

**COMMUNITY FOUNDATION  
FOR SOUTHWEST WASHINGTON**

**CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2022 and 2021**



**COMMUNITY  
FOUNDATION**

**SOUTHWEST  
WASHINGTON**

**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**

**CONSOLIDATED FINANCIAL STATEMENTS**

**Years Ended December 31, 2022 and 2021**

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Community Foundation for Southwest Washington  
Vancouver, Washington

**Opinion**

We have audited the accompanying consolidated financial statements of Community Foundation for Southwest Washington (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities 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 Community Foundation for Southwest Washington as of December 31, 2022 and 2021, and the changes in net assets and its 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation for Southwest Washington and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 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 Community Foundation for Southwest Washington's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

**Auditors' Responsibilities for the 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 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 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 consolidated financial statements.

To the Board of Directors  
Community Foundation for Southwest Washington

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 Community Foundation for Southwest Washington'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 Community Foundation for Southwest Washington'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 consolidated financial statements as a whole. The consolidating schedule of financial position is presented for purposes of additional analysis and is not a required part of the 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.



Portland, Oregon  
August 10, 2023

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

Years Ended December 31, 2022 and 2021

**ASSETS**

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 536,439	\$ 1,543,976
Contributions receivable	63,899,804	85,623,026
Investments	298,237,908	318,164,031
Impact investments	1,734,827	4,085,819
Assets held in charitable trusts	1,971,880	2,442,801
Assets held in charitable gift annuities	989,905	1,271,244
Right of use asset	1,570,319	-
Other assets	179,238	218,004
<b>Total assets</b>	<b>\$ <u>369,120,320</u></b>	<b>\$ <u>413,348,901</u></b>

**LIABILITIES AND NET ASSETS**

Accounts and other payables	\$ 502,635	\$ 29,583
Deferred revenue	15,959	-
Lease liability	1,589,136	-
Liabilities for split-interest agreements	1,863,203	2,153,558
Funds held under agency agreements	4,848,932	5,386,922
<b>Total liabilities</b>	<b><u>8,819,865</u></b>	<b><u>7,570,063</u></b>
<b>Net assets</b>		
<b>Without donor restrictions</b>		
Undesignated	229,170,269	243,629,385
Board designated for gift annuity reserve	614,315	742,130
Board designated for operating reserve	737,142	853,061
	<u>230,521,726</u>	<u>245,224,576</u>
<b>With donor restrictions</b>	<u>129,778,729</u>	<u>160,554,262</u>
<b>Total net assets</b>	<b><u>360,300,455</u></b>	<b><u>405,778,838</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>369,120,320</u></b>	<b>\$ <u>413,348,901</u></b>

See notes to consolidated financial statements.

COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenue</b>						
Contributions of cash and financial assets	\$ 9,471,268	\$ 4,669,452	\$ 14,140,720	\$ 17,065,210	\$ 19,753,108	\$ 36,818,318
Contributions of non-financial assets	-	-	-	-	47,107,000	47,107,000
Investment income	4,564,815	1,239,742	5,804,557	6,145,624	188,199	6,333,823
Net appreciation in the fair value of investments	(27,785,324)	(9,810,736)	(37,596,060)	22,392,969	8,119,219	30,512,188
Gain on contributions receivable	-	(101,834)	(101,834)	-	116,432	116,432
Paycheck Protection Loans Forgiven	-	-	-	471,735	-	471,735
Change in the actuarial value of charitable trusts and gift annuities	-	(305,703)	(305,703)	-	55,114	55,114
Service fees assessed against funds held under agency agreements and charitable trusts	50,158	-	50,158	77,669	-	77,669
	<u>(13,699,083)</u>	<u>(4,309,079)</u>	<u>(18,008,162)</u>	<u>46,153,207</u>	<u>75,339,072</u>	<u>121,492,279</u>
Net assets released from restrictions	26,466,454	(26,466,454)	-	4,381,094	(4,381,094)	-
<b>Total revenues and other support</b>	<b><u>12,767,371</u></b>	<b><u>(30,775,533)</u></b>	<b><u>(18,008,162)</u></b>	<b><u>50,534,301</u></b>	<b><u>70,957,978</u></b>	<b><u>121,492,279</u></b>
<b>Operating Expenses</b>						
Grants and program services	25,942,593	-	25,942,593	26,962,256	-	26,962,256
Management and general	932,386	-	932,386	858,230	-	858,230
Fundraising	595,242	-	595,242	557,124	-	557,124
<b>Total expenses</b>	<b><u>27,470,221</u></b>	<b><u>-</u></b>	<b><u>27,470,221</u></b>	<b><u>28,377,610</u></b>	<b><u>-</u></b>	<b><u>28,377,610</u></b>
<b>Change in net assets</b>	<b>(14,702,850)</b>	<b>(30,775,533)</b>	<b>(45,478,383)</b>	<b>22,156,691</b>	<b>70,957,978</b>	<b>93,114,669</b>
Net assets, beginning of year	245,224,576	160,554,262	405,778,838	223,067,885	89,596,284	312,664,169
<b>Net assets, end of year</b>	<b><u>\$ 230,521,726</u></b>	<b><u>\$ 129,778,729</u></b>	<b><u>\$ 360,300,455</u></b>	<b><u>\$ 245,224,576</u></b>	<b><u>\$ 160,554,262</u></b>	<b><u>\$ 405,778,838</u></b>

