

**Coastal Community Foundation
of South Carolina, Inc.**

Report on Consolidated Financial Statements

For the years ended June 30, 2022 and 2021

Coastal Community Foundation of South Carolina, Inc.

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Independent Auditor's Report

To the Board of Directors
Coastal Community Foundation of South Carolina, Inc.
North Charleston, South Carolina

Opinion

We have audited the accompanying consolidated financial statements of the Coastal Community Foundation of South Carolina, Inc. (the "Foundation") and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material aspects, the consolidated financial position of the Foundation and its subsidiaries as of June 30, 2022 and 2021, and the changes in its 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 conduct 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 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 related 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 Consolidated 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 the 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 aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 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 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements, Continued

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



Charleston, South Carolina
November 17, 2022

Coastal Community Foundation of South Carolina, Inc.**Consolidated Statements of Financial Position****As of June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 5,519,044	\$ 10,088,566
Prepaid assets	284,593	171,271
Pledges and other receivables	91,743	32,483
Investments, at fair value	366,279,192	362,869,718
Life insurance, cash surrender value	1,486,523	1,419,504
Beneficial interest in split-interest agreements	4,300,088	4,948,421
Loans receivable, program-related	2,172,705	2,294,950
Property and equipment (net of accumulated depreciation of \$860,458 and \$786,170)	4,809,144	4,972,200
Total assets	<u>\$ 384,943,032</u>	<u>\$ 386,797,113</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 134,918	\$ 284,735
Other liabilities	418,638	453,763
Grants payable, net	355,812	808,875
Charitable trusts liability	2,069,861	2,496,266
Charitable gift annuity payable	1,529,535	1,630,086
Funds managed for:		
Supporting organizations (without CCF majority control)	21,432,107	23,042,516
Other organizations	21,072,428	22,168,408
Total liabilities	<u>47,013,299</u>	<u>50,884,649</u>
Net assets		
Without donor restrictions:		
Designated for donor advised	111,675,911	118,589,396
Designated for management	56,063,163	61,892,083
Designated for field of interest	89,244,364	76,286,337
Designated for designated organizations	44,718,035	40,400,616
Designated for scholarships	25,357,994	26,522,369
Designated for discretionary	7,277,719	8,548,173
Designated for special projects	1,362,320	1,220,055
Total net assets without donor restrictions	<u>335,699,506</u>	<u>333,459,029</u>
With donor restrictions:		
Restricted for charitable trusts - temporary	2,230,227	2,453,435
Total net assets with donor restrictions	<u>2,230,227</u>	<u>2,453,435</u>
Total net assets	<u>337,929,733</u>	<u>335,912,464</u>
Total liabilities and net assets	<u>\$ 384,943,032</u>	<u>\$ 386,797,113</u>

See Notes to Consolidated Financial Statements

Coastal Community Foundation of South Carolina, Inc.

Consolidated Statement of Activities

For the year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions	\$ 55,433,649	\$ -	\$ 55,433,649
Contributions of non-financial assets	1,990,000	-	1,990,000
Less contributions received for other organizations	<u>(1,772,603)</u>	<u>-</u>	<u>(1,772,603)</u>
Net contributions	55,651,046	-	55,651,046
Investment loss, net	(23,998,485)	(1,281)	(23,999,766)
Change in value of split-interest agreements	-	(221,927)	(221,927)
Change in value of gift annuity	(59,449)	-	(59,449)
Increase in life insurance, cash surrender value	67,019	-	67,019
Rental income	82,589	-	82,589
Other income	78,003	-	78,003
Administrative fees	<u>4,018,695</u>	<u>-</u>	<u>4,018,695</u>
Total revenues, gains and other support	<u>35,839,418</u>	<u>(223,208)</u>	<u>35,616,210</u>
Expenses			
Grants made	23,497,001	-	23,497,001
Less grants made for other organizations	<u>(1,069,321)</u>	<u>-</u>	<u>(1,069,321)</u>
Net grants made	22,427,680	-	22,427,680
Grants program expenses	<u>937,334</u>	<u>-</u>	<u>937,334</u>
Total grants expenses	23,365,014	-	23,365,014
Other program expenses	<u>3,863,163</u>	<u>-</u>	<u>3,863,163</u>
Total program expenses	27,228,177	-	27,228,177
Management and general	5,218,664	-	5,218,664
Fundraising and development	<u>959,003</u>	<u>-</u>	<u>959,003</u>
Total expenses	<u>33,405,844</u>	<u>-</u>	<u>33,405,844</u>
Increase in net assets before transfers	2,433,574	(223,208)	2,210,366
Interfund transfers, net	<u>(193,097)</u>	<u>-</u>	<u>(193,097)</u>
Increase in net assets	2,240,477	(223,208)	2,017,269
Net assets at beginning of year	333,459,029	2,453,435	335,912,464
Net assets at end of year	<u>\$ 335,699,506</u>	<u>\$ 2,230,227</u>	<u>\$ 337,929,733</u>

See Notes to Consolidated Financial Statements

Coastal Community Foundation of South Carolina, Inc.

Consolidated Statement of Activities

For the year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions	\$ 22,283,506	\$ 54,002	\$ 22,337,508
Less contributions received for other organizations	(977,803)	-	(977,803)
Net contributions	21,305,703	54,002	21,359,705
Investment income, net	81,985,863	1,281	81,987,144
Government grant PPP loan forgiveness	475,773	-	475,773
Change in value of split-interest agreements	-	104,008	104,008
Change in value of gift annuity	(53,718)	-	(53,718)
Decrease in life insurance, cash surrender value	(124,243)	-	(124,243)
Rental income	66,675	-	66,675
Other income	64,513	-	64,513
Administrative fees	3,332,359	-	3,332,359
Total revenues, gains and other support	107,052,925	159,291	107,212,216
Expenses			
Grants made	18,842,615	-	18,842,615
Less grants made for other organizations	(1,012,163)	-	(1,012,163)
Net grants made	17,830,452	-	17,830,452
Grants program expenses	1,163,258	-	1,163,258
Total grants expenses	18,993,710	-	18,993,710
Other program expenses	2,091,411	-	2,091,411
Total program expenses	21,085,121	-	21,085,121
Management and general	4,654,761	-	4,654,761
Fundraising and development	508,489	-	508,489
Total expenses	26,248,371	-	26,248,371
Increase in net assets before transfers	80,804,554	159,291	80,963,845
Interfund transfers, net	18,661	-	18,661
Increase in net assets	80,823,215	159,291	80,982,506
Net assets at beginning of year	252,635,814	2,294,144	254,929,958
Net assets at end of year	<u>\$ 333,459,029</u>	<u>\$ 2,453,435</u>	<u>\$ 335,912,464</u>

See Notes to Consolidated Financial Statements

Coastal Community Foundation of South Carolina, Inc.**Consolidated Statement of Functional Expenses****For the year ended June 30, 2022**

