Greater Toledo Community Foundation, Inc.

Years Ended December 31, 2023 and 2022

Consolidated Financial Statements and Supplementary Consolidating Information

Rehmann

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

May 31, 2024

Board of Trustees
Greater Toledo Community Foundation, Inc.
Toledo, Ohio

Opinion

We have audited the consolidated financial statements of ***Greater Toledo Community Foundation, Inc.*** (the "Foundation"), which comprise the consolidated statements of assets, liabilities and fund balances - modified cash basis as of December 31, 2023 and 2022, and the related consolidated statements of support, revenue, expenses and changes in fund balances and functional expenses - modified cash basis for the years then ended, and the related notes to the consolidated financial statements (the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated assets, liabilities and fund balances of ***Greater Toledo Community Foundation, Inc.*** as of December 31, 2023 and 2022, and its consolidated support, revenue, expenses and changes in fund balances for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Consolidated 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Basis of Accounting

We draw attention to Note 1 of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

HLB We are an independent member of THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the consolidated financial statements in the circumstances. Management is also responsible 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.

Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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



GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidated Statements of Assets, Liabilities and Fund Balances (Modified Cash Basis)

ASSETS	December 31 2023	December 31 2022
Cash		
Demand deposits	$ 1,695,631	$ 2,086,308
Security investments, at cost		
Vanguard Total Stock Index Fund	39,364,094	39,499,895
Vanguard Total International Stock Index Fund	146,124,914	142,309,647
DFA Global Fixed Income Fund	29,082,624	29,036,320
Vanguard Total Bond Index Fund	28,313,125	28,271,995
Vanguard Short-Term Bond Index Fund	393,846	393,391
Money market funds	7,785,410	8,767,956
Exchange-traded funds	145,164	154,950
UBS Investment Partnership	1,330,491	1,495,857
Mutual and common trust funds (bank funds)	916,078	988,406
Other	1,146,213	1,216,213
Total security investments	**254,601,959**	**252,134,630**
Net property and equipment	4,555,891	4,604,223
Notes receivable (Notes 8 and 9)	9,679,592	10,002,720
Other investments		
Other investment held for sale (Note 9)	-	1,800,360
Other	559,654	580,058
Total other investments	**559,654**	**2,380,418**
Total assets	**$ 271,092,727**	**$ 271,208,299**
LIABILITIES AND FUND BALANCES		
Liabilities		
Bank revolving loan (Note 12)	**$ 416,605**	**$ 739,474**
Commitments (Notes 13 and 14)		
Fund balances		
Without donor restrictions	24,652,710	25,286,036
With donor restrictions	246,023,412	245,182,789
Total fund balances	**270,676,122**	**270,468,825**
Total liabilities and fund balances	**$ 271,092,727**	**$ 271,208,299**

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

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidated Statements of Support, Revenue, Expenses and Changes in Fund Balances (Modified Cash Basis)

	Year Ended December 31					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total All Funds	Without Donor Restrictions	With Donor Restrictions	Total All Funds
Support, revenue and gains (losses)						
Contributions received	$ 213,618	$ 14,298,903	$ 14,512,521	$ 193,737	$ 20,999,274	$ 21,193,011
Investment income, net	1,025,867	8,712,684	9,738,551	742,148	6,099,862	6,842,010
Solar array income	-	279,329	279,329	-	437,037	437,037
Administrative fee income	2,639,622	-	2,639,622	2,518,392	-	2,518,392
Non-profit resource center	31,500	-	31,500	19,077	-	19,077
Gain on extinguishment of debt (Note 1)	-	-	-	303,400	-	303,400
Interest income from notes receivable	-	433,374	433,374	-	-	-
Other	4,000	(12,446)	(8,446)	11,856	26,875	38,731
Net assets released from restriction	22,833,239	(22,833,239)	-	22,136,959	(22,136,959)	-
Total support, revenue, and gains (losses)	**26,747,846**	**878,605**	**27,626,451**	**25,925,569**	**5,426,089**	**31,351,658**
Expenses						
Program services						
Grants to charities and other non-profit institutions	21,270,717	-	21,270,717	20,704,521	-	20,704,521
Donor services	3,883,149	-	3,883,149	3,751,020	-	3,751,020
Other program	329,521	-	329,521	235,889	-	235,889
Total program services	25,483,387	-	25,483,387	24,691,430	-	24,691,430
Supporting services						
Management and general	1,842,023	-	1,842,023	1,617,230	-	1,617,230
Total expenses	**27,325,410**	**-**	**27,325,410**	**26,308,660**	**-**	**26,308,660**
Loss on sale of other investment held for sale (Note 9)	**93,744**	**-**	**93,744**	**-**	**-**	**-**
Reclassification (Note 11)	**37,982**	**(37,982)**	**-**	**-**	**-**	**-**
Net (decrease) increase in fund balance	**(633,326)**	**840,623**	**207,297**	**(383,091)**	**5,426,089**	**5,042,998**
Fund balance, beginning of year	25,286,036	245,182,789	270,468,825	25,669,127	239,756,700	265,425,827
Fund balance, end of year	**$ 24,652,710**	**$ 246,023,412**	**$ 270,676,122**	**$ 25,286,036**	**$ 245,182,789**	**$ 270,468,825**