See notes to consolidated financial statements.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Years Ended December 31, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from contributions	\$ 2,862,270	\$ 5,756,921
Cash received from contributions to agency funds	288,000	576,910
Cash received from events	131,857	186,600
Cash received from service fees and other revenue	22,272	9,764
Cash collected on contributions receivable	5,067,488	300,000
Interest received	115,519	38,696
Grants and direct program expenses paid	(24,607,842)	(24,898,287)
Grants and direct program expenses paid from agency funds	(140,346)	(1,478,564)
Administrative expenses paid	(2,433,181)	(2,309,306)
Unrelated business income tax paid	-	(12,567)
<b>Net Cash Flows from Operating Activities</b>	<b>(18,693,963)</b>	<b>(21,829,833)</b>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sales of investments	25,872,143	25,789,922
Purchases of investments	(14,098,537)	(8,961,865)
Realized gain on investments	116,860	1,555,718
Investment expense	(2,481)	-
Collection of impact investment	2,550,993	904,181
Impact investments made	-	(1,000,000)
<b>Net Cash Flows from Investing Activities</b>	<b>14,438,978</b>	<b>18,287,956</b>
<b>Cash Flows from Financing Activities</b>		
Donations restricted for long-term use	1,166,843	204,799
Contributions to agency funds restricted for long-term use	-	4,725
Collection of contributions receivable-restricted	2,080,605	1,607,500
Refundable advance	-	247,550
<b>Net Cash Flows from Financing Activities</b>	<b>3,247,448</b>	<b>2,064,574</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,007,537)</b>	<b>(1,477,303)</b>
Cash and cash equivalents, beginning of year	1,543,976	3,021,279
<b>Cash and cash equivalents, end of year</b>	<b>\$ 536,439</b>	<b>\$ 1,543,976</b>

**Supplemental note to cash flow statement:**

Contributions of stock and cash made directly to investment accounts total \$8,706,796 and \$12,004,724 for 2022 and 2021, respectively. On January 1, 2022 the Foundation recognized a right of use asset for office space and a related lease liability. During 2022 the Foundation made a \$200,000 impact investment. Funds used for the investment were distributed directly from an investment account.

See notes to consolidated financial statements.

## COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

#### NOTE 1 – DESCRIPTION OF ORGANIZATION

The Community Foundation for Southwest Washington (the Foundation) is a publicly supported charity founded in 1984 and incorporated under the laws of Washington state. The Foundation's mission is to engage communities and mobilize resources to create a southwest Washington where everyone can chart their own path toward prosperity and participate fully in shaping our region's future. We envision a flourishing and just community where prosperity is shared, belonging is universal, and everyone holds a deep commitment to caring for one another.

The Foundation receives contributions from individuals, families, and organizations and with these gifts, operates an effective grants program, including both donor-directed and strategic grantmaking. Our community-focused grant programs provide support to effective and innovative nonprofits that are actively disrupting the cycle of intergenerational poverty in Clark, Cowlitz, and Skamania counties.

#### Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Foundation, a Type 1 supporting organization, and four charitable LLCs.

The Supporting Organization of the Community Foundation for Southwest Washington operates exclusively for the benefit of and to carry out the purposes of the Foundation. The Foundation performs all administrative functions of the supporting organization and appoints its governing body. The Supporting Organization was inactive in 2022.

The Foundation's wholly owned subsidiaries are: Community Foundation for Southwest Washington LLC, Community Foundation for Southwest Washington LLC #2, Community Foundation for Southwest Washington LLC #3, and Community Foundation for Southwest Washington LLC #4. These charitable LLCs were formed for the purpose of holding gifts of real property and interests in operating businesses. All inter-organizational accounts and transactions have been eliminated. The LLCs are treated as disregarded entities for federal exempt organization business information return reporting.

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

##### Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors of the Foundation may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.



**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

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

**Basis of Presentation (continued)**

Grants and expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Estimates**

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

**Investment Policy**

The Foundation follows a total-return strategy in which investment decisions are made with the intent of maximizing the long-term total return of the portfolio, combining market-value changes (realized and unrealized) and current yield (interest and dividends). The Foundation's assets are invested in a mixture of equities, fixed-income instruments, cash, and alternative investment classes such as hedge funds, distressed debt, private instruments, and real property.

**Agency Funds**

The Foundation may accept transfers from another nonprofit organization and agree to transfer those assets, the return on investment of those assets, or both, back to the nonprofit organization at some point in the future.

Because the Foundation maintains variance power and fiduciary responsibility for all funds held under agency agreements, these funds continue to be reported as assets. However, a liability, "funds held under agency agreements," has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the nonprofit organization that established the fund for its own benefit.

**Contributions and Grant Revenue**

All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. Contributions and investment income that are limited to specific uses by donor restrictions are reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized. Contributions of assets other than cash are recorded at their estimated fair value.