	Program Services		Management and General	Fundraising and Development	Total
	Grants	Other			
Grants made	\$ 22,427,680	\$ -	\$ -	\$ -	\$ 22,427,680
Other program expenses	-	1,019,793	-	-	1,019,793
Payroll	733,345	1,346,807	913,408	565,725	3,559,285
Management fees	-	-	3,656,537	-	3,656,537
Contract services	-	382,807	163,460	162,256	708,523
Occupancy	41,313	282,354	42,683	25,348	391,698
Professional services	-	147,260	117,980	14,235	279,475
Depreciation	60,896	88,000	77,196	42,708	268,800
Software and equipment	37,271	93,541	52,275	30,516	213,603
Meetings and events	-	139,210	46,210	-	185,420
Sponsorships	-	141,388	-	-	141,388
Dues and recognition	22,841	68,540	28,781	14,892	135,054
Development and relocation	19,688	74,048	18,281	10,259	122,276
Life insurance premiums	-	-	-	69,419	69,419
Business insurance	-	-	64,603	-	64,603
Office supplies	7,736	21,444	9,361	4,771	43,312
Advertising	-	32,912	-	-	32,912
Travel	7,894	12,166	8,523	3,055	31,638
Postage and printing	6,047	8,085	7,644	4,957	26,733
Miscellaneous	303	4,808	177	10,862	16,150
Taxes	-	-	11,545	-	11,545
Total functional expenses	\$ 23,365,014	\$ 3,863,163	\$ 5,218,664	\$ 959,003	\$ 33,405,844

See Notes to Consolidated Financial Statements

Coastal Community Foundation of South Carolina, Inc.**Consolidated Statement of Functional Expenses****For the year ended June 30, 2021**

	Program Services		Management and General	Fundraising and Development	Total
	Grants	Other			
Grants made	\$ 17,830,452	\$ -	\$ -	\$ -	\$ 17,830,452
Payroll	916,362	1,050,998	918,044	396,631	3,282,035
Management fees	-	-	2,956,359	-	2,956,359
Contract services	-	213,123	164,741	12,619	390,483
Depreciation	73,592	87,594	73,137	29,224	263,547
Software and equipment	55,336	73,371	59,357	27,643	215,707
Other program expenses	-	213,483	-	-	213,483
Professional services	-	130,040	71,775	-	201,815
Business insurance	-	-	180,177	-	180,177
Occupancy	50,108	56,272	40,832	14,317	161,529
Taxes	-	-	102,214	-	102,214
Dues and recognition	23,545	29,848	24,209	8,848	86,450
Development and relocation	12,254	54,907	12,341	5,128	84,630
Miscellaneous	13,021	40,563	13,914	6,633	74,131
Sponsorships	-	61,727	-	-	61,727
Meetings and events	-	33,767	20,121	-	53,888
Postage and printing	10,576	9,919	8,736	4,422	33,653
Advertising	-	24,705	-	-	24,705
Office supplies	6,101	8,145	6,249	1,999	22,494
Travel	2,363	2,949	2,555	1,025	8,892
Total functional expenses	\$ 18,993,710	\$ 2,091,411	\$ 4,654,761	\$ 508,489	\$ 26,248,371

See Notes to Consolidated Financial Statements

Coastal Community Foundation of South Carolina, Inc.**Consolidated Statements of Cash Flows****For the years ended June 30, 2022 and 2021**

	2022	2021
Cash flows from operating activities		
Increase in net assets	\$ 2,017,269	\$ 80,982,506
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net realized and unrealized (gains) losses on investments	28,175,840	(77,301,368)
Noncash increase in value of split-interest agreements and charitable gift annuities	281,376	102,179
Depreciation	268,800	263,547
Net loss on disposal of property and equipment	2,090	1,815
Noncash contribution of interest in trust	(155,834)	-
Government grant PPP loan forgiveness	-	(475,773)
Increase (Decrease) in cash surrender value of life insurance	(67,019)	124,243
(Increase) decrease in:		
Pledges and other receivables	(59,260)	613,517
Prepaid assets	(113,322)	65,786
Increase (decrease) in:		
Accounts payable	(149,817)	(246,569)
Other liabilities	(27,011)	364,590
Grants payable	(453,063)	(711,338)
Charitable trusts liability	(479,399)	(755,877)
Funds managed for supporting organizations	501,386	(468,800)
Funds managed for other organizations	973,095	656,018
Net cash provided by operating activities	<u>30,715,131</u>	<u>3,214,476</u>
Cash flows from investing activities		
Purchases of property and equipment	(107,834)	(149,520)
Proceeds advanced for investment loans receivable	(20,000)	-
Cash received from investment loans receivable	142,245	112,195
Proceeds from sales of investments	206,149,425	43,097,157
Purchases of investments	(241,211,717)	(37,236,406)
Net cash provided by (used for) investing activities	<u>(35,047,881)</u>	<u>5,823,426</u>
Cash flows from financing activities		
Proceeds advanced for loans receivable	-	(600,000)
Cash received from loans receivable	-	-
Payments on split interest agreement and charitable gift annuities	(384,492)	(288,620)
Liability for new split-interest agreements	155,834	200,247
Principal payments on capital leases	(8,114)	(7,573)
Net cash used for financing activities	<u>(236,772)</u>	<u>(695,946)</u>
Net change in cash and cash equivalents	(4,569,522)	8,341,956
Cash and cash equivalents, beginning of year	<u>10,088,566</u>	<u>1,746,610</u>
Cash and cash equivalents, end of year	<u>\$ 5,519,044</u>	<u>\$ 10,088,566</u>
Non-cash Financing Activities:		
Government grant PPP loan forgiveness	<u>\$ -</u>	<u>\$ 475,773</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for:		
Interest	<u>\$ 725</u>	<u>\$ 1,408</u>
Taxes paid	<u>\$ -</u>	<u>\$ 102,214</u>

See Notes to Consolidated Financial Statements

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities:

Coastal Community Foundation of South Carolina, Inc. (the "Foundation") was established in 1974 as a not-for-profit corporation. The Foundation's purpose is to help create vibrant communities by uniting people and investing resources. The Foundation officially serves nine coastal counties - Beaufort, Berkeley, Charleston, Colleton, Dorchester, Georgetown, Hampton, Horry, and Jasper. The Foundation administers more than 900 individual funds, each established with an instrument or gift describing either the general or specific purposes for which grants are to be made.

The Foundation's work is carried out through various efforts:

Development and Stewardship

The Foundation seeks to provide best-in-class stewardship to individuals, families and companies, to connect them to what they care deeply about. It uses its relationships, local expertise and knowledge as a place-based Foundation to inform and strengthen philanthropy and encourage strength and vitality in the nonprofit sector. The stewardship of its financial assets is crucial to philanthropy, in both the short and long-term. The Foundation is a permanent philanthropic resource to the community; thus, it practices prudent oversight of its investments to preserve and grow its resources to meet the needs of today and the future.

Grantmaking and Community Leadership

The Foundation's philanthropic assets include social, moral, intellectual, reputational and financial capital. This understanding of the available assets leads the Foundation to deploy financial capital through grantmaking and impact investing and to deploy the other forms of capital through its programmatic work.

Grantmaking - The Foundation's grantmaking spans the community's broadest areas, from arts and culture to community development, and provides critical operational and capital support for the network of nonprofits in the Foundation's nine county service area and beyond. The Foundation's grantmaking takes the form of donor advised grants, competitive grants in field of interest programs, scholarship program administration and corporate-advised grantmaking.

Other Programmatic Work - The Foundation's work also includes focus in Community Leadership, Strategic Projects and Impact Investing.