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

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidated Statement of Functional Expenses (Modified Cash Basis)

Year Ended December 31, 2023

	Program Services			Supporting Services	
	Grants to Charities and Other Non-Profits	Donor Services	Other Program	Management and General	2023 Total Expenses
Salaries and fringe benefits					
Salaries and wages	$ 363,833	$ 352,144	$ 67,148	$ 885,201	$ 1,668,326
Employee benefits and payroll taxes	105,246	90,844	20,222	215,495	431,807
Total salaries and fringe benefits	**469,079**	**442,988**	**87,370**	**1,100,696**	**2,100,133**
Grants	20,783,556	-	-	-	20,783,556
Administrative fees	-	2,639,262	-	-	2,639,262
Center operations	-	-	31,872	-	31,872
Contracts and professional fees	-	-	70,892	42,009	112,901
Dues, memberships, and miscellaneous	600	2,162	1,265	44,223	48,250
Equipment rental and maintenance		-	36,207	45,559	81,766
Federal excise tax	-	-	62,959	-	62,959
Insurance	-	-	10,032	19,366	29,398
Trust related	-	198,791	-	-	198,791
Occupancy	-	-	6,200	74,718	80,918
Office	645	2,041	3,779	115,005	121,470
Postage and shipping	-	23,400	716	5,816	29,932
Printing, marketing, and promotion	720	507,197	15,283	58,741	581,941
Recordkeeping fees	-	10,000	-	-	10,000
Telephone	-	-	482	5,171	5,653
Travel, meetings, and seminars	16,117	25,186	822	41,001	83,126
Other	-	32,122	1,642	39,611	73,375
Total functional expenses before depreciation	**21,270,717**	**3,883,149**	**329,521**	**1,591,916**	**27,075,303**
Depreciation	-	-	-	250,107	250,107
Total functional expenses	**$ 21,270,717**	**$ 3,883,149**	**$ 329,521**	**$ 1,842,023**	**$ 27,325,410**

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

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidated Statement of Functional Expenses (Modified Cash Basis)

Year Ended December 31, 2022

	Program Services			Supporting Services	
	Grants to Charities and Other Non-Profits	Donor Services	Other Program	Management and General	2022 Total Expenses
Salaries and fringe benefits					
Salaries and wages	$ 333,513	$ 375,344	$ 64,110	$ 749,617	$ 1,522,584
Employee benefits and payroll taxes	83,735	97,707	19,686	190,145	391,273
Total salaries and fringe benefits	**417,248**	**473,051**	**83,796**	**939,762**	**1,913,857**
Grants	20,257,837	-	-	-	20,257,837
Administrative fees	-	2,518,031	-	-	2,518,031
Center operations	-	-	18,808	-	18,808
Contracts and professional fees	-	-	27,416	34,325	61,741
Dues, memberships, and miscellaneous	604	3,549	3,714	37,464	45,331
Equipment rental and maintenance	-	-	46,502	40,864	87,366
Federal excise tax	-	-	26,177	-	26,177
Insurance	-	-	5,823	18,370	24,193
Trust related	-	223,628	-	-	223,628
Occupancy	-	-	2,400	72,248	74,648
Office	975	1,426	2,558	99,945	104,904
Postage and shipping	3	23,850	182	2,367	26,402
Printing, marketing, and promotion	-	426,124	11,007	37,923	475,054
Solar array costs	-	-	-	11,571	11,571
Recordkeeping fees	-	20,000	-	-	20,000
Telephone	-	-	498	5,219	5,717
Travel, meetings, and seminars	10,414	21,440	743	47,097	79,694
Other	17,440	39,921	6,265	33,143	96,769
Total functional expenses before depreciation	**20,704,521**	**3,751,020**	**235,889**	**1,380,298**	**26,071,728**
Depreciation	-	-	-	236,932	236,932
Total functional expenses	**$ 20,704,521**	**$ 3,751,020**	**$ 235,889**	**$ 1,617,230**	**$ 26,308,660**

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

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Notes to Consolidated Financial Statements (Modified Cash Basis)

1. NATURE OF ORGANIZATION, BASIS OF PRESENTATION, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Consolidation

Greater Toledo Community Foundation, Inc. ("GTCF") is a collection of individual funds that are used to accomplish the diverse philanthropic goals of its donors and meet the needs of the Northwest Ohio and Southeast Michigan communities.

The consolidated financial statements include the operations of six supporting organizations: the Andersons Fund Supporting Organization, the Oswald Supporting Organization, the Stranahan Supporting Organization, the Supporting Organization of the Toledo Community Foundation, the Tyner Family Foundation Supporting Organization, and the Solar Toledo Neighborhood Foundation Supporting Organization, three private foundations: the Algonquin Foundation, the Seneca Foundation, and the William and Elsie Knight Foundation, and two donor directed pooled funds. GTCF performs all accounting and administrative functions for the supporting organizations, private foundations, and donor directed pooled funds as well as appointing the majority of voting members to the Board of Trustees for each organization and private foundations and thereby meets the criteria to be consolidated. The supporting organizations, private foundations, and donor directed pooled funds make grants to GTCF and other outside organizations. These supporting organizations, private foundations, and donor directed pooled funds are set up as separate funds within GTCF, and all significant interfund transactions have been eliminated in consolidation.

