

THE COLLINS FOUNDATION

Audited Financial Statements

For the years ended
December 31, 2021 and 2020



McDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Collins Foundation

Opinion

We have audited the accompanying financial statements of The Collins Foundation (a nonprofit organization), which comprise the statements of assets, liabilities and net assets – income tax basis as of December 31, 2021 and 2020, and the related statements of revenue, expenses, and changes in net assets – income tax basis, and cash flows – income tax basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Collins Foundation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with the income tax basis of accounting as described in Note 1.

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 Collins 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.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the income tax 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the income tax basis of accounting described in Note 1; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Collins 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Collins 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.

McDonald Jacobson, P.C.

Portland, Oregon
June 8, 2022

THE COLLINS FOUNDATION
STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -
INCOME TAX BASIS
December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 478,789	\$ 559,632
Investments:		
Invested cash and equivalents	3,979,967	9,495,794
Equities	205,035,492	172,055,074
Corporate obligations	15,478,483	14,445,778
Limited partnership interests	36,530,476	45,557,103
Real estate funds	8,176,114	6,821,445
Mission-related investment	108,696	108,696
Total investments	269,309,228	248,483,890
Program-related investment	500,000	500,000
Other assets	48,318	48,318
 TOTAL ASSETS	 \$ 270,336,335	 \$ 249,591,840
 LIABILITIES AND NET ASSETS		
Liabilities	\$ -	\$ -
Net assets without donor restrictions	270,336,335	249,591,840
 TOTAL LIABILITIES AND NET ASSETS	 \$ 270,336,335	 \$ 249,591,840

See notes to financial statements.

THE COLLINS FOUNDATION
STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS -
INCOME TAX BASIS
For the years ended December 31, 2021 and 2020

Change in net assets without donor restrictions:	2021	2020
Revenue:		
Investment income:		
Dividends and interest	\$ 4,343,937	\$ 4,095,217
Net partnership and other investment income (loss)	(5,782,969)	5,165,917
Net realized gain (loss) on sale of investments	26,551,056	(4,004,821)
Net unrealized gain on investments	14,691,312	10,161,300
Total investment income	39,803,336	15,417,613
Less investment expenses:		
Investment administration expense	384,110	334,678
Management and custodial fees	1,080,188	907,496
Excise and income tax expense on current earnings	267,450	28,185
Total investment expenses	1,731,748	1,270,359
Net investment income	38,071,588	14,147,254
Expenses:		
Grants paid:		
Arts	1,083,350	1,256,900
Children and youth	1,738,000	1,528,000
Community welfare	8,254,090	9,349,900
Education	1,689,900	1,289,000
Environment	625,200	762,625
Health and science	951,450	1,147,000
Humanities	1,053,900	677,200
Total grants paid	15,395,890	16,010,625
Grants administration expense	1,931,203	1,730,196
Total expenses	17,327,093	17,740,821
Change in net assets without donor restrictions	20,744,495	(3,593,567)
Net assets without donor restrictions - beginning of year	249,591,840	253,185,407
Net assets without donor restrictions - end of year	\$ 270,336,335	\$ 249,591,840

See notes to financial statements.

THE COLLINS FOUNDATION
 STATEMENTS OF CASH FLOWS -
 INCOME TAX BASIS
 For the years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from investing activities:		
Net investment income	\$ 38,071,588	\$ 14,147,254
Adjustments to reconcile change in net investment income to net cash flows from investing activities:		
Income from limited partnership interests	5,782,969	(5,165,917)
Change in value of investments	(41,242,368)	(6,156,479)
Investment transactions:		
Net change in invested cash and equivalents	5,515,827	(4,703,732)
Purchase of investments	(52,828,860)	(37,110,904)
Proceeds from the sale of investments	61,947,094	56,804,269
Net cash flows from investing activities	<u>17,246,250</u>	<u>17,814,491</u>
Cash flows from granting activities:		
Grant payments and program funding	(15,395,890)	(16,010,625)
Payments for administrative expenses	(1,931,203)	(1,730,196)
Net cash flows from granting activities	<u>(17,327,093)</u>	<u>(17,740,821)</u>
Net change in cash and cash equivalents	(80,843)	73,670
Cash and cash equivalents - beginning of year	<u>559,632</u>	<u>485,962</u>
Cash and cash equivalents - end of year	<u>\$ 478,789</u>	<u>\$ 559,632</u>
Supplemental Cash Flow Information:		
Cash paid during the year for taxes	<u>\$ 267,450</u>	<u>\$ 28,185</u>

See notes to financial statements.