Grants received with donor-imposed conditions are recognized as revenue when the conditions have been met. As of December 31, 2022 the Foundation has received grants totaling \$15,959 for which donor conditions have not been met.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

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

**Cash and Cash Equivalents**

For purposes of the consolidated financial statements, the Foundation considers all liquid investments having initial maturities of three months or less to be cash equivalents, unless the funds are held as investments.

**Receivables**

Receivables are carried at amounts management expects to be realized. The Foundation determines the requirement for an allowance for uncollectible receivables based upon management's judgment including such factors as prior collection history, nature of contributions, and assessments of underlying asset valuations expected to be converted. No allowance for uncollectible receivables was necessary at December 31, 2022 and December 31, 2021.

**Investments**

The Foundation carries several types of investments at their fair values based on quoted prices in active markets. These include investments in money market funds, common stocks and equity funds, and fixed income securities and funds. Real estate investments are initially recorded at fair value as of the dates the investments are donated to the Foundation and thereafter at current appraised or comparable values. Fair values for alternative investments in hedge funds, limited liability companies, and private equity and credit partnerships for which quoted market prices are not readily available are estimated in good faith by management based on analyses from independent investment advisors or financial information prepared by the general partners of the respective partnership or limited liability company. Because these alternative investments are recorded at their estimated fair values, the reported value may differ from the value that would have been used had a quoted market price existed. Interest income is accrued as earned and reported net of investment advisory fees. Security transactions are recorded on a trade date basis.

The Foundation holds as an investment a pool of 57 single family residencies received as part of a 2021 bequest gift. Titles to the properties were received in 2022 and initially recorded at 2020 date of death qualified appraised values. At December 31, 2022, valuations were adjusted to estimated fair market value based on published publicly available market data for Clark County, Washington. Net rental income earned on the houses is recorded as investment income.

**Assets Held Under Split-Interest Agreements**

The Foundation receives contributions of property in which the donor or donor-designated beneficiary may retain a life interest. The assets are invested and administered by the Foundation and distributions are made to the beneficiaries under the terms of the agreement. These funds are generally invested in equity and fixed income mutual and exchange traded funds. Initial recognition and subsequent adjustments to the assets' carrying values are reported as a change in value of split-interest agreements in the accompanying consolidated financial statements.

Obligations under split-interest agreements, including charitable remainder trusts, charitable lead trusts, and charitable gift annuities are recorded when incurred at the present value of the distributions to be made to the designated beneficiaries. Distributions are paid over the lives of the beneficiaries or another specific period.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

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

**Assets Held Under Split-Interest Agreements (Continued)**

Present values are determined using discount rates determined by the Internal Revenue Service and actuarially determined life expectancies. Obligations under split-interest agreements are revalued annually at December 31 to reflect actual experience; the discount rate is not changed. The net revaluations, together with any remaining recorded obligations after all trust or gift obligations under terminated agreements have been satisfied, are recorded as net changes in the value of split-interest agreements.

**Property and Equipment**

Office furniture and equipment are carried at cost when purchased; at market value when acquired by gift. Cost of furniture and equipment greater than \$5,000 is capitalized and depreciated on a straight-line basis over the estimated useful life of the asset, generally three to five years.

**Leases**

On January 1, 2022, the Organization adopted Accounting Standards Update No. 2016-02, Leases Topic 842 (ASC 842). The standard establishes a right of use asset (ROU) and lease liability for all leases with terms longer than 12 months. A ROU asset represents the right to use an underlying asset for the lease term; a lease liability represents the obligation to make lease payments, measured on a discounted basis. A lease is classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. An organization determines if a contract is a lease or contains a lease at contract inception.

Characteristics of finance leases are:

- The transfer of ownership of the underlying asset to the lessee at the end of the lease term.
- The lease agreement contains a provision where the lessee has the option to purchase the asset, which the lessee is reasonably certain to exercise.
- The lease term represents a major part of the asset's economic life.
- The present value of lease payments over the lease term, calculated at lease commencement, equals, or exceeds substantially all of the fair value of the asset.
- The asset is specialized in nature and provides no alternative use to the lessor at the end of the lease term.

If a lease does not meet any of the criteria for a finance lease, it is classified as an operating lease.

At lease inception, the lease liability is measured as the present value of the lease payments over the lease term, including any options to renew that the lessee is reasonably certain to exercise. Lease payments are discounted using the rate implicit in the contract, if readily determinable. If not determinable, the Organization uses a risk-free discount rate matching the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. Lease expense is generally recognized on a straight-line basis over the lease term.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

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

**Grants**

Grants to the community are made from available resources in accordance with donor and grant committee recommendations and are approved by the Board of Directors. Multi-year grant commitments for which the Foundation has made unconditional promises to give and for which there is no performance barrier imposed on the grantee, are recorded as grants payable. At December 31, 2022, the Foundation has 6 multi-year grant commitments totaling \$484,530. Grants payable in 2023 total \$292,000; amounts payable in 2024 total \$200,000 discounted to present value of \$192,530.

**In-Kind Contributions**

In 2022, the Foundation adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard is applied on a retrospective basis to 2021. The standard increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets received, qualitative information about whether the nonfinancial assets were monetized or utilized during the reporting period, the nonprofit's policy for monetizing or using nonfinancial assets, a description of donor-imposed restrictions associated with the assets, and the nonprofit's valuation techniques and inputs used to arrive at fair value measure, in accordance with Topic 820, Fair Value Measurement, at initial recognition.