Community Leadership seeks to include community "voice" and data to drive partnerships and initiatives undertaken throughout the Foundation's nine-county footprint. The six priority pillars are economic mobility; education; physical and mental well-being; coastal resiliency; culture, equity, and identity; and family philanthropy that will inform the Foundation's work across departments and extend into community. The Board-adopted strategic plan, initiated in 2022, focuses on its place-based impact investing. Strategic projects include grantmaking programs the Foundation administers, the Rev. Pinckney Visionaries and Scholars program, and fiscal sponsorships. The Foundation provides thought-leadership and best practice operational support. The Foundation makes impact investments currently with a focus on economic mobility, primarily in affordable housing and small, minority business development. The program seeks financial return as well as social return in the nine-county service area.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Principles of consolidation:

The financial statements include two supporting organizations, The Frances P. Bunnelle Foundation (“FPB”) and The Waccamaw Community Foundation, Inc. (“WCF”). These supporting organizations are separate legal entities established under Section 509(a)(3) of the Internal Revenue Code (“IRC”) to operate solely for supporting the activities of the Foundation. They have their own boards of directors or trustees and use the Foundation to administer and invest their assets. The Foundation effectively controls, either directly or indirectly, all operating aspects of these organizations, and the organizations are financially interrelated to the Foundation. The Foundation’s Board of Directors appoints a majority of the directors to both the FPB and WCF Boards of Directors. Accordingly, their financial activity has been consolidated in the accompanying financial statements.

In addition, the consolidated financial statements include the accounts of several wholly owned subsidiaries, TCF Realty, LLC; FPB Realty, LLC; and WCF Land Trust, LLC, all of which are used to facilitate the holding and subsequent sale of real estate and otherwise manage real estate and easements for their respective supporting organizations.

The consolidated activity is collectively referred to as the "Foundation". All significant intercompany transactions have been eliminated in the consolidated presentation.

Agency organizations:

Two organizations, The Jewish Endowment Foundation of Greater Charleston (“JEF”) and The Saul Alexander Foundation (“SAF”), also operate in connection with the Foundation as supporting organizations under Section 509(a)(3) of the IRC. These organizations are not controlled, directly or indirectly, by the Foundation, and the Foundation does not appoint a majority of the Boards of Directors for JEF or SAF. The Foundation manages the assets of JEF and SAF and provides staff assistance in qualifying potential grantees of the respective funds. Accordingly, these organizations are presented following an agency presentation, with the balances presented as both assets and liabilities in the consolidated financial statements.

The market values of the net assets of JEF managed by the Foundation at June 30, 2022 and 2021 totaled \$18,445,441 and \$19,668,992, respectively. The market values of the net assets of SAF managed by the Foundation at June 30, 2022 and 2021 totaled \$2,986,666 and \$3,373,524, respectively.

Basis of accounting and presentation:

The financial statements of the Foundation are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Net assets:

Generally accepted accounting principles ("GAAP") require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the board of directors. These funds are further classified as:

Donor Advised Funds represent funds given by contributors who may from time to time suggest that the Board consider a request for a particular grant distribution. The contributors may make recommendations as to which charities should receive grants. These recommendations are advisory only and are subject to the Board's approval.

Management Endowment Funds are designated for the operations of the Foundation. Endowment or endowed funds are Foundation funds held on a long-term basis. Because the Foundation's board has the ability to modify any restriction on these funds, the funds, although referred to as endowments, are not classified as "permanently restricted." These funds also include amounts that have been used to purchase property and equipment, net of accumulated depreciation and any related long-term debt. The Foundation did not have any long-term debt associated with the purchase of property and equipment as of June 30, 2022 or 2021.

Field of Interest Funds represent funds available for expenditure at the Board's discretion, but only in the particular field of concern specified in the fund agreement.

Designated Funds represent unrestricted funds given by contributors with the stipulation that the funds be used for a specific not-for-profit organization or project, and the Foundation has been given the authority to change a designation if the Foundation decides that conditions and circumstances have so changed that literal compliance with the original designation is unnecessary, undesirable, impractical, or impossible.

Scholarship Funds are available for the purpose of providing scholarships for high school and college students.

Discretionary Funds represent unrestricted funds available for expenditure at the Board's discretion.

Special Project Funds represent funds given by contributors with the stipulation that the funds be used to administer a specific program which is delineated in the grant or fund contract. The Foundation acts as the administrator for these funds.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Net assets, continued:

Net assets with donor restrictions: Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time (that is, when a stipulated time restriction ends or purpose restriction is accomplished). Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Consolidated Statements of Activities. These funds are further classified as follows:

Restricted for Charitable Trusts

The Foundation serves as the trustee for various charitable trusts. Under the terms of these trust agreements, the Foundation, as Trustee, directs the Custodian/Advisor to make distributions from the trust assets to income beneficiaries for a given term or for the life of the beneficiaries. Depending on the trust agreements, at the end of the term or upon the death of the income beneficiary(ies), assets remaining in the trust will be transferred to the Foundation, another charity, or the donor as applicable. The Foundation records the assets held in charitable trusts at their fair value based on current quoted market prices and records a liability under charitable trust agreements for the estimated discounted value of the amounts due to the income beneficiaries based on Internal Revenue Service ("IRS") annuity and mortality tables.

Donor designated funds:

Accounting standards provide guidance on the net asset classification of donor restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") and also improve disclosures about an organization's endowment funds (both with and without donor restrictions) whether or not the organization is subject to UPMIFA.

The State of South Carolina adopted UPMIFA effective July 1, 2008. However, the Foundation has determined that the majority of the Foundation's net assets do not meet the definition of endowment under UPMIFA. The Foundation is governed subject to the bylaws of the Coastal Community Foundation of South Carolina, Inc., and most contributions are subject to the terms of these Bylaws. Certain contributions are received subject to other gift instruments or are subject to specific agreements with the Foundation. Under the terms of the bylaws, the Board of Directors has the ability to distribute as much of the corpus of any trust or separate gift, device, bequest, or fund as the Board, in its sole discretion, shall determine. However, these designated funds are invested for long-term purposes and are subject to a spending policy as defined below.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Spending and investment policies:

To satisfy its long-term rate of return objective, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters.

The Foundation has adopted investment and spending policies for invested assets that attempt to provide a predictable stream of funding to programs supported by these assets, while seeking to maintain the purchasing power of the assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is 7.5% net of investment fees over 5 years. Actual returns in any given year may vary from this amount. Spending policies have been established for three groups of funds, as follows:

Endowed - The spending policy for Coastal Community Foundation of South Carolina, Inc. ("CCF") calculates the amount of money to be annually distributed from the various endowed funds for grantmaking and administration. The current spending policy is to distribute for grants a maximum amount of 5% of a moving 20-quarter average, which is determined every June 30. As part of the 5%, CCF distributes from its funds approximately 1% in administrative fees. Accordingly, over the long term, CCF expects the current spending policy to allow its endowment assets to grow at an average rate of 2.5% annually. This is consistent with CCF's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return. Any unspent amount at the end of the fiscal year remains in the fund's balance to be carried forward and included in the calculation of available funds in subsequent years.

The spending policy of WCF differs slightly from that of CCF. The current spending policy is to distribute for grants an amount equal to 4% of a moving 12-quarter average, which is determined every December 31.

Partially-Endowed - The spending policy of these funds allows for all corpus and cumulative earnings to be spent from each respective fund down to a minimum balance of \$25,000.

Non-Endowed - All corpus and cumulative earnings may be spent from each respective fund.

The remainder of the 7.5% investment objective after expenditures under the spending policies is used toward management fees and preservation of spending power.