GTCF and the consolidated supporting organizations, private foundations and donor directed funds are collectively referred to herein as the "Foundation".

Basis of Accounting

The consolidated financial statements of the Foundation are maintained on a cash basis modified to include depreciation, donations of investments and property and equipment, certain other assets and borrowed debt. All other contributions and expenses, including awarded grants, are reported as received or when paid. Investments are presented at cost rather than fair value.

The Foundation accepts assets transferred from other not-for-profit organizations that are held only for the benefit of the transferor or an affiliated organization of the transferor. Title to these assets is in the name of the Foundation, which maintains variance power over such assets.

These consolidated financial statements do not make a distinction between funds which would be recognized as an increase in investments and a liability under the modified cash basis of accounting and funds contributed directly to the Foundation by donors. All contributions and transfers from other organizations are recognized as contribution revenue when received and are included as part of the Foundation's fund balances.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Use of Estimates

The preparation of consolidated financial statements, in conformity with a comprehensive basis of accounting other than GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of cash receipts and disbursements and other changes in fund balances during the reporting period. Actual results could differ from those estimates.

Fund Balances

Resources of the Foundation are classified into fund balance categories based on the limitations and restrictions placed on the contributions and gifts received. The fund balances of the Foundation are classified into the following types for financial reporting purposes:

Fund balances without donor restrictions: Fund balances without donor restrictions are available for use by the Board of Trustees for purposes they so approve. Such funds include quasi-endowment funds which represent funds the Board of Trustees has designated to operate as endowment funds.

Fund balances with donor restrictions: Fund balances with donor restrictions represent contributions received whereby the donors have specified that the funds be held by the Foundation strictly in a fiduciary manner for a specified purpose. Fund balances with donor restrictions are released when a restriction expires, that is, when the stipulated purpose for which the resource was restricted has been fulfilled.

Cash

The Foundation maintains cash deposits with financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to specified limits; however, balances in excess of FDIC limits are uninsured. Management does not believe the Foundation is exposed to any significant interest rate or other financial risk as a result of these deposits.

Investments, Principally in Marketable Securities

Purchased investments are carried at cost. Donated investments are valued at estimated fair value on the dates received. Gains and losses are recognized only when such investments are sold. Investment return is presented net of external investment expenses.

Of the total investment return collected less investment fees, a portion is internally classified as administrative fee income. The Foundation's operating funds charge certain other funds an annual administrative fee ranging from .50% to .95% for 2023 and 2022 of each fund's average market value over preceding 20 quarters. There is a minimum fee of $100 and a discounted administrative fee percentage of .10% for the portion of average market value that exceeds $2,500,000. Donor advised growth funds are annually charged 1.45% of each fund's highest quarterly market value.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Depreciation

Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives of the individual assets, ranging from three to twenty-five years.

Functional Expenses

The costs of providing various program and supporting services have been summarized on a functional basis in the consolidated statements of support, revenues, expenses and changes in fund balances (modified cash basis). The consolidated statements of functional expenses (modified cash basis) present the natural classification detail of expenses by function.

Functional expenses are those expenses incurred by the Foundation in the accomplishment of its stated mission. They can further be categorized as follows:

- Program services, including awarded grants, services to other non-profits, philanthropic leadership, and community leadership;
- Management and general, including expenses that benefit the Foundation as an entity and the management and accounting for funds.

Expenses which apply to more than one functional category have been allocated among program and management and general activities based on the time spent on these functions by specific employees as estimated by management. Although the methods of allocation are considered reasonable, other methods could be used and produce different amounts.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). See Notes 4 and 5 relating to the tax treatment of Donor Directed Pooled and Private Foundation Funds.

In a Private Letter Ruling dated May 15, 2008, the Internal Revenue Service ("IRS") stated that fees charged by the Foundation to unrelated tax exempt organizations for providing certain administrative and clerical services constitute unrelated business income under Section 512 of the IRC. For 2023 and 2022, management does not believe the Foundation had any taxable income from such services.

The federal tax returns for 2020 through 2023 are subject to examination by the IRS, which is generally for three years after they were filed. The Foundation has evaluated uncertain tax positions and believes there are no such positions of significance at December 31, 2023 and 2022 that are required to be disclosed in these consolidated financial statements.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Spending Policy

The grant spending guideline for any fund is based on an estimated real rate of return less the Foundation's operating funds allocated administrative fee. The estimated real rate of return is based on projected long-term average annual nominal rates of return less the projected average annual inflation rate.

Gain on Extinguishment of Debt

On December 27, 2020, the Consolidated Appropriations Act, 2021 ("CAA") was signed into law. This law allowed a second draw of the Paycheck Protection Program ("PPP") if certain criteria were met. In April 2021, the Foundation applied for a second draw under the provisions of the CAA and obtained additional funds of $303,400 under an unsecured promissory note. In June 2022, the Foundation received full forgiveness of the PPP loan under the terms of the federal Coronavirus Aid, Relief, and Economic Security Act program. Forgiveness of the PPP loan is recognized as gain on extinguishment of debt on the 2022 consolidated statement of support, revenue, expenses and changes in fund balances (modified cash basis).