In 2021, the Foundation was named as the beneficiary of an estate valued at \$65,000,000. The gift included non-financial assets shown below. Values are 2020 date of death qualified appraisals.

Operating business	\$ 26,790,000
Commercial real estate	4,516,000
Residential real estate	15,781,000
Vacant property	20,000
	<u>\$ 47,107,000</u>

In 2022, the residential real estate was transferred to the Foundation; the other properties continue to be held by the donor's estate. Transferred properties make up a pool of 57 single family homes located in Vancouver, Washington and are held for rent. It is the Foundation's general policy to monetize nonfinancial assets upon receipt. In this case, the properties are maintained as rental properties until a long-term strategy for the properties can be determined. The rental properties and net income therefrom are held within a field of interest fund to support affordable housing and services in southwest Washington. After transfer to the Foundation in September 2022, the residential properties were revalued to estimated fair market value based on published publicly available market data for Clark County, Washington.

The Foundation received no in-kind contributions in 2022.

**Income Taxes**

The Foundation and its Supporting Organization are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Washington statutes. Accordingly, income tax expense is limited to activities that are deemed by the Internal Revenue Service to be unrelated to their exempt purposes.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

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

**Concentrations of Credit Risk**

Investments consist primarily of financial instruments including cash equivalents, equity and fixed income securities, alternative investments, and real property. These financial instruments may subject the Foundation to concentrations of credit risk. Under the terms of an insured cash sweep agreement with the Foundation's primary banking institution, bank deposits in excess of current FDIC insurance limits are placed into deposit accounts at other depository institutions and are fully protected against loss.

**NOTE 3 – CONTRIBUTIONS RECEIVABLE**

From time to time the Foundation is the recipient of bequest gifts. Such gifts are recorded as revenue in the year a particular gift becomes irrevocable, and its value can be objectively estimated. For the years ended December 31, 2022 and 2021, bequest gifts total \$63,899,804 and \$85,623,026, respectively. The timing of the receipts is not currently determinable. Accordingly, the contributions are reported as net assets with donor restrictions until such time as the gifts are received.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

Financial assets required to be measured on a recurring basis (at least annually) are classified under a three-tier fair value hierarchy. The classification of assets and liabilities within the hierarchy is based on whether inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data. Investments, assets held in charitable trusts, and assets held in charitable gift annuities are the only assets of the Foundation measured at fair value on a recurring basis.

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, cash equivalents, and listed derivatives.

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies. Assets in this level include debt securities and partnerships that hold Level 1 assets.

**Level 3** – Unobservable inputs that reflect management's assumptions and best estimates based on available data. Assets in this level include alternative investments, real estate held for investment, investments in partnerships and limited liability companies, and beneficial interests in charitable remainder trusts.

Realized and unrealized gains and losses from these assets are reported in the Statement of Activities as they occur. There have been no changes in valuation techniques and related inputs.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

Investments for which fair value is measured using net asset value per share as a practical expedient are not categorized within the fair value hierarchy. These investments are non-published funds following investment company accounting standards and are available for at least quarterly redemption.

Fair values of assets measured on a recurring basis at December 31, 2022 were as follows:

	<b>2022</b>			Fair Value
	Level 1	Level 2	Level 3	Total
Investments measured at fair value:				
Domestic common stocks and equity funds	\$ 33,299,740	\$ -	\$ -	\$ 33,299,740
Fixed income securities and funds	24,448,101	-	-	24,448,101
Interests in private equity and credit partnerships and limited liability companies	-	-	38,347,444	38,347,444
International equity securities	14,425,735	-	-	14,425,735
Money market funds and other cash equivalents	11,537,066	-	-	11,537,066
Land and other real estate	-	-	19,920,560	19,920,560
	<u>\$ 83,710,642</u>	<u>\$ -</u>	<u>\$ 58,268,004</u>	<u>\$ 141,978,646</u>
Investments Measured at Net Asset Value				<u>156,259,262</u>
Total investments				<u>\$ 298,237,908</u>
Other assets measured at fair value:				
Assets held in charitable trusts	<u>\$ 1,971,880</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,971,880</u>
Assets held in charitable gift annuities	<u>\$ 989,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 989,905</u>

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

	<b>2021</b>			Fair Value
	Level 1	Level 2	Level 3	Total
Investments measured at fair value:				
Domestic common stocks and equity funds	\$ 39,969,315	\$ -	\$ -	\$ 39,969,315
Fixed income securities and funds	23,065,077	-	-	23,065,077
Interests in private equity partnerships and limited liability companies	-	-	29,695,281	29,695,281
International equity securities	32,846,739	-	-	32,846,739
Money market funds and other cash equivalents	7,683,539	-	-	7,683,539
Land	-	-	36,500	36,500
	<u>\$ 103,564,670</u>	<u>\$ -</u>	<u>\$ 29,731,781</u>	<u>\$ 133,296,451</u>
Investments Measured at Net Asset Value				<u>184,867,580</u>
Total investments				<u>\$ 318,164,031</u>
Other assets measured at fair value:				
Assets held in charitable trusts	<u>\$ 2,442,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,442,801</u>
Assets held in charitable gift annuities	<u>\$ 1,271,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,271,244</u>