Funds managed for supporting (without Foundation majority control) and other organizations:

The Foundation manages assets for various other not-for-profit organizations. These organizations include Supporting Organizations which support the work of the Foundation, but whose board is not controlled by the Foundation, and Other Organizations which are both donor and beneficiary of the funds established at the Foundation. These managed assets are reported as both assets and liabilities in the accompanying Consolidated Statements of Financial Position. The revenues and expenses of these funds are excluded from the Consolidated Statements of Activities.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Availability of funds for general expenditures:

The Foundation has certain designated net assets that are available for general expenditures within one year of June 30, 2022 and 2021 because the designations on the net assets are expected to be met by conducting the normal activities of its programs in the coming year. For endowed funds, the Foundation considers approximately 5% of the ending balance of the total endowed funds to be the amount available to be spent on general expenditures in the next year based on the aforementioned spending policy. For partially endowed funds, all amounts within each respective fund may be spent down to a balance in the next fiscal year, no lower than \$25,000. Non-endowed funds are considered to be entirely available for general expenditures in the next year. Regarding the Frances P. Bunnelle Foundation, the amount considered available for general expenditures in the next year is based on the approved budgeted expenditures for the next year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year (See Note 2).

Cash and cash equivalents:

The Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents except cash temporarily held in its long-term investment portfolio.

Investments:

Investments consist of mutual funds, exchange traded funds, debt and equity securities, annuities, and real estate all carried at fair value. It also includes loans carried at the net present value of future payments and life insurance carried at cash surrender value. Investments in alternative investment securities are carried at the net asset value provided by the external investment managers as of the reporting date. Because alternative investment interests are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ significantly from the value that would have been used had a ready market for the investments existed. Investments donated to the Foundation are initially recorded at their estimated fair value on the date of gift. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost of the investments sold using the average cost of the investments sold. Unrealized gains and losses are included in the change in net assets in the Consolidated Statements of Activities.

Assets held in trust and charitable trusts liability:

Assets held in trust consist of split-interest agreements that name the Foundation as a beneficiary.

By the Foundation:

Trust agreements that name the Foundation as trustee are held in trust accounts that are measured at fair value in the Consolidated Statements of Financial Position. Changes in the value of the assets and distributions from the trust accounts are included in the Consolidated Statements of Activities in net assets with donor restrictions.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Assets held in trust and charitable trusts liability, continued:

By the Foundation, continued:

The Foundation has been named as the charitable trustee for certain charitable remainder trusts which require the payout of stated amounts to named beneficiaries over their respective lifetimes. Accordingly, the fair values of the trusts' assets have been included in the Foundation's Consolidated Statements of Financial Position. Also, a liability has been recorded to reflect the required lifetime payments. The payouts are calculated using various percentages of the fair value of the trust assets or of the original gift value depending on the trust document and the beneficiaries' ages, which range from 65 to 96 years. There have been no significant changes in actuarial assumptions and the discount rates used. The discount rates range from 2.2% to 7.4%.

The required lifetime payment liability represents the difference between the fair value of the trust assets and the present value of the remainder interest. For those trust agreements which name the Foundation irrevocably as the remainder beneficiary, a contribution has been recorded based upon the present value of the expected remainder interest. The present value of the amounts due to the remainder beneficiaries for lifetime payments is included in the caption charitable trusts liability on the accompanying Consolidated Statements of Financial Position. The remainder interests of the trusts have been estimated using IRS guidelines and actuarial tables. In subsequent periods, adjustment of the liability to reflect changes in the value of trust assets and revisions in the donor's life expectancy are recorded as a change in value of split-interest agreements.

By others:

Trust agreements under which the Foundation has no control over the investment of assets are measured at the present value of the expected future cash flows from the trust account and reflected in "Beneficial interest in split interest agreements" in the Consolidated Statement of Financial Position. The discount rate used to determine the present value is determined at the date of the gift and remains constant throughout the life of the trust. Changes in the value of the assets and distributions to the Foundation are included in the Consolidated Statements of Activities in net assets with donor restrictions.

Loans receivable - program related:

The Foundation has made loans to various groups in accordance with the Foundation's social impact investing initiative. These loans are at or below market interest rates. The loans assist the institution's mission to support equitable access to capital by providing loans, technical assistance and advocacy for affordable housing, healthy food, and other causes to create thriving, prosperous, and economically resilient communities for South Carolinians. The loans receivable are recorded at the net present value of the future payments to be received from the borrower using the loan interest rate. Based upon past performance, management believes no allowance for uncollectible loans is necessary.

Property and equipment and depreciation:

The Foundation capitalizes all laptop computers regardless of cost and other capital expenditures in excess of \$1,000. Property and equipment are recorded at cost or, if donated, at fair value on the date received. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 30 years.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Grants payable:

Grants payable that are expected to be paid within one year are recorded at net realizable value. Grants payable that are expected to be paid in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are paid. Discount amortization is included in grant expense. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. There were no conditional grants at June 30, 2022 or 2021.

Revenue recognition:

In accordance with ASC 606, revenue is recognized upon the transfer of control of promised goods or services to customers in an amount that reflects the consideration the Foundation expects to receive in exchange for those products or services. Contracts are analyzed with the following steps: (i) identify the contract with the customer; (ii) determine whether the promised goods or services are separate performance obligations in the contract; (iii) determine the transaction price, including considering the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract based on the standalone selling price or estimated standalone selling price of the good or service; and (v) recognize revenue when (or as) each performance obligation is satisfied.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC 606. Revenue is allocated to each performance obligation as the related performance obligation is satisfied as discussed below.

Contributions:

Contributions that are unrestricted or restricted by donor are earned and recognized when the donation is received or unconditionally pledged, as long as there is no performance requirement attached to the contribution. For promises to give, a performance obligation attached to the promise to give would be considered a conditional promise to give, and the conditional promise to give would be recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions received are recorded as support without donor restrictions or support with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities as net assets released from restrictions.

Other income:

Other Income (primarily support fee income and event income) is recorded as earned when the funds are unconditionally pledged or received as there are no performance obligations that must be met by the Foundation to “earn” the revenue. As this revenue is not deemed to be earned through a contract with a customer and a contract is not determined to exist, the Foundation does not consider this revenue stream to fall under the ASC 606 guidance.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Revenue recognition, continued:

Administrative fees:

Support fees are charged for administrative and other services provided to the Foundation funds, supporting organizations and other trusts. These fees are used to cover the administrative expenses of the Foundation and support the Foundation's efforts. The fees are based on a percentage of the estimated fair value of income-producing assets held by the Foundation or a percentage of the fund's net asset balances.

Administration fees charged on internally managed funds are not earned through a contract with a customer and a contract is not determined to exist. Therefore, the Foundation does not consider this revenue stream to fall under the ASC 606 guidance. However, administration fees charged on funds held for others is recorded over time when the performance obligation is met. Administration fees earned over time on funds held for others totaled \$412,360 and \$356,662 at June 30, 2022 and 2021, respectively.

Donated assets:

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. The Foundation's policy is to convert unrestricted donated marketable securities to cash at the time of receipt. Accordingly, on the Consolidated Statements of Cash Flows, these contributed securities are considered to be cash from operating activities.

Donated services:

A substantial number of volunteers have made significant contributions of their time, principally in administrative functions and grantmaking programs. No amounts have been reflected in the accompanying financial statements for the fair value of contributed services because they did not meet the criteria for recognition under GAAP.

Expense allocation:

The costs of providing various programs and activities have been summarized on a functional basis in the Consolidated Statements of Activities and Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses of the Foundation include:

Grants and grant program expenses - Grants include gifts for charitable purposes and distributions to designated recipients in accordance with the intentions of the originating donor organization or individual and the Foundation's Board. Grants are recorded as expenses when they are approved by the respective Board for payment. Grant program expenses represent expenses related to the administration of the grant programs of designated funds. CCF's Board approves grant payments for its funds, while the Boards of the supporting organizations, WCF and FPB, approve grants of their respective organizations.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Expense allocation, continued:

Other program expenses - Other program expenses include certain administrative, educational, and direct services provided for the benefit of other civic and not-for-profit organizations and their beneficiaries, either by the Foundation, contracted consultants, or other not-for-profit organizations for which the Foundation is the fiscal agent. In addition, the Foundation is actively involved in several local program initiatives for which the cost of staffing and managing these initiatives is also included in this grouping of expenses.