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

The Collins Foundation (the Foundation) was founded in 1947 by four members of the Collins family. The purpose of the Foundation is to operate and use its funds exclusively for charitable, educational, literary, scientific, or religious purposes. The Foundation earns income on investments and makes grants to charitable organizations exempt from income tax under Internal Revenue Code Sec. 501(c)(3).

Basis of Accounting

The accompanying financial statements have been prepared on the income tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from accounting principles generally accepted in the United States of America in that revenues (except unrealized net gains on investments) are recognized when received and expenses are recognized when paid; investments are reported at fair value.

Basis of Presentation

The Foundation reports information regarding its assets, liabilities, and net assets, income received, expenses and grants paid, according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. The Foundation had only net assets not subject to donor restrictions at December 31, 2021 and 2020.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Investments

- *Marketable Securities:* Investments in marketable securities are stated at current market value.
- *Alternative investments:* Investments in limited partnership interests and other equity securities have been estimated by management (in the absence of readily determinable fair values) based on information provided by fund managers or the general partners. The values are estimated using the most recent valuation as provided by fund managers and general partners, generally September 30th or December 31st, adjusted for capital contributions and distributions for the quarter ended December 31st for those using the September 30th valuation.
- *Mission-related investment:* The Foundation invests funds in a limited partnership in order to facilitate charitable activities. The investment is stated at cost, which approximates fair value. Management considers this investment to be an alternative investment.
- *Program-related investment:* Consists of an interest-bearing loan, which facilitates charitable activities and is stated at cost which approximates fair value.

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Contributions

Contributions, including bequests, are recognized as revenue in the period the Foundation receives funds. Contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. It is not common for the Foundation to receive contributions.

Allocated expenses

The costs of providing supporting services have been summarized in the accompanying statements of revenues, expenses and changes in net assets- income tax basis. Certain costs have been allocated between investment administration and grants administration. The expenses that are allocated include salaries and related expenses, occupancy, and office and other operating expenses, which are allocated based on estimated time and effort.

Income Taxes

The Collins Foundation is a private non-operating foundation exempt from federal and state income tax, but subject to federal excise tax of 1.39% on net investment income. Excise taxes paid total approximately \$267,000 and \$28,000 in 2021 and 2020, respectively. Certain investments of the Foundation are limited partnership interests which can pass through unrelated business income, taxable to the Foundation. Insignificant unrelated business income taxes were incurred in 2021 and 2020.

The Foundation follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes*. Management has evaluated the Foundation's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Use of Estimates

The preparation of financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

2. AVAILABLE RESOURCES AND LIQUIDITY

The Foundation regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the impact of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its primary operations to be general expenditures.

Financial assets of the Foundation consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,458,756	\$ 10,055,426
Marketable securities	220,513,975	186,500,852
Alternative investments	44,815,286	52,487,244
Program-related investment	<u>500,000</u>	<u>500,000</u>
Total financial assets	270,288,017	249,543,522
Less amounts not available to be used within a year:		
Investments with limited liquidity	<u>(45,315,286)</u>	<u>(52,987,244)</u>
Financial assets available for general expenditure	<u>\$ 224,972,731</u>	<u>\$ 196,556,278</u>

The Internal Revenue Code requires that approximately 5% of the adjusted average asset value be distributed within one year following year end to avoid excise tax on the undistributed amount. Cash and investments, other than alternative investments, are available to liquidate as needed to fund grants and operations.

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

3. INVESTMENTS

Investments at December 31, 2021 consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Invested cash and cash equivalents	\$ 3,979,967	\$ 3,979,967	\$ -
Marketable securities:			
Equity securities	145,557,443	205,035,492	59,478,049
Fixed income securities	15,624,702	15,478,483	(146,219)
Total marketable securities	<u>161,182,145</u>	<u>220,513,975</u>	<u>59,331,830</u>
Alternative investments:			
Limited partnership interests	28,267,102	36,530,476	8,263,374
Real estate funds	5,000,000	8,176,114	3,176,114
Mission-related investment	108,696	108,696	-
Total alternative investments	<u>33,375,798</u>	<u>44,815,286</u>	<u>11,439,488</u>
Total investments	<u>\$ 198,537,910</u>	<u>\$ 269,309,228</u>	<u>\$ 70,771,318</u>

Investments at December 31, 2020 consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Invested cash and cash equivalents	\$ 9,495,794	\$ 9,495,794	\$ -
Marketable securities :			
Equity securities	134,928,537	172,055,074	37,126,537
Fixed income securities	14,020,449	14,445,778	425,329
Total marketable securities	<u>148,948,986</u>	<u>186,500,852</u>	<u>37,551,866</u>
Alternative investments:			
Limited partnership interests	28,783,630	45,557,103	16,773,473
Real estate funds	5,000,000	6,821,445	1,821,445
Mission-related investment	108,696	108,696	-
Total alternative investments	<u>33,892,326</u>	<u>52,487,244</u>	<u>18,594,918</u>
Total investments	<u>\$ 192,337,106</u>	<u>\$ 248,483,890</u>	<u>\$ 56,146,784</u>

Commitments for limited partnership interests not yet funded totaled approximately \$6,675,000 at December 31, 2021.