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)**

For the years ended December 31, 2022 and 2021, the changes in assets measured using significant unobservable inputs (Level 3) were as follows:

	2022	2021
Balance, beginning	\$ 29,731,781	\$ 18,287,307
Gifts	-	1,283,899
Purchases (sales) - net	21,392,867	2,577,982
Total gains and losses included on the Statement of Activities	7,143,356	7,582,593
Balance, ending	\$ 58,268,004	\$ 29,731,781

**NOTE 5 – INVESTMENTS MEASURED AT NET ASSET VALUE**

The Foundation's investments measured at net asset value (NAV) were as follows:

2022	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
RIIFL Unconstrained Bond Fund	\$ 18,464,560	\$ -	Daily	1 day
RIIFL Sustainable Multi Asset Core Plus Fund	84,052,165	-	Daily	1 day
RIIFL Core Bond Fund	35,071,165	-	Daily	1 day
RIIFL Real Estate Equity Fund	3,529,406	-	Daily	1 day
RIIFL Large Cap Equity Index Fund	6,177,878	-	Daily	1 day
RIIFL International Equity Index Fund	3,279,759	-	Daily	1 day
Russell Investments Total Return Fund Quarterly, Ltd.	5,684,329	-	Quarterly	65 days
	\$ 156,259,262	\$ -		
<hr style="border: 0.5px solid black;"/>				
2021				
RIIFL Unconstrained Bond Fund	\$ 20,793,450	\$ -	Daily	1 day
RIIFL Sustainable Multi Asset Core Plus Fund	109,848,838	-	Daily	1 day
RIIFL Core Bond Fund	43,483,910	-	Daily	1 day
RIIFL Real Estate Equity Fund	5,070,649	-	Daily	1 day
Russell Investments Total Return Fund Quarterly, Ltd.	5,670,733	-	Quarterly	65 days
	\$ 184,867,580	\$ -		

Russell Investments Institutional Funds, LLC (RIIFL)

**NOTE 6 – IMPACT INVESTMENTS**

Impact investments diversify and enhance the Foundation's investment portfolio; they are aligned with its charitable mission and are structured to achieve both a financial and social return. Impact investments held during 2022 and 2021 are in the form of loans to various nonprofit organizations and government entities in southwest Washington. As of December 31, 2022, the Foundation holds three outstanding loans; all loans are current on repayment. These loans serve homelessness prevention and capital projects.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 6 – IMPACT INVESTMENTS (CONTINUED)**

Impact Investment Activity:

	<u>2022</u>	<u>2021</u>
Loans outstanding, beginning of year	\$ 4,085,819	\$ 1,960,000
Loans fully repaid	(2,500,000)	(900,000)
Partial repayment of principal per loan terms	(50,992)	-
Loans initiated	200,000	3,000,000
Increase in principal per terms of 2018 loan	<u>-</u>	<u>25,819</u>
Loans outstanding, end of year	<u>\$ 1,734,827</u>	<u>\$ 4,085,819</u>

**NOTE 7 – ASSETS HELD IN CHARITABLE TRUSTS AND CHARITABLE GIFT ANNUITIES**

Assets held related to these trusts and agreements at December 31, are as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Trusts</u>	<u>Annuities</u>	<u>Trusts</u>	<u>Annuities</u>
Common stocks and equity funds	\$ 757,283	\$ 571,835	\$ 1,016,339	\$ 739,041
Fixed income securities and funds	830,054	194,208	950,053	186,602
Money market funds and other				
cash equivalents	136,679	84,271	153,187	69,650
International funds	<u>247,864</u>	<u>139,591</u>	<u>323,222</u>	<u>275,951</u>
	<u>\$ 1,971,880</u>	<u>\$ 989,905</u>	<u>\$ 2,442,801</u>	<u>\$ 1,271,244</u>

A liability for these trusts and charitable gift annuities, representing the actuarially determined present value of the estimated future payments to be made to the beneficiaries using discount rates in the range of 1.8% to 8.5%, has been recognized.

The issuance of charitable gift annuities in the State of Washington is regulated by the Washington State Office of the Insurance Commissioner. The Insurance Commissioner requires, among other things, that the issuer of charitable gift annuities maintain certain minimum reserves, calculated in accordance with rules promulgated in RCW 48.38.020 of the Washington Insurance Code, and that these reserves be held in separate investment accounts. The minimum calculated reserve required at December 31, 2022 and 2021 totaled \$678,168 and \$700,872, respectively. The Foundation held \$989,905 and \$1,271,244 in separate accounts for these purposes at December 31, 2022 and 2021, respectively.

**NOTE 8 – OPERATING LEASE RIGHT OF USE ASSET AND LIABILITY**

The Foundation leases its office space under a 73-months operating lease commencing on September 1, 2018 and ending on September 30, 2024, with two five-year options to renew the lease through September 30, 2034. The Foundation reasonably expects to exercise its renewal options.