Management and general expenses - Management and general expenses include the general, administrative, and operating costs of the Foundation.

These expenses also include support fees which are charged for administrative and other services provided to Foundation funds and supporting organizations. These fees are used to cover the administrative expenses of the Foundation and support the Foundation's philanthropic efforts throughout its service area. The fee is generally based on a percentage of the individual funds' net asset balances. The annual fee for endowed and partially endowed funds range from 0.5% to 1.5% on the average daily balance. For fiscal sponsor funds and certain funds managed by the Foundation, the fee is normally 3% of the average daily fund balance. All fees are set by the Boards of the Foundation and supporting organizations or by the individual fund agreement.

Fundraising and development expenses - These expenses include direct and indirect activities undertaken to solicit contributions from donors.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated and the method of allocation include:

<u>Expense Type</u>	<u>Method of Allocation</u>
Payroll	Time and effort
Contract services	Direct costs to programs; remaining to management/general
Meetings and events	Direct costs to programs; remaining to management/general
Occupancy	Based on payroll allocation percentages
Depreciation	Based on payroll allocation percentages
Postage and printing	Based on payroll allocation percentages
Dues and recognition	Based on payroll allocation percentages
Development and relocation	Based on payroll allocation percentages
Professional services	Direct costs to programs; remaining to management/general
Software and equipment	Based on payroll allocation percentages
Office supplies	Based on payroll allocation percentages
Travel	Based on payroll allocation percentages
Miscellaneous	Based on payroll allocation percentages

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Income tax status:

The Foundation and its supporting foundations are exempt from federal income tax under the provisions of Section 501(c)(3) of the IRC. In accordance with IRC regulations, the Foundation is taxed on unrelated business income, which consists of earnings from activities not related to the exempt purpose of the Foundation. The Foundation accounts for tax uncertainties based on a more likely than not recognition threshold whereby tax benefits are only recognized when the Foundation believes that they have a greater than 50% likelihood of being sustained upon examination by taxing authorities. The Foundation has evaluated all of its tax positions and determined that it had no uncertain income tax positions that would require recognition as of June 30, 2022 or 2021.

The Foundation's policy is to report accrued interest related to unrecognized tax benefits, when applicable, as interest expense and to report penalties as other expense. With few exceptions, the Foundation is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years before 2019.

Use of estimates:

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

Reclassification:

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period consolidated financial statements. These reclassifications had no effect on the previously reported net assets.

Recently adopted and new accounting pronouncements:

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, an update to increase the transparency of the measurement of contributed nonfinancial assets through enhancements to presentation and disclosure. The Foundation adopted this new standard on July 1, 2021, and it was applied retroactively to the consolidated financial statements as of and for the year ended June 30, 2021. The presentation and disclosures of contributions of nonfinancial assets have been enhanced in accordance with the standard. See Note 4.

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which is effective for fiscal years ending December 31, 2022 and after. The ASU establishes a dual approach for classifying leases as either financing or operating leases and requires recognition of an asset and liability on the Consolidated Statements of Financial Position for both types of leases. The Foundation is currently assessing the impact of this new guidance on existing leases.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 1. Nature of Activities and Summary of Significant Accounting Policies, Continued

Recently adopted and new accounting pronouncements, continued:

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Foundation's net assets or changes in net assets. The Foundation is currently assessing the impact of this new guidance on existing presentation and disclosures.

Subsequent events:

Management has evaluated subsequent events through November 17, 2022, which is the date the consolidated financial statements were available to be issued.

Note 2. Availability and Liquidity

Assets available for general expenditure, that are without donor or other restrictions limiting their use within one year of the Consolidated Statements of Financial Position date of June 30, 2022 and 2021, respectively, are comprised of the following at June 30:

	<u>2022</u>	<u>2021</u>
Assets at year end	<u>\$ 384,943,032</u>	<u>\$ 386,797,113</u>
Less amounts not available to be used within one year due to illiquidity:		
Prepaid assets	(284,593)	(171,271)
Life insurance, cash surrender value	(1,486,523)	(1,419,504)
Loan receivable, program-related – due after one year	(788,826)	(960,202)
Property and equipment, net	<u>(4,809,144)</u>	<u>(4,972,200)</u>
Total	<u>(7,369,086)</u>	<u>(7,523,177)</u>
Less amounts not available to be used within one year due to:		
Contractual or donor-imposed restrictions:		
Funds managed for:		
Supporting organizations (without Foundation majority control)	(21,432,107)	(23,042,516)
Other organizations	(21,072,428)	(22,168,408)
Beneficial interest in split-interest agreements	(4,300,088)	(4,948,421)
Grants payable, long-term portion	(159,657)	(415,678)
Board/donor designations:		
Designated endowed funds, net of spendable amounts and administrative fees	(153,852,373)	(167,570,722)
Designated partially endowed funds, net of spendable amounts and administrative fees	(4,241,337)	(3,773,633)
Designated funds for Frances P. Bunnelle Foundation, net of spendable amounts based on the annual budget	<u>(38,778,558)</u>	<u>(45,174,967)</u>
Assets available to meet cash needs for general expenditures within one year	<u>\$ 133,737,398</u>	<u>\$ 112,179,591</u>

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 2. Availability and Liquidity, Continued

As part of its liquidity plan, the Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Foundation invests excess cash in short-term investments, including money market accounts, and has the ability to redeem certain investments as necessary to meet its obligations.

Note 3. Credit Risk and Concentrations

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents, marketable securities, alternative investments, partnership units, and real estate. Cash and cash equivalents are maintained at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000 or by the Securities Investors Protection Corporation up to \$500,000. Certain accounts are also covered by the financial institutions' additional insurance for account balances in excess of \$500,000. Deposits may at times exceed the federally insured limits, and credit exposure is limited to deposits at any one institution in excess of this limit. The Foundation has not experienced any losses on its cash and cash equivalents. The Foundation invests in a variety of investments which are subject to fluctuations in market values and expose the Foundation to a certain degree of interest and credit risk.

During the year ended June 30, 2022, the Foundation received approximately 56% of its total contributions from two donors. During the year ended June 30, 2021, the Foundation received approximately 20% of its contributions from two donors.

Note 4. Contributed Nonfinancial Assets

The Foundation recognizes contributed nonfinancial assets within revenue. Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions. For the year ended June 30, 2022, contributed nonfinancial assets recognized within the Consolidated Statements of Activities included \$1,990,000 of donated property. The donated property was appraised by an independent third-party at \$1,990,000 and recognized when the transaction closed, and the title had been transferred to one of the Foundation's wholly owned subsidiaries. The gift was restricted and released upon sale of the property. The proceeds were transferred to the donor's donor advised fund. There were no contributed nonfinancial assets for the year ended June 30, 2021.

Note 5. Receivables

Loans receivable, program related - The Foundation invests a portion of its funds in projects that advance philanthropic purposes by providing loans to certain not-for-profit organizations. Loans receivable are carried at unpaid principal balances. At June 30, 2022 and 2021, these loans approximated \$2,173,000 and \$2,295,000, respectively. The loans have various maturity dates through September 2034, and interest rates ranging from 1.63% to 4.5%. Management has reviewed these loans and believes that no allowance for uncollectible accounts is necessary as of June 30, 2022 and 2021.