Change in Accounting Principle

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* in June 2016. The standard replaced the incurred loss impairment methodology with a new methodology that reflects current expected credit losses ("CECL") on financial assets, including receivables, held-to-maturity debt securities, and certain off-balance sheet commitments. The new methodology requires the measurement of all expected credit losses based on historical experience, current economic conditions, and reasonable and supportable forecasts. The standard also expands the required quantitative and qualitative disclosures for expected credit losses. On January 1, 2023, the Foundation adopted the standard using a modified retrospective method. The adoption of this standard did not have a material impact on the consolidated financial statements and disclosures.

Subsequent Events

In preparing these consolidated financial statements, the Foundation has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2023, the most recent consolidated statement of assets, liabilities and fund balances (modified cash basis) presented herein, through May 31, 2024, the date these consolidated financial statements were available to be issued. No such significant events or transactions were identified.

Notes to Consolidated Financial Statements (Modified Cash Basis)

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or board restrictions limiting their use, within one year of the consolidated statement of assets, liabilities and fund balances (modified cash basis), comprise the following as of December 31:

	2023	2022
Operating fund - cash	$ 795,441	$ 862,984
Operating fund - money market funds	1,334,240	1,457,394
Notes receivable scheduled to be collected within the next year	312,560	875,000
Financial assets available to meet cash needs for general expenditures within one year	**$ 2,442,241**	**$ 3,195,378**

The Foundation has $2,442,241 and $3,195,378 as of December 31, 2023 and 2022, respectively, of financial assets available within one year of the consolidated statement of assets, liabilities and fund balances (modified cash basis) date to meet cash needs for general expenditures. The Foundation manages its liquidity required to meet its operating needs while also seeking to maximize earnings on its available funds by investing excess cash.

Most funds that are not endowed are invested in the Foundation's money market funds. Funds held in the money market fund are subject to withdrawal at any time. Capital preservation and liquidity are paramount.

Funds that are endowed, or that operate according to the spending policy for grantmaking, are generally invested in the Foundation's investment pool. The amount available for grantmaking is determined on an annual basis. This amount is calculated according to the Foundation's spending policy, which is currently 3.80% - 4.25% of the funds' average market value over the preceding 20 quarters.

The Foundation's Board of Trustees has chosen to charge an administrative fee to all funds as described in Note 1 to cover general expenditures required to operate the Foundation. The fees, assessed on a quarterly basis, are reflected as administrative fee income (operating fund) in the consolidated statements of support, revenue, expenses and changes in fund balances (modified basis).

3. COMPONENT FUNDS

Component funds are established by various donors for the broad-based charitable benefit of the community.

Notes to Consolidated Financial Statements (Modified Cash Basis)

Certain component funds are subject to restrictions of trust instruments, Deeds of Gift or other donor agreements. Generally, the principal of such funds remains invested and grant distributions are made based upon the Foundation's spending guidelines. The spending guideline was 4.75% for 2023 and 2022, less the Foundation operating funds administrative fee, resulting in spending guidelines ranging from 3.80% to 4.25%. In determining distributable amounts, the percentage is applied to the average market value of each fund's preceding 20 quarters.

Unless otherwise provided by the donor, the Board of Trustees of the Foundation may, by unanimous vote, approve for distribution an amount not to exceed 30% of the principal of any fund during a period of five consecutive years.

While income from the component funds is generally available for the discretionary use of the Foundation by action of the Board of Trustee, the donors of certain funds have restricted the use of income to purposes designated in the trust instrument, Deeds of Gift or other donor agreements.

4. DONOR DIRECTED POOLED FUNDS

Donor directed pooled funds are separate entities created by the Board of Trustees and classified as private foundations by the IRC.

Contributors of donor directed pooled funds have the absolute right to designate annually the charities that are to receive the income from their respective funds. The net investment income of donor directed pooled funds, including realized gains or losses, is subject to a federal excise tax.

5. PRIVATE FOUNDATION FUNDS

The private foundation funds are considered private foundations by the IRC. The contributors of these funds have reserved the right to advise the Foundation annually as to which charities are to receive the income from their respective funds. The net investment income of private foundation funds, including net realized gains or losses, is subject to a federal excise tax.

6. SUPPORT ORGANIZATION FUNDS

Support organization funds are public charities classified as supporting organizations under Section 509(a)(3) of the IRC. The Foundation appoints the majority of the members of each supporting organization's Board of Trustees and the donor appoints a minority of the members. Each supporting organization's Board of Trustees determines which non-profits (in Northwest Ohio and Southeast Michigan) are to receive the annual income available for grants.