**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 8 – OPERATING LEASE RIGHT OF USE ASSET AND LIABILITY (CONTINUED)**

Future minimum lease payments and reconciliation to the statement of financial position at December 31, 2022 are as follows:

Present value of right-of-use assets obtained in exchange for new operating lease liabilities as of January 1, 2022	\$ <u>1,675,273</u>
Annual lease cost	\$ <u>167,962</u>
Future undiscounted lease payments	
2023	\$ 152,129
2024	155,171
2025	158,274
2026	161,440
2027	164,669
Thereafter, ending September 30, 2034	<u>1,200,684</u>
Total future undiscounted lease payments	1,992,367
Less: present value discount; weighted-average discount rate 3.88%	<u>(403,231)</u>
Present value of lease liability as of December 31, 2022	\$ <u>1,589,136</u>
Present value of right of use asset as of December 31, 2022	\$ <u>1,570,319</u>

**NOTE 9 – FUNDS HELD UNDER AGENCY AGREEMENTS**

Activity for the year ended December 31 is as follows:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 5,386,922	\$ 5,841,582
Additions:		
Contributions and transfers	413,157	610,068
Investment income (loss)	<u>(750,739)</u>	<u>503,065</u>
Total income (loss)	(337,582)	1,113,133
Deductions:		
Grants and transfers	(154,435)	(1,492,086)
Service fees assessed	<u>(45,973)</u>	<u>(75,707)</u>
Total deductions	(200,408)	(1,567,793)
Ending balance	\$ <u>4,848,932</u>	\$ <u>5,386,922</u>

**NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions include endowment funds created by donor stipulation requiring investment of the gift in perpetuity or for a specified term; charitable gift annuities and trusts, the assets of which are contractually restricted; and contributions receivable restricted for timing.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets with donor restrictions at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Endowment Funds:		
Discretionary	\$ 22,563,341	\$ 23,618,893
Designated	24,070,861	28,045,347
Donor advised	9,123,679	10,766,182
Field of interest	2,010,674	4,006,697
Scholarship	7,626,103	7,675,760
Contributions Receivable	63,899,804	85,623,026
Gift Annuities	(302,578)	(171,759)
Trusts	<u>786,845</u>	<u>990,116</u>
Total Net Assets With Donor Restrictions	<u>\$ 129,778,729</u>	<u>\$ 160,554,262</u>

**Interpretation of Relevant Law**

Washington State has enacted The Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA establishes a set of prudent management and investment standards for administering endowment funds. Under UPMIFA, the Foundation must consider a donor's intent to maintain an endowment in perpetuity, but it may spend so much of an endowment fund as it considers prudent, regardless of whether the fund is below its historic dollar value.

The Foundation retains variance power over its endowment assets. Its organizing documents and fund agreements set forth the power to modify any restriction or condition on distribution of funds for any specified charitable purpose or to specified organizations if in the sole judgement of the Foundation's Board, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of Southwest Washington.

**Underwater Endowment Funds**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the historic dollar value of the gifts. For the years ended December 31, 2022 and 2021, deficiencies of this nature are \$4,179,845 and \$383,076, respectively. These deficiencies resulted from unfavorable market fluctuations. For the same periods, total donor-restricted endowment funds experiencing deficiencies have an original gift value of \$41,236,262 and \$4,525,736, and a current value of \$37,056,417 and \$4,142,659.

Changes to endowment funds classified as net assets with donor restrictions are as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 76,307,417	\$ 70,510,412
Endowment investment return:		
Interest and dividends	1,239,742	1,480,789
Total net gains and losses, net of fees	(9,810,734)	6,826,629
Contributions to endowments	4,003,605	1,404,249
Transfers from endowments	<u>(5,669,800)</u>	<u>(3,914,662)</u>
Endowment net assets, end of year	<u>\$ 66,070,230</u>	<u>\$ 76,307,417</u>

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

**Return Objectives and Risk Parameters**

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

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which the investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. Investment decisions are made in the context of the Foundation's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Foundation.

**Spending Policy and How Investment Objectives Relate to the Spending Policy**

The Foundation has a policy of appropriating for distribution each year a percentage of the trailing three-year rolling-average of a fund's fair-value. In establishing this spending rate, the Foundation considers numerous factors listed in UPMIFA, including long-term expected return on investments, inflation, and other economic indicators. Accordingly, over the long term, the Foundation expects its spending policy to allow its endowment funds to grow at a rate equal to inflation. This is consistent with the Foundation's objective to maintain the purchasing power of its endowed assets.

**NOTE 11 – NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor-imposed restrictions consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Undesignated:		
Administrative	\$ 848,682	\$ 755,111
Discretionary	25,408,460	4,248,334
Designated	1,882,255	2,271,029
Donor Advised	197,249,675	231,384,362
Field of Interest	626,491	1,045,189
Scholarship	3,154,706	3,925,360
Total Undesignated	<u>229,170,269</u>	<u>243,629,385</u>
Board Designated:		
Gift Annuity Reserve	614,315	742,130
Operating Reserve	737,142	853,061
Total Board Designated	<u>1,351,457</u>	<u>1,595,191</u>
Total Net Assets Without Donor Restrictions	<u>\$ 230,521,726</u>	<u>\$ 245,224,576</u>

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 12 – RETIREMENT PLAN**

The Foundation helps its employees meet long-term retirement objectives by sponsoring a tax-sheltered annuity plan under Section 403(b) of the Internal Revenue Code. Employees meeting eligibility requirements may make elective contributions to the plan beginning on their date of hire. The Foundation, at its discretion, may make additional contributions to the plan once an employee has been employed for six months. After three years of service, employees become fully vested in the Foundation's contributions to the plan. For 2022 and 2021, the Foundation's contributions to the plan were \$74,348 and \$80,599, respectively.