4. PROGRAM-RELATED INVESTMENT

The Foundation made a loan to a nonprofit organization for the furtherance of its mission. Principal and interest at 1.75% per annum, are due April 30, 2024.

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

5. FUTURE GRANT OBLIGATIONS

The financial statements are presented on the income tax basis and, as such, grant expense reflects cash paid for grants during the year. The Foundation has committed both unconditional and conditional grants which are not recorded in the financial statements. Total unconditional grant obligations at December 31, 2021 and 2020 are payable as follows:

	<u>2021</u>	<u>2020</u>
Payable within one year	\$ 2,152,850	\$ 2,060,000
Payable within two to three years	<u>576,600</u>	<u>828,000</u>
Total unconditional grant obligations	<u>\$ 2,729,450</u>	<u>\$ 2,888,000</u>

Additionally, the Foundation has conditional grants of \$258,000 and \$690,050 at December 31, 2021 and 2020, respectively that are contingent on certain performance or matching requirements being met and become payable when the conditions have been met.

6. RETIREMENT PLAN

The Foundation has a defined contribution 403(b) plan covering all employees meeting eligibility requirements. Employees may elect to make contributions to the plan up to amounts allowed by law. Additionally, the Foundation may make contributions to the plan at its discretion. During 2021 and 2020, the Foundation contributed 10% of eligible compensation. The Foundation's contributions to the plan totaled approximately \$100,800 for 2021 and \$96,300 for 2020.

7. LEASE COMMITMENT

The Foundation leases its office facilities under an agreement expiring January 31, 2025 with the lease amount through January 31, 2022 of \$12,195. Beginning February 2022, the monthly rate is \$11,153 subject to annual increases of approximately 3% and providing three months of rent in 2022 of \$0. Rent expense totaled approximately \$130,200 and \$138,200 for the years ended December 31, 2021 and 2020, respectively, including adjustments for the Foundation's share of common area maintenance and credits for property tax exemption. Future minimum lease payments are as follows:

Year ending December 31, 2022	\$ 101,400
2023	137,500
2024	141,600
2025	<u>11,800</u>
Total	<u>\$ 392,300</u>

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

8. FUNCTIONAL EXPENSES

Expenses by functional and natural classifications for 2021 and 2020 are as follows:

	<u>Investment</u>	<u>Charitable Purpose</u>	<u>Total</u>
2021			
Administration:			
Salaries and related expenses	\$ 335,649	\$ 1,342,597	\$ 1,678,246
Professional fees	30,486	360,777	391,263
Occupancy	10,301	127,045	137,346
Office and other operating costs	5,483	67,616	73,099
Technical assistance and event sponsorship	-	6,057	6,057
Travel	-	86	86
Insurance	2,191	27,025	29,216
Total administration	<u>384,110</u>	<u>1,931,203</u>	<u>2,315,313</u>
Grants	-	15,395,890	15,395,890
Management and custodial fees	1,080,188	-	1,080,188
Excise and income tax expense	267,450	-	267,450
Total expenses	<u>\$ 1,731,748</u>	<u>\$ 17,327,093</u>	<u>\$ 19,058,841</u>
2020			
Administration:			
Salaries and related expenses	\$ 285,721	\$ 1,142,886	\$ 1,428,607
Professional fees	28,793	322,328	351,121
Occupancy	11,568	142,678	154,246
Office and other operating costs	6,426	85,512	91,938
Technical assistance and event sponsorship	-	7,218	7,218
Travel	-	2,816	2,816
Insurance	2,170	26,758	28,928
Total administration	<u>334,678</u>	<u>1,730,196</u>	<u>2,064,874</u>
Grants	-	16,010,625	16,010,625
Management and custodial fees	907,496	-	907,496
Excise and income tax expense	28,185	-	28,185
Total expenses	<u>\$ 1,270,359</u>	<u>\$ 17,740,821</u>	<u>\$ 19,011,180</u>

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

9. RELATED PARTY TRANSACTIONS

The Foundation holds interest in limited partnership investments in which certain trustees of the Foundation or investment committee members are also investors.