Pledges and other receivables - As of June 30, 2022, the Foundation had other receivables totaling \$91,743, of which \$9,483 is expected to be collected in fiscal year 2023. The remaining is expected to be collected in fiscal year 2024.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 6. Property and Equipment, Net

Major classifications of property and equipment as of June 30 are summarized below:

	<u>2022</u>	<u>2021</u>
Land	\$ 725,805	\$ 725,805
Building	4,374,017	4,321,876
Furniture and equipment	<u>569,780</u>	<u>710,689</u>
Total	5,669,602	5,758,370
Accumulated depreciation	<u>(860,458)</u>	<u>(786,170)</u>
Net property and equipment	<u>\$ 4,809,144</u>	<u>\$ 4,972,200</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$268,800 and \$263,547, respectively.

Note 7. Split-Interest Agreements

The Foundation administers various irrevocable charitable remainder trusts which provide for the payment of distributions to the beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of an irrevocable trust's term, the remaining assets are available for the Foundation's use. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded as contributions with donor restrictions in the Consolidated Statements of Activities in the period the trust is established. Contributions of revocable trusts are not recognized as revenue because of the uncertainty of realization. Activity related to split-interest agreements held by the Foundation and Others as of and for the years ended June 30, 2022 and 2021 are reflected below:

	<u>2022</u>	<u>2021</u>
Assets	\$ 4,300,008	\$ 4,948,421
Present value of liability due to beneficiaries and remainder	2,069,861	2,496,266
Gain (loss) recognized from change in value of split-interest agreements	(221,927)	104,008

Note 8. Charitable Gift Annuity

In April 2020, the Foundation received a cash contribution of \$2,770,613 in relation to a new charitable gift annuity to be recorded by the Foundation. The funds were used by the Foundation to purchase a new office building (the "Turnbull building") based on the donor's intent. The Foundation has reported a charitable gift annuity obligation of \$1,529,535 and \$1,630,086 for the years ended June 30, 2022 and 2021, respectfully, on the Consolidated Statements of Financial Position.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 9. Long-Term Capital Lease Obligations

The Foundation leases certain equipment under capital leases. The assets acquired under these leases have been capitalized using appropriate interest rates at the inception of the leases. The assets and related depreciation are included on the Consolidated Statements of Financial Position under the caption of property and equipment. Amortization of the leased assets is included in depreciation expense. The net book value of assets under capital lease were \$15,779 and \$15,175 as of June 30, 2022 and 2021, respectively.

Interest expense paid on capital leases was \$298 and \$1,076 for the years ended June 30, 2022 and 2021, respectively.

As of June 30, 2022, the following is a schedule by year of future minimum payments due each June 30:

2023	\$	7,803
2024		4,304
2025		2,039
2026		<u>170</u>
Total future minimum lease payments		14,316
Less amount representing interest		<u>(254)</u>
Present value of future minimum lease payments	\$	<u><u>14,062</u></u>

Note 10. Grants Payable, Net

Unconditional grants payable, net, at June 30 is broken out below.

	<u>2022</u>	<u>2021</u>
Payable in less than one year	\$ 196,155	\$ 393,197
Payable in one to five years	<u>165,905</u>	<u>419,310</u>
	362,060	812,507
Less discount to present value	<u>(6,248)</u>	<u>(3,632)</u>
Grants payable, net	<u><u>\$ 355,812</u></u>	<u><u>\$ 808,875</u></u>

The discount to present value was calculated using the estimated earnings rate 3.2% and 0.6% as of June 30, 2022 and 2021, respectively.

For the years ended June 30, 2022 and 2021, grants payable to one grantee totaling \$231,810 and \$242,500 represented approximately 64% and 30%, respectfully, of gross grants payable.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 11. Net Assets Without Donor Restrictions

A breakdown of the net assets without donor restrictions for the years ended June 30, follows:

June 30, 2022					
<u>Fund Type</u>	<u>Endowed</u>	<u>Partially- Endowed</u>	<u>Non-Endowed</u>	<u>Frances P. Bunnelle Foundation</u>	<u>Total</u>
Donor advised	\$ 47,541,539	\$ 61,827,541	\$ 2,306,831	\$ -	\$ 111,675,911
Management	8,739,846	-	5,356,889	41,966,428	56,063,163
Field of interest	45,869,413	40,955,706	2,419,245	-	89,244,364
Designated	35,292,186	7,908,529	1,517,320	-	44,718,035
Scholarships	17,468,823	1,311,780	6,577,391	-	25,357,994
Discretionary	7,038,059	-	239,660	-	7,277,719
Special projects	-	-	1,362,320	-	1,362,320
Total	<u>\$ 161,949,866</u>	<u>\$ 112,003,556</u>	<u>\$ 19,779,656</u>	<u>\$ 41,966,428</u>	<u>\$ 335,699,506</u>

June 30, 2021					
<u>Fund Type</u>	<u>Endowed</u>	<u>Partially- Endowed</u>	<u>Non-Endowed</u>	<u>Frances P. Bunnelle Foundation</u>	<u>Total</u>
Donor advised	\$ 51,503,851	\$ 65,321,437	\$ 1,764,108	\$ -	\$ 118,589,396
Management	8,026,991	-	5,555,425	48,309,667	61,892,083
Field of interest	51,016,274	22,366,786	2,903,277	-	76,286,337
Designated	38,759,715	-	1,640,901	-	40,400,616
Scholarships	19,209,662	-	7,312,707	-	26,522,369
Discretionary	7,873,741	-	674,432	-	8,548,173
Special projects	-	-	1,220,055	-	1,220,055
Total	<u>\$ 176,390,234</u>	<u>\$ 87,688,223</u>	<u>\$ 21,070,905</u>	<u>\$ 48,309,667</u>	<u>\$ 333,459,029</u>

Note 12. Operating Leases

The Foundation has entered into several non-cancelable operating leases on real properties with the longest expiring October 2022. As of June 30, 2022, the estimated future minimum lease payments on real properties for the year ending June 30, 2023 is \$7,932.

Total rent expense for the years ended June 30, 2022 and 2021, was \$23,796 and \$15,264, respectively.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 13. Retirement Plan

The Foundation offers a 401(k) plan to all full-time and part-time employees who are age 21 or older and have completed six months of employment. Interns and temporary employees are not eligible. The Foundation makes safe harbor matching contributions of 100% of individual employee contributions up to 5% of compensation. New employees are automatically enrolled the first day of the month after 90 days of employment in the amount of 1% of compensation. Retirement plan expense for the years ended June 30, 2022 and 2021 was \$106,987 and \$117,647, respectively.

Note 14. Fair Value of Financial Instruments

Accounting principles generally accepted in the United States of America provide a framework for measuring fair value. The framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used at June 30, 2022 or 2021.

Cash equivalents - The carrying amounts approximate fair value because of the short maturity of these instruments.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 14. Fair Value of Financial Instruments, Continued

Money market funds - Valued at net asset value (“NAV”). The money market funds are invested in various funds. The Foundation invests in money market funds to provide daily liquidity. Fair values are based on the NAV that can be validated with a sufficient level of observable activity (i.e., purchases and sales at NAV) and were therefore classified within Level 1 of the fair value hierarchy.

Marketable equity securities - Valued at the closing price reported on the active market on which the individual securities are traded using closing prices reported in the active market.

Mutual funds and REITS - Valued at the closing price reported on the active market on which the individual funds are traded.

Notes receivable - Stated using amortized cost which approximates fair value.

Life insurance contracts - Valued at the cash value of the policy which approximates fair value.

Assets held in charitable trusts - Individual assets held in charitable gift trusts are valued at the closing price reported on the active market on which the individual securities are traded.