Notes to Consolidated Financial Statements (Modified Cash Basis)

7. SECURITY INVESTMENTS

Cost and market values of security investments consists of the following at December 31:

	2023		2022	
	Cost	Market	Cost	Market
Vanguard Total Stock Index Fund	$ 39,364,094	$ 204,368,956	$ 39,499,895	$ 165,393,527
Vanguard Total International Stock Index Fund	146,124,914	132,301,661	142,309,647	114,840,914
DFA Global Fixed Income Fund	29,082,624	26,803,205	29,036,320	26,403,409
Vanguard Total Bond Index Fund	28,313,125	25,577,870	28,271,995	24,923,846
Vanguard Short-Term Bond Index Fund	393,846	387,289	393,391	378,043
Money market funds	7,785,410	7,785,410	8,767,956	8,767,956
Exchange-traded funds	145,164	153,752	154,950	139,575
UBS Investment Partnership	1,330,491	1,445,860	1,495,857	1,434,666
Mutual and common trust funds (bank funds)	916,078	1,241,747	988,406	1,172,593
Other	1,146,213	1,146,213	1,216,213	1,216,213
Total	**$ 254,601,959**	**$ 401,211,963**	**$ 252,134,630**	**$ 344,670,742**

From time-to-time, certain donor-restricted funds may have fair values less than the amount required to be maintained by donors. The Foundation may permit spending from such "underwater" endowments in accordance with prudent measures required under state law. At December 31, 2023, funds with original gift values of $2,017,116, fair values of $1,893,688 and deficiencies of $123,428 were reported in net assets with donor restrictions. At December 31, 2022, funds with original gift values of $4,635,673, fair values of $3,810,037 and deficiencies of $825,636 were reported in net assets with donor restrictions.

The Foundation invests principally in various marketable securities. Investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment holdings, it is at least reasonably possible that changes in the fair values will occur in the near term and that such changes may be material.

Notes to Consolidated Financial Statements (Modified Cash Basis)

8. NOTES RECEIVABLE

In September 2021, the Foundation was gifted $10,002,720 of stock in a closely held business. The stock was subsequently sold in accordance with a redemption agreement and converted to a note receivable agreement effective March 31, 2022. The Foundation will receive 40 quarterly payments of $125,000 including principal and annual interest at 2.5% beginning June 2022 through March 2032. The remaining balance will be a lump sum payment due at maturity. The balance of the note receivable is $9,557,052 and $10,002,720 as of December 31, 2023 and 2022, respectively. In 2023, the Foundation recorded another note receivable as a result of the other investment held for sale, see Note 9.

9. OTHER INVESTMENT HELD FOR SALE

In December 2022, the Foundation was gifted 3,326 shares (50.01% ownership) in a private golf club. The private golf club was listed for sale as of December 31, 2022 and sold for $3,600,000 in April 2023. Accordingly, the Foundation recorded it's donation of the 50.01% ownership interest in the private golf club at the fair value of the investment held for sale in the amount $1,800,360, which reflected the estimated total net proceeds to be received in 2023. A portion of the proceeds received were in the form of a promissory note effective April 14, 2023. The Foundation will receive 36 monthly payments of $4,505 including principal and annual interest at 5% beginning May 2023 through April 2026. The balance of the note receivable is $122,540 as of December 31, 2023. There were additional expenses related to closing costs, which were recognized as loss on sale of other investment held for sale on the 2023 consolidated statement of support, revenue, expenses and changes in fund balances (modified cash basis).

10. PROPERTY AND EQUIPMENT

Net property and equipment consists of the following components at December 31:

	2023	2022
Property and equipment		
Solar array field	$ 4,909,905	$ 4,909,905
Leasehold improvements	439,241	267,153
Furniture and equipment	282,451	252,763
Software	50,522	50,522
Total	5,682,119	5,480,343
Less accumulated depreciation	1,126,228	876,120
Net property and equipment	**$ 4,555,891**	**$ 4,604,223**

Notes to Consolidated Financial Statements (Modified Cash Basis)

11. FUND BALANCES CLASSIFICATIONS

The bylaws of the Foundation include a variance provision and powers of modification, giving the Board of Trustees the power to vary the use of funds. Based on these provisions the Foundation's fund balances without donor restrictions consist of the following amounts at December 31:

	2023	2022
Operating Funds	$ 2,365,506	$ 2,406,025
Quasi-Endowment Funds	3,252,387	3,406,056
Component Funds	19,034,817	19,473,955
Total	**$ 24,652,710**	**$ 25,286,036**

Fund balances with donor restrictions consist of the following amounts at December 31:

	2023	2022
Component Funds	$ 208,427,298	$ 205,724,327
Donor Directed Pool Funds	6,940,259	6,926,304
Private Foundation Funds	2,650,444	2,836,329
Support Organization Funds	28,005,411	29,695,829
Total	**$ 246,023,412**	**$ 245,182,789**

In 2023, it came to the attention of management that a fund previously classified as with donor restrictions should have been classified as without donor restrictions upon the donor's death in accordance with the Foundation's policies. Accordingly, the amount ($37,982) was properly reclassified in the current year.

12. BANK REVOLVING LOAN

In 2020, the Foundation obtained an unsecured $1,500,000 bank revolving loan due June 30, 2024 to be used for the solar array field. Interest at 4% is payable monthly. Interest expense was $26,522 and $33,273 in 2023 and 2022, respectively.

