                   |
| Depreciation  | 36,009               | -               | -                   | -                      | 36,009                |
| Education and training  | 26,321               | -               | -                   | -                      | 26,321                |
| Fees and memberships  | 33,277               | -               | 160                 | -                      | 33,437                |
| Insurance   | 56,217               | -               | -                   | -                      | 56,217                |
| Interest  | 8,143                | -               | -                   | -                      | 8,143                 |
| Marketing and advertising                                     | 143,098              | -               | -                   | -                      | 143,098               |
| Meetings, luncheons, dinners                                  | 8,831                | -               | -                   | -                      | 8,831                 |
| Office supplies and expenses                                  | 59,041               | -               | 26                  | -                      | 59,067                |
| Other   | 31,002               | -               | 403                 | -                      | 31,405                |
| Printing  | 11,730               | -               | -                   | -                      | 11,730                |
| Professional fees   | 131,809              | -               | 9,513               | -                      | 141,322               |
| Receptions and other events                                   | 152,064              | -               | -                   | -                      | 152,064               |
| Rent and related  | 437,529              | -               | -                   | -                      | 437,529               |
| Taxes and licenses  | 19,601               | -               | -                   | -                      | 19,601                |
| Telephone and internet  | 14,140               | -               | -                   | -                      | 14,140                |
| Travel and auto   | <u>6,235</u>         | <u>-</u>        | <u>-</u>            | <u>-</u>               | <u>6,235</u>          |
| Total costs and expenses                                      | <u>1,991,077</u>     | <u>1,616</u>    | <u>212,497</u>      | <u>(1,019,652)</u>     | <u>1,185,538</u>      |
| Total costs and expenses before<br>gifts, grants and programs | 3,865,413            | 1,616           | 212,497             | (1,019,652)            | 3,059,874             |
| Gifts, grants and programs                                    | <u>15,136,911</u>    | <u>-</u>        | <u>1,367,831</u>    | <u>-</u>               | <u>16,504,742</u>     |
| Total costs and expenses after<br>gifts, grants and programs  | <u>\$ 19,002,324</u> | <u>\$ 1,616</u> | <u>\$ 1,580,328</u> | <u>\$ (1,019,652)</u>  | <u>\$ 19,564,616</u>  |