Real estate - These assets are initially valued at the purchase price, or the appraised price if donated, unless the property is offered for sale at a lower price or adverse conditions would deem that the Foundation value the property at a lower price. Property is evaluated annually to determine if the market value of the real estate has changed.

Limited partnership units - These assets are initially valued at the appraised price if donated. The partnership units are evaluated annually to determine if the market value has changed.

Partnerships and hedge funds - Value is determined by the General Partner in accordance with the partnership or hedge fund agreement. The General Partner estimates the fair value of the Fund’s investments in investment funds on the basis of the net asset value (NAV) per share of the investment (or its equivalent), as a practical expedient, wherever a) the underlying investment manager’s calculation of NAV is fair value based, and b) the NAV has been calculated as of the Fund’s fiscal year end date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 14. Fair Value of Financial Instruments, Continued

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds				
held in investment accounts	\$ 47,983,132	\$ -	\$ -	\$ 47,983,132
Mutual funds:				
Equities	174,243,529	-	-	174,243,529
Bonds	37,573,526	-	-	37,573,526
Marketable equity securities	28,609,059	-	-	28,609,059
Other investments:				
Loans receivable	-	-	2,172,705	2,172,705
Real estate	-	-	396,670	396,670
Life insurance contracts	-	-	1,486,523	1,486,523
Beneficial interest in split-interest agreements held by the Foundation	3,124,956	-	-	3,124,956
Beneficial interest in split-interest agreements held by Others	<u>778,462</u>	<u>-</u>	<u>-</u>	<u>778,462</u>
Total assets in the fair value hierarchy	<u>\$ 292,312,664</u>	<u>\$ -</u>	<u>\$ 4,055,898</u>	296,368,562
Investments measured at NAV (a)				77,869,946
Total assets at fair value				<u>\$ 374,238,508</u>

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds				
held in investment accounts	\$ 8,430,062	\$ -	\$ -	\$ 8,430,062
Mutual funds:				
Equities	219,619,806	-	-	219,619,806
Bonds	46,451,796	-	-	46,451,796
Marketable equity securities	16,508,529	-	-	16,508,529
Other investments:				
Loans receivable	-	-	2,294,950	2,294,950
Real estate	-	-	333,370	333,370
Life insurance contracts	-	-	1,419,504	1,419,504
Beneficial interest in split-interest agreements held by the Foundation	3,673,013	-	-	3,673,013
Beneficial interest in split-interest agreements held by Others	<u>942,038</u>	<u>-</u>	<u>-</u>	<u>942,038</u>
Total assets in the fair value hierarchy	<u>\$ 295,625,244</u>	<u>\$ -</u>	<u>\$ 4,047,824</u>	299,673,068
Investments measured at NAV (a)				71,859,525
Total assets at fair value				<u>\$ 371,532,593</u>

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 14. Fair Value of Financial Instruments, Continued

- (a) Certain investments that were measured at NAV per share or its equivalent have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Consolidated Statements of Financial Position.

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the years ended June 30, 2022 and 2021:

	Level 3 Assets			
	Years Ended June 30, 2022 and 2021			
	Loans	Real	Life	Total
	Receivable	Estate	Insurance	
Fair value as of June 30, 2020	\$ 1,807,145	\$ 372,334	\$ 1,543,747	\$ 3,723,226
Net realized/unrealized gains (losses)	-	(38,964)	-	(38,964)
Loan advances	600,000	-	-	600,000
Loan repayments	(112,195)	-	-	(112,195)
Increase in cash value of life insurance	-	-	(124,243)	(124,243)
Fair value as of June 30, 2021	\$ 2,294,950	\$ 333,370	\$ 1,419,504	\$ 4,047,824
Net realized/unrealized gains (losses)	-	63,300	-	63,300
Loan advances	20,000	-	-	20,000
Loan repayments	(142,245)	-	-	(142,245)
Increase in cash value of life insurance	-	-	67,019	67,019
Fair value as of June 30, 2022	<u>\$ 2,172,705</u>	<u>\$ 396,670</u>	<u>\$ 1,486,523</u>	<u>\$ 4,055,898</u>

Certain financial instruments and all nonfinancial instruments are excluded from the fair value disclosure requirements. Accordingly, the aggregate fair value amounts presented do not necessarily represent the value of the Foundation.

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 14. Fair Value of Financial Instruments, Continued

The following table sets forth a summary of the Foundation's investments by investment category type reported at NAV as a practical expedient to estimate fair value as of June 30, 2022 and 2021:

Investment	June 30, 2022			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Partnerships (a)	\$ 58,574,228	\$ 14,812,055	3-10 years	Quarterly-no liquidity
Hedge funds (b)	<u>19,295,718</u>	-	6-12 months	30 days – 6 months
Total	<u>\$ 77,869,946</u>	<u>\$ 14,812,055</u>		

Investment	June 30, 2021			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Partnerships (a)	\$ 48,585,358	\$ 12,217,877	3-10 years	Quarterly-no liquidity
Hedge funds (b)	<u>23,274,167</u>	-	6-12 months	30 days – 6 months
Total	<u>\$ 71,859,525</u>	<u>\$ 12,217,877</u>		

(a) **Partnerships** - The Foundation holds ownership positions in several partnerships with investment strategies including private equity partnerships, energy and natural resources, fund of fund hedge funds investing primarily in equity and fixed income securities, real estate and real estate related securities. For the majority of these partnerships, the Foundation is subject to redemption restrictions and cannot redeem from its investment in the fund. The manager has discretion on the timing of distributing the capital.

(b) **Hedge funds** - The Foundation holds ownership shares in several hedge funds with investment strategies including fund of fund long/short equity managers. Management believes that the investment strategies employed and availability of other Foundation resources allow the Foundation to be unaffected by lock-ups.

Net investment income from all investments presented in the Consolidated Statements of Activities for the years ended June 30, 2022 and 2021 is:

	2022	2021
Interest and dividends, net of fees	\$ 8,356,944	\$ 4,685,776
Net realized and unrealized gains (losses) on investments	<u>(32,356,710)</u>	<u>77,301,368</u>
Investment income, net	<u>\$ (23,999,766)</u>	<u>\$ 81,987,144</u>

Coastal Community Foundation of South Carolina, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

Note 14. Fair Value of Financial Instruments, Continued

Total investment consulting fees for investment advisory services for the years ended June 30, 2022 and 2021 were \$225,263 and \$165,106, respectively.

Note 15. Uncertainty/COVID-19

The 2019 novel coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect economic activity globally, nationally, and locally. It is unknown the extent to which COVID 19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the Foundation’s donors and overall results. To date, the Foundation has experienced limited impact to its operations due to COVID 19. Although there has been limited impact, the extent of the impact going forward cannot be predicted at this time.

Note 16. Refundable Advance

In April 2020, the Foundation entered into a loan with a financial institution in a principal amount of \$475,773 pursuant to the Paycheck Protection Program (“PPP Loan”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The PPP Loan is unsecured and guaranteed by the United States Small Business Administration. The PPP Loan has a two-year term, with payments deferred for six months and interest accrued at 1.00 percent over the deferral period. In April 2021, the Foundation received notice of forgiveness from the SBA that the full amount of their loan plus interest was forgiven.

Note 17. Subsequent Events

On October 1, 2022, the Foundation entered into two loan commitment letters with a not-for-profit developer, Metanoia, with respect to two affordable housing projects they are developing.

Subsequent to year end, the Foundation approved the merger of Coastal Community Foundation of South Carolina, Inc. and Waccamaw Community Foundation, with an effective date of January 1, 2023. The merger is pending approval from the Waccamaw Community Foundation’s Board of Directors.