Notes to Consolidated Financial Statements (Modified Cash Basis)

13. LEASE COMMITMENT

The Foundation leases its office space under a non-cancelable operating lease which expires in October 2033. Rent expense was $80,918 and $74,648 in 2023 and 2022, respectively. The following is a schedule of annual future minimum lease payments required under this lease for the years succeeding December 31, 2023:

Year	Amount
2024	$ 81,037
2025	81,037
2026	81,037
2027	81,037
2028	83,478
Thereafter	462,464
Total	**$ 870,090**

14. BENEFIT PLANS

The Foundation sponsors a 403(b) defined contribution plan that covers substantially all of its employees. Contributions for eligible employees include an employer-based contribution equal to 2% of the employee's compensation. An additional matching contribution is made by the Foundation equal to the lesser of 100% of the employee's compensation deferral or 3% of the employee's compensation. Contributions by the Foundation for defined contribution plans in 2023 and 2022 were $64,776 and $64,225, respectively.

The Foundation sponsors a Supplemental Executive Retirement Plan (SERP) that covers certain highly compensated and management employees. The SERP is a deferred compensation plan under Section 457(f) that the Foundation makes contributions for the benefit of the participants, provided that the amounts deferred are subject to and payable upon satisfying a substantial risk of forfeiture. Contributions include 15% of plan year compensation for the participants. Contributions by the Foundation for 2023 and 2022 were $62,900 and $59,620, respectively.

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Rehmann

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY CONSOLIDATING INFORMATION

May 31, 2024

Board of Trustees
Greater Toledo Community Foundation, Inc.
Toledo, Ohio

We have audited the consolidated financial statements of ***Greater Toledo Community Foundation, Inc.*** as of and for the years ended December 31, 2023 and 2022, and have issued our report thereon dated May 31, 2024, which expressed an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements which were prepared using the modified cash basis method of accounting. Such information has not been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, accordingly, we do not express an opinion nor provide any assurance on it.

Rehmann Lohan LLC

HLB We are an Independent Member of THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

SUPPLEMENTARY CONSOLIDATING INFORMATION (PREPARED AND PRESENTED USING THE MODIFIED CASH BASIS OF ACCOUNTING) FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedule of Assets, Liabilities and Fund Balances (Modified Cash Basis)

December 31, 2023

	2023							
	Without Donor Restrictions			With Donor Restrictions				
ASSETS	Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds	Total All Funds
Cash								
Demand deposits	$ 795,441	$ -	$ -	$ 551,715	$ 166,690	$ -	$ 181,785	$ 1,695,631
Security investments, at cost								
Vanguard Total Stock Index Fund	-	486,157	2,842,275	28,730,250	2,539,770	569,665	4,195,977	39,364,094
Vanguard Total International Stock Index Fund	-	1,940,265	11,343,582	114,663,075	2,911,718	1,428,460	13,837,814	146,124,914
DFA Global Fixed Income Fund	-	386,121	2,257,421	22,818,441	601,711	298,452	2,720,478	29,082,624
Vanguard Total Bond Index Fund	-	374,916	2,191,913	22,156,271	631,589	312,774	2,645,662	28,313,125
Vanguard Short-Term Bond Index Fund	-	-	17,546	376,300	-	-	-	393,846
Money market funds	1,334,240	64,928	382,080	5,476,594	88,781	41,093	397,694	7,785,410
Exchange-traded funds	-	-	-	145,164	-	-	-	145,164
UBS Investment Partnership	-	-	-	1,330,491	-	-	-	1,330,491
Mutual and common trust funds (bank funds)	-	-	-	916,078	-	-	-	916,078
Other	-	-	-	1,146,213	-	-	-	1,146,213
Total security investments	**1,334,240**	**3,252,387**	**19,034,817**	**197,758,877**	**6,773,569**	**2,650,444**	**23,797,625**	**254,601,959**
Net property and equipment	235,825	-	-	-	-	-	4,320,066	4,555,891
Notes receivable	-	-	-	9,557,052	-	-	122,540	9,679,592
Other investments	-	-	-	559,654	-	-	-	559,654
Total assets	**$ 2,365,506**	**$ 3,252,387**	**$ 19,034,817**	**$ 208,427,298**	**$ 6,940,259**	**$ 2,650,444**	**$ 28,422,016**	**$ 271,092,727**
LIABILITIES AND FUND BALANCES								
Liabilities								
Bank revolving loan	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 416,605**	**$ 416,605**
Fund balances								
Without donor restrictions	2,365,506	3,252,387	19,034,817	-	-	-	-	24,652,710
With donor restrictions	-	-	-	208,427,298	6,940,259	2,650,444	28,005,411	246,023,412
Total fund balances	**2,365,506**	**3,252,387**	**19,034,817**	**208,427,298**	**6,940,259**	**2,650,444**	**28,005,411**	**270,676,122**
Total liabilities and fund balances	**$ 2,365,506**	**$ 3,252,387**	**$ 19,034,817**	**$ 208,427,298**	**$ 6,940,259**	**$ 2,650,444**	**$ 28,422,016**	**$ 271,092,727**

See independent auditors' report on supplementary consolidating information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedule of Assets, Liabilities and Fund Balances (Modified Cash Basis)