**NOTE 13 – LIQUIDITY**

The following chart represents the Foundation's financial assets available to meet cash needs for general expenditures within one year of December 31, 2022. Amounts not available for expenditure within one year include long-term investment of endowment funds, investments subject to contractual restriction, illiquid investments, and contributions receivable.

Financial assets at year-end*	
Cash and cash equivalents	\$ 536,439
Contributions receivable	63,899,804
Impact investments	1,734,827
Investments	278,317,348
Assets held in charitable trusts	1,971,880
Assets held in charitable gift annuities	989,905
Other financial assets	118,556
Total financial assets	<u>347,568,759</u>
Less those unavailable for general expenditure within one year, due to contractual or donor-imposed restrictions:	
Long-term investment of endowment funds	(62,304,228)
Investments subject to contractual restrictions	(45,825,240)
Investments in limited liability corporations	(1,192,100)
Impact investments	(1,151,957)
Charitable trusts	(1,971,880)
Gift annuities	(989,905)
Contributions receivable	(62,820,662)
Investment receivable	(70,248)
Interest receivable	(2,500)
Life insurance cash surrender value	(116,055)
Total unavailable assets	<u>(176,444,775)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 171,123,984</u>
* Total assets at year-end	\$ 369,120,320
Nonfinancial assets (real property, prepaid expenses)	<u>(21,551,561)</u>
Total financial assets	<u>\$ 347,568,759</u>

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 13 – LIQUIDITY (CONTINUED)**

As part of the Foundation's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments.

Certain investments, including hedge funds and private equity and credit, include lock-up provisions and are not available for spending within one year.

At December 31, 2022, the Foundation holds 117 endowment funds with net assets totaling \$66 million. The Foundation will appropriate for spending in 2022 approximately 4.5% of each fund's three-year rolling average fair market value for grantmaking purposes and 1.2% for administrative fees.

**NOTE 14 – CONCENTRATIONS**

For the year ended December 31, 2022, 54% of contributions were made by one donor. For the year ended December 31, 2021, 91% of contributions were made by two donors.

**NOTE 15 – RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2022 and December 31, 2021, the Foundation recognized \$29,930 and \$9,787,574, respectively, in contributions from members of the Board of Directors. The Supporting Organization of the Community Foundation for Southwest Washington did not receive any gifts in 2022 or 2021.

**NOTE 16 – EXPENSE ANALYSIS**

The following chart classifies the Foundation's operating expenses by function: program services, management and general activities, and fundraising. The Foundation's operating expenses include grants to the community and administrative expenses. Expenses not directly associated with a particular activity are allocated among program and supporting activities based upon estimates of how Foundation employees' time is allocated among the three activities.

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

**December 31, 2022 and 2021**

**NOTE 16 – EXPENSE ANALYSIS (CONTINUED)**

	2022			
	Program Services	Management and General	Fundraising	Total Expense
Grants to the community	\$ 25,039,537	\$ -	\$ -	\$ 25,039,537
Program expenses	50,196	-	-	50,196
Salaries and related expenses	552,904	590,190	444,672	1,587,766
Professional services	-	161,586	-	161,586
Outreach expenses	149,748	2,350	25,102	177,200
Occupancy	61,448	65,592	49,419	176,459
Equipment lease, tech support, software	51,920	55,421	41,756	149,097
Office and postage	14,776	15,771	11,884	42,431
Professional development	-	13,260	-	13,260
Insurance	12,121	12,939	9,748	34,808
Telecommunications	7,779	8,303	6,256	22,338
Travel	2,164	2,310	1,741	6,215
Other	-	4,664	4,664	9,328
	<u>\$ 25,942,593</u>	<u>\$ 932,386</u>	<u>\$ 595,242</u>	<u>\$ 27,470,221</u>
	2021			
	Program Services	Management and General	Fundraising	Total Expense
Grants to the community	\$ 26,189,969	\$ -	\$ -	\$ 26,189,969
Program expenses	(25,993)	-	-	(25,993)
Salaries and related expenses	571,707	548,331	419,704	1,539,742
Professional services	-	149,774	-	149,774
Outreach expenses	74,164	2,793	23,594	100,551
Occupancy	57,876	55,510	42,488	155,874
Equipment lease, tech support, software	53,211	51,035	39,063	143,309
Office and postage	18,151	17,409	13,325	48,885
Professional development	-	9,215	-	9,215
Insurance	13,854	13,288	10,171	37,313
Telecommunications	8,789	8,429	6,452	23,670
Travel	528	506	387	1,421
Other	-	1,940	1,940	3,880
	<u>\$ 26,962,256</u>	<u>\$ 858,230</u>	<u>\$ 557,124</u>	<u>\$ 28,377,610</u>

**NOTE 17 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 10, 2023, which is the date the consolidated financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**