The Foundation paid cash grants and nominal amounts of matching contributions determined by community trustees and officers totaling \$1,212,650 and \$1,127,175 to organizations with board members who are trustees or an officer of the Foundation during 2021 and 2020, respectively. Additionally, the Foundation made future grant commitments totaling \$445,000 and \$490,000 to the same organizations in 2021 and 2020, respectively.

The Foundation paid cash grants and nominal amounts of matching contributions determined by employees totaling \$395,340 and \$156,700 to organizations with board members who are employees or spouses of employees of the Foundation during 2021 and 2020, respectively.

The Foundation paid cash grants during 2021 totaling \$103,000 to a grantee with which the Foundation also has a mission-based investment.

The Foundation receives information technology and phone services at no charge from a company that has board members in common with trustees of the Foundation. These transactions occur in the normal course of business and were not material to the financial statements. Beginning in 2022, the Foundation has contracted these services from an unrelated vendor.

10. CONCENTRATIONS OF CREDIT RISK

The Foundation maintains its cash balances in two financial institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balances, at times, may exceed the federally insured limit. The Foundation also maintains its cash and investments in brokerage accounts, some of which are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 per customer, including \$250,000 for cash and money market balances. Balances held in brokerage accounts are not insured by the Federal Deposit Insurance Corporation.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of assets, liabilities and net assets- income tax basis.

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

II. FAIR VALUE MEASUREMENTS

Assets recorded at fair value in the statements of assets, liabilities and net assets- income tax basis are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Not included in the fair value measurement hierarchy are investments measured at net asset value (NAV).

There were no changes in the valuation techniques during 2021 and 2020.

Fair values of assets measured on a recurring basis at December 31, 2021 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 3</u>
<u>December 31, 2021</u>			
Marketable securities:			
Money market funds	\$ 3,979,967	\$ 3,979,967	\$ -
Domestic equities	131,465,252	131,465,252	-
International equities	19,664,322	19,664,322	-
Mutual funds - equities	53,905,918	53,905,918	-
Mutual funds - fixed income	15,478,483	15,478,483	-
Other investment:			
Mission-related investment	108,696	-	108,696
Total measured at fair value	<u>224,602,638</u>	<u>\$ 224,493,942</u>	<u>\$ 108,696</u>
Investments measured at NAV:			
Limited partnerships	36,530,476		
Real estate fund	8,176,114		
	<u>\$ 269,309,228</u>		

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

II. FAIR VALUE MEASUREMENTS, Continued

Fair values of assets measured on a recurring basis at December 31, 2020 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 3</u>
<u>December 31, 2020</u>			
Marketable securities:			
Money market funds	\$ 9,495,794	\$ 9,495,794	\$ -
Domestic equities	108,407,050	108,407,050	-
International equities	21,884,980	21,884,980	-
Mutual funds - equity	41,763,044	41,763,044	-
Mutual funds - fixed income	14,445,778	14,445,778	-
Other investment:			
Mission-related investment	108,696	-	108,696
Total measured at fair value	196,105,342	<u>\$ 195,996,646</u>	<u>\$ 108,696</u>
Investments measured at NAV:			
Limited partnerships	45,557,103		
Real estate fund	6,821,445		
	<u>\$ 248,483,890</u>		

Fair values for marketable securities are determined by reference to quoted market prices and other relevant information generated by market transactions.

The mission-related investment is recorded at cost, which management estimates as the fair value. Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs) include:

Mission-related investment:

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	\$ 108,696	\$ 195,652
Capital distributions	-	(86,956)
Balance at end of year	<u>\$ 108,696</u>	<u>\$ 108,696</u>

Investments Measured at Net Asset Value (NAV)

Quoted market prices are not available for the limited partnerships and real estate fund. These investments are recorded based on the net asset value of the Foundation's ownership interest in the partners' capital which includes assumptions and methods that were prepared by the General Partners and managers of the entity and were reviewed by Foundation's management. The Foundation believes that the reported amount for these investments is a reasonable estimate of their fair value at December 31, 2021 and 2020.

THE COLLINS FOUNDATION
NOTES TO FINANCIAL STATEMENTS, Continued
December 31, 2021 and 2020

11. FAIR VALUE MEASUREMENTS, Continued

Net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, is used as a practical expedient to estimate the fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. The reported net asset value may differ from the value that would be used had the quoted market price existed.

Funds focus on growth in equity, buyout opportunities, or distressed debt. These investments are not readily redeemable; however, a secondary market does exist. Distributions normally are received through the liquidation of the underlying assets in the fund.

12. SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent events through June 8, 2022 the date the financial statements were available to be issued.