December 31, 2022

	2022							
	Without Donor Restrictions			With Donor Restrictions				
ASSETS	Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds	Total All Funds
Cash								
Demand deposits	$ 862,984	$ -	$ -	$ 876,669	$ 5,000	$ -	$ 341,655	$ 2,086,308
Security investments, at cost								
Vanguard Total Stock Index Fund	-	515,559	2,944,772	28,584,146	2,588,315	616,379	4,250,724	39,499,895
Vanguard Total International Stock Index Fund	-	1,999,322	11,419,742	110,848,510	2,847,130	1,608,443	13,586,500	142,309,647
DFA Global Fixed Income Fund	-	409,654	2,339,864	22,712,465	522,486	295,952	2,755,899	29,036,320
Vanguard Total Bond Index Fund	-	397,766	2,271,964	22,053,370	561,614	304,773	2,682,508	28,271,995
Vanguard Short-Term Bond Index Fund	-	-	16,842	376,549	-	-	-	393,391
Money market funds	1,457,394	83,755	480,771	5,834,414	401,759	10,782	499,081	8,767,956
Exchange-traded funds	-	-	-	154,950	-	-	-	154,950
UBS Investment Partnership		-	-	1,495,857	-	-	-	1,495,857
Mutual and common trust funds (bank funds)	-	-	-	988,406	-	-	-	988,406
Other	-	-	-	1,216,213	-	-	-	1,216,213
Total security investments	**1,457,394**	**3,406,056**	**19,473,955**	**194,264,880**	**6,921,304**	**2,836,329**	**23,774,712**	**252,134,630**
Net property and equipment	85,647	-	-	-	-	-	4,518,576	4,604,223
Note receivable	-	-	-	10,002,720	-	-	-	10,002,720
Other investments								
Other investment held for sale	-	-	-	-	-	-	1,800,360	1,800,360
Other	-	-	-	580,058	-	-	-	580,058
Total other investments	**-**	**-**	**-**	**580,058**	**-**	**-**	**1,800,360**	**2,380,418**
Total assets	**$ 2,406,025**	**$ 3,406,056**	**$ 19,473,955**	**$ 205,724,327**	**$ 6,926,304**	**$ 2,836,329**	**$ 30,435,303**	**$ 271,208,299**
LIABILITIES AND FUND BALANCES								
Liabilities								
Bank revolving loan	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 739,474**	**$ 739,474**
Fund balances								
Without donor restrictions	2,406,025	3,406,056	19,473,955	-	-	-	-	25,286,036
With donor restrictions	-	-	-	205,724,327	6,926,304	2,836,329	29,695,829	245,182,789
Total fund balances	**2,406,025**	**3,406,056**	**19,473,955**	**205,724,327**	**6,926,304**	**2,836,329**	**29,695,829**	**270,468,825**
Total liabilities and fund balances	**$ 2,406,025**	**$ 3,406,056**	**$ 19,473,955**	**$ 205,724,327**	**$ 6,926,304**	**$ 2,836,329**	**$ 30,435,303**	**$ 271,208,299**

See independent auditors' report on supplementary consolidating information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedule of Support, Revenue and Expenses (Modified Cash Basis)

Year Ended December 31, 2023

	2023								
	Without Donor Restrictions			With Donor Restrictions					
	Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds	Eliminations	Total All Funds
Support, revenue and gains (losses)									
Contributions received	$ 162,742	$ -	$ 50,876	$ 13,206,359	$ 1,092,544	$ -	$ -	$ -	$ 14,512,521
Intercompany contributions	26,765	-	-	1,847,726	-	-	30,105	(1,904,596)	-
Investment income, net	36,074	165,034	824,759	7,057,562	369,263	285,767	1,000,092	-	9,738,551
Solar array income	-	-	-	-	-	-	279,329	-	279,329
Administrative fee income	2,639,622	-	-	-	-	-	-	-	2,639,622
Funds released for operations	318,326	(318,326)	-	-	-	-	-	-	-
Non-profit resource center	31,500	-	-	-	-	-	-	-	31,500
Interest income from notes receivable	-	-	-	433,374	-	-	-	-	433,374
Other	4,000	-	-	(12,446)	-	-	-	-	(8,446)
Total support, revenue and gains (losses)	**3,219,029**	**(153,292)**	**875,635**	**22,532,575**	**1,461,807**	**285,767**	**1,309,526**	**(1,904,596)**	**27,626,451**
Expenses									
Grants to charities and other non-profit institutions	66,250	-	1,021,879	17,241,310	1,110,926	404,000	939,191	-	20,783,556
Intercompany grants	5,000	-	-	19,105	271,104	27,544	1,581,843	(1,904,596)	-
Administrative	3,228,741	-	-	110,992	-	-	242,133	-	3,581,866
Administrative fees	-	-	238,344	2,200,036	62,174	35,182	103,526	-	2,639,262
Federal excise tax	61,206	-	-	(146)	1,649	-	250	-	62,959
Non-profit resource center	31,872	-	-	-	-	-	-	-	31,872
Other	(10,000)	377	1,817	187,519	1,999	4,926	39,257	-	225,895
Total expenses	**3,383,069**	**377**	**1,262,040**	**19,758,816**	**1,447,852**	**471,652**	**2,906,200**	**(1,904,596)**	**27,325,410**
Loss on sale of other investment held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**93,744**	**-**	**93,744**
(Deficiency) excess of support, revenue and gains over expenses and losses	**$ (164,040)**	**$ (153,669)**	**$ (386,405)**	**$ 2,773,759**	**$ 13,955**	**$ (185,885)**	**$ (1,690,418)**	**$ -**	**$ 207,297**