**Charitable Gift Annuity Certificate of Exemption No. 152845  
Presentation for WA State Office of the Insurance Commissioner**

**December 31, 2022 and 2021**

	2022				2021			
	CFSWW	Supporting Organization of the CFSWW	Eliminations	Consolidated	CFSWW	Supporting Organization of the CFSWW	Eliminations	Consolidated
<b>ASSETS</b>								
Cash and cash equivalents	\$ 529,781	\$ 6,658	\$ -	\$ 536,439	\$ 1,537,319	\$ 6,657	\$ -	\$ 1,543,976
Contributions receivable	63,899,804	-	-	63,899,804	85,623,026	-	-	85,623,026
Investments	298,237,908	-	-	298,237,908	318,164,031	-	-	318,164,031
Impact investments	1,734,827	-	-	1,734,827	4,085,819	-	-	4,085,819
Assets held in charitable trusts	1,971,880	-	-	1,971,880	2,442,801	-	-	2,442,801
Assets held in charitable gift annuities	989,905	-	-	989,905	1,271,244	-	-	1,271,244
Right of use asset	1,570,319	-	-	1,570,319	-	-	-	-
Other assets	179,238	-	-	179,238	218,004	-	-	218,004
<b>Total Assets</b>	<b>\$ 369,113,662</b>	<b>\$ 6,658</b>	<b>\$ -</b>	<b>\$ 369,120,320</b>	<b>\$ 413,342,244</b>	<b>\$ 6,657</b>	<b>\$ -</b>	<b>\$ 413,348,901</b>
<b>LIABILITIES</b>								
Accounts and other payables	\$ 502,635	\$ -	\$ -	\$ 502,635	\$ 29,583	\$ -	\$ -	\$ 29,583
Deferred revenue	15,959	-	-	15,959	-	-	-	-
Lease liability	1,589,136	-	-	1,589,136	-	-	-	-
Liabilities for charitable trusts	1,185,035	-	-	1,185,035	1,452,686	-	-	1,452,686
Liabilities for charitable gift annuities	678,168	-	-	678,168	700,872	-	-	700,872
Funds held under agency endowment agreements	4,848,932	-	-	4,848,932	5,386,922	-	-	5,386,922
<b>Total Liabilities</b>	<b>8,819,865</b>	<b>-</b>	<b>-</b>	<b>8,819,865</b>	<b>7,570,063</b>	<b>-</b>	<b>-</b>	<b>7,570,063</b>
<b>NET ASSETS</b>								
<b>Without Donor Restrictions</b>								
Undesignated	229,163,611	6,658	-	229,170,269	243,622,728	6,657	-	243,629,385
Board designated for gift annuity reserve	614,315	-	-	614,315	742,130	-	-	742,130
Board designated for operating reserve	737,142	-	-	737,142	853,061	-	-	853,061
<b>Total Without Donor Restrictions</b>	<b>230,515,068</b>	<b>6,658</b>	<b>-</b>	<b>230,521,726</b>	<b>245,217,919</b>	<b>6,657</b>	<b>-</b>	<b>245,224,576</b>
<b>With Donor Restrictions</b>	<b>129,778,729</b>	<b>-</b>	<b>-</b>	<b>129,778,729</b>	<b>160,554,262</b>	<b>-</b>	<b>-</b>	<b>160,554,262</b>
<b>Total Net Assets</b>	<b>360,293,797</b>	<b>6,658</b>	<b>-</b>	<b>360,300,455</b>	<b>405,772,181</b>	<b>6,657</b>	<b>-</b>	<b>405,778,838</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 369,113,662</b>	<b>\$ 6,658</b>	<b>\$ -</b>	<b>\$ 369,120,320</b>	<b>\$ 413,342,244</b>	<b>\$ 6,657</b>	<b>\$ -</b>	<b>\$ 413,348,901</b>

The accompanying independent auditors' report should be read with the supplementary information.



## **OTHER INFORMATION**

**COMMUNITY FOUNDATION FOR SOUTHWEST WASHINGTON**

**BOARD OF DIRECTORS**

Kristy Weaver, Chair  
John Deeder, Vice Chair  
Kim Capeloto, Treasurer  
Vanessa Gaston, Secretary

T. Randall Grove, J.D., LL.M  
Cristhian Canseco Juarez  
Karissa Lowe  
George Middleton  
Andy Silver  
Dr. Charlene Williams

**EXECUTIVE MANAGEMENT AND STAFF**

Matt Morton, President  
Janie Spurgeon, Executive Vice President and Chief Development Officer  
Rachon Hanson, Chief Financial Officer  
Anne Digenis, Senior Philanthropic Advisor  
Maury Harris, Senior Communications Officer  
Ashley Jhaveri, Digital Communications Specialist  
Esra Khalil, Senior Program Officer  
Ursula Arlauskas, Program Officer  
Deanna Green, Scholarship Manager and Development Associate  
Martin Parrao, Accountant  
Barbara Paulsen, Office Coordinator and Special Assistant  
Chrissy Brown, Development Associate

**CONTACT INFORMATION**

610 Esther Street, Suite 201  
Vancouver, WA 98660  
Phone (360) 694-2550  
rachon@cfsww.org