See independent auditors' report on supplementary consolidating information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedule of Support, Revenue and Expenses (Modified Cash Basis)

Year Ended December 31, 2022

	2022								
	Without Donor Restrictions			With Donor Restrictions					
	Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds	Eliminations	Total All Funds
Support, revenue and gains (losses)									
Contributions received	$ 142,820	$ -	$ 50,917	$ 17,001,153	$ 2,197,761	$ -	$ 1,800,360	$ -	$ 21,193,011
Intercompany contributions	42,878	-	50,112	681,779	-	-	-	(774,769)	-
Investment income, net	2,548	124,443	615,157	5,203,535	126,184	69,048	701,095	-	6,842,010
Solar array income	-	-	-	-	-	-	437,037	-	437,037
Administrative fee income	2,518,392	-	-	-	-	-	-	-	2,518,392
Funds released for operations	311,289	(311,289)	-	-	-	-	-	-	-
Non-profit resource center	19,077	-	-	-	-	-	-	-	19,077
Gain on extinguishment of debt	303,400	-	-	-	-	-	-	-	303,400
Other	11,856	-	-	26,875	-	-	-	-	38,731
Total support, revenue and gains (losses)	**3,352,260**	**(186,846)**	**716,186**	**22,913,342**	**2,323,945**	**69,048**	**2,938,492**	**(774,769)**	**31,351,658**
Expenses									
Grants to charities and other non-profit institutions	68,980	-	947,730	16,293,076	2,104,063	-	843,988	-	20,257,837
Intercompany grants		-	-	-	674,769	-	100,000	(774,769)	-
Administrative	2,932,424	-	-	37,160	-	-	248,491	-	3,218,075
Administrative fees	-	-	234,562	2,086,291	60,367	34,745	102,066	-	2,518,031
Federal excise tax	-	-	-	502	15,875	9,800	-	-	26,177
Non-profit resource center	18,808	-	-	-	-	-	-	-	18,808
Solar array costs	-	-	-	-	-	-	11,571	-	11,571
Other	-	382	1,839	236,691	2,610	4,563	12,076	-	258,161
Total expenses	**3,020,212**	**382**	**1,184,131**	**18,653,720**	**2,857,684**	**49,108**	**1,318,192**	**(774,769)**	**26,308,660**
Excess (deficiency) of support, revenue and gains over expenses and losses	**$ 332,048**	**$ (187,228)**	**$ (467,945)**	**$ 4,259,622**	**$ (533,739)**	**$ 19,940**	**$ 1,620,300**	**$ -**	**$ 5,042,998**

See independent auditors' report on supplementary consolidating information.

GREATER TOLEDO COMMUNITY FOUNDATION, INC.

Consolidating Schedules of Changes in Fund Balances (Modified Cash Basis)

Year Ended December 31, 2023

	Without Donor Restrictions			With Donor Restrictions				
	Operating Funds	Quasi-Endowment Funds	Component Funds	Component Funds	Donor Directed Pooled Funds	Private Foundation Funds	Support Organization Funds	Total All Funds
Fund balances, January 1, 2022	**$ 2,022,446**	**$ 3,593,284**	**$ 20,053,397**	**$ 201,404,739**	**$ 7,460,043**	**$ 2,816,389**	**$ 28,075,529**	**$ 265,425,827**
Excess (deficiency) of support, revenue and gains over expenses	332,048	(187,228)	(467,945)	4,259,622	(533,739)	19,940	1,620,300	5,042,998
Transfers	51,531	-	(111,497)	59,966	-	-	-	-
Net increase (decrease)	383,579	(187,228)	(579,442)	4,319,588	(533,739)	19,940	1,620,300	5,042,998
Fund balances, December 31, 2022	**2,406,025**	**3,406,056**	**19,473,955**	**205,724,327**	**6,926,304**	**2,836,329**	**29,695,829**	**270,468,825**
(Deficiency) excess of support, revenue and gains over expenses and losses	(164,040)	(153,669)	(386,405)	2,773,759	13,955	(185,885)	(1,690,418)	207,297
Transfers	123,521	-	(90,715)	(32,806)	-	-	-	-
Reclassification	-	-	37,982	(37,982)	-	-	-	-
Net (decrease) increase	(40,519)	(153,669)	(439,138)	2,702,971	13,955	(185,885)	(1,690,418)	207,297
Fund balances, December 31, 2023	**$ 2,365,506**	**$ 3,252,387**	**$ 19,034,817**	**$ 208,427,298**	**$ 6,940,259**	**$ 2,650,444**	**$ 28,005,411**	**$ 270,676,122**

See independent auditors' report on supplementary consolidating information.