Subsequent to year end, the Foundation approved to change their fiscal year end from June 30 to December 31.

Supplementary Information

Coastal Community Foundation of South Carolina, Inc.
Consolidating Statements of Financial Position
As of June 30, 2022

	Coastal Community Foundation	Frances P. Bunnelle Foundation	Waccamaw Community Foundation	Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	\$ 3,661,103	\$ 991,853	\$ 866,088	\$ -	\$ 5,519,044
Prepaid assets	271,168	9,075	4,350	-	284,593
Pledges and other receivables	9,483	-	82,260	-	91,743
Investments, at fair value	299,676,352	40,212,849	26,389,991	-	366,279,192
Life insurance, cash surrender value	1,486,523	-	-	-	1,486,523
Beneficial interest in split-interest agreements	4,213,860	-	86,228	-	4,300,088
Loans receivable, program-related	2,072,705	100,000	-	-	2,172,705
Property and equipment (net of accumulated depreciation of \$860,458)	3,374,804	991,754	442,586	-	4,809,144
Total assets	<u>\$ 314,765,998</u>	<u>\$ 42,305,531</u>	<u>\$ 27,871,503</u>	<u>\$ -</u>	<u>\$ 384,943,032</u>
Liabilities and Net Assets					
Liabilities					
Accounts payable	\$ 110,810	\$ 23,512	\$ 596	\$ -	\$ 134,918
Other liabilities	391,899	18,190	8,549	-	418,638
Grants payable, net	20,000	297,401	38,411	-	355,812
Charitable trusts liability	2,034,706	-	35,155	-	2,069,861
Charitable gift annuity payable	1,529,535	-	-	-	1,529,535
Funds managed for:					
Supporting organizations (without CCF majority control)	21,432,107	-	-	-	21,432,107
Other organizations	19,383,085	-	1,689,343	-	21,072,428
Total liabilities	<u>44,902,142</u>	<u>339,103</u>	<u>1,772,054</u>	<u>-</u>	<u>47,013,299</u>
Net assets					
Without donor restrictions:					
Designated for donor advised	100,819,126	-	10,856,785	-	111,675,911
Designated for management	12,542,232	41,966,428	1,554,503	-	56,063,163
Designated for field of interest	87,945,202	-	1,299,162	-	89,244,364
Designated for designated organizations	41,612,305	-	3,105,730	-	44,718,035
Designated for scholarships	17,941,907	-	7,416,087	-	25,357,994
Designated for discretionary	5,489,657	-	1,788,062	-	7,277,719
Designated for special projects	1,334,273	-	28,047	-	1,362,320
Total net assets without donor restrictions	<u>267,684,702</u>	<u>41,966,428</u>	<u>26,048,376</u>	<u>-</u>	<u>335,699,506</u>
With donor restrictions:					
Restricted for charitable trusts - temporary	2,179,154	-	51,073	-	2,230,227
Total net assets with donor restrictions	<u>2,179,154</u>	<u>-</u>	<u>51,073</u>	<u>-</u>	<u>2,230,227</u>
Total net assets	<u>269,863,856</u>	<u>41,966,428</u>	<u>26,099,449</u>	<u>-</u>	<u>337,929,733</u>
Total liabilities and net assets	<u>\$ 314,765,998</u>	<u>\$ 42,305,531</u>	<u>\$ 27,871,503</u>	<u>\$ -</u>	<u>\$ 384,943,032</u>

Coastal Community Foundation of South Carolina, Inc.
Consolidating Statements of Financial Position
As of June 30, 2021

	Coastal Community Foundation	Frances P. Bunnelle Foundation	Waccamaw Community Foundation	Eliminations	Consolidated Total
Assets					
Cash and cash equivalents	\$ 8,101,277	\$ 629,649	\$ 1,357,640	\$ -	\$ 10,088,566
Prepaid assets	144,051	21,004	6,216	-	171,271
Pledges and other receivables	31,983	-	500	-	32,483
Investments, at fair value	287,708,877	46,826,154	28,334,687	-	362,869,718
Life insurance, cash surrender value	1,419,504	-	-	-	1,419,504
Beneficial interest in split-interest agreements	4,833,070	-	115,351	-	4,948,421
Loans receivable, program-related	2,194,950	100,000	-	-	2,294,950
Property and equipment (net of accumulated depreciation of \$786,170)	3,489,995	1,035,071	447,134	-	4,972,200
Total assets	<u>\$ 307,923,707</u>	<u>\$ 48,611,878</u>	<u>\$ 30,261,528</u>	<u>\$ -</u>	<u>\$ 386,797,113</u>
Liabilities and Net Assets					
Liabilities					
Accounts payable	\$ 283,323	\$ 1,412	\$ -	\$ -	\$ 284,735
Other liabilities	420,688	29,325	3,750	-	453,763
Grants payable, net	275,825	271,474	261,576	-	808,875
Charitable trusts liability	2,447,202	-	49,064	-	2,496,266
Charitable gift annuity payable	1,630,086	-	-	-	1,630,086
Funds managed for:					
Supporting organizations (without CCF majority control)	23,042,516	-	-	-	23,042,516
Other organizations	20,334,788	-	1,833,620	-	22,168,408
Total liabilities	<u>48,434,428</u>	<u>302,211</u>	<u>2,148,010</u>	<u>-</u>	<u>50,884,649</u>
Net assets					
Without donor restrictions:					
Designated for donor advised	107,481,145	-	11,108,251	-	118,589,396
Designated for management	11,946,836	48,309,667	1,635,580	-	61,892,083
Designated for field of interest	74,849,695	-	1,436,642	-	76,286,337
Designated for designated organizations	36,935,426	-	3,465,190	-	40,400,616
Designated for scholarships	18,379,742	-	8,142,627	-	26,522,369
Designated for discretionary	6,318,729	-	2,229,444	-	8,548,173
Designated for special projects	1,190,557	-	29,498.00	-	1,220,055
Total net assets without donor restrictions	<u>257,102,130</u>	<u>48,309,667</u>	<u>28,047,232</u>	<u>-</u>	<u>333,459,029</u>
With donor restrictions:					
Restricted for charitable trusts - temporary	2,387,149	-	66,286	-	2,453,435
Total net assets with donor restrictions	<u>2,387,149</u>	<u>-</u>	<u>66,286</u>	<u>-</u>	<u>2,453,435</u>
Total net assets	<u>259,489,279</u>	<u>48,309,667</u>	<u>28,113,518</u>	<u>-</u>	<u>335,912,464</u>
Total liabilities and net assets	<u>\$ 307,923,707</u>	<u>\$ 48,611,878</u>	<u>\$ 30,261,528</u>	<u>\$ -</u>	<u>\$ 386,797,113</u>

Coastal Community Foundation of South Carolina, Inc.
Consolidating Statements of Activities
For the Year Ended June 30, 2022

	Coastal Community Foundation	Frances P. Bunnelle Foundation	Waccamaw Community Foundation	Eliminations	Consolidated Total
Revenues, gains and other support					
Contributions	\$ 51,373,653	\$ 109,100	\$ 3,950,896	\$ -	\$ 55,433,649
Contributions of non-financial assets	1,990,000	-	-	-	1,990,000
Less contributions received for other organizations	(1,681,901)	-	(90,702)	-	(1,772,603)
Net contributions	<u>51,681,752</u>	<u>109,100</u>	<u>3,860,194</u>	<u>-</u>	<u>55,651,046</u>
Investment loss, net	(19,004,667)	(3,373,886)	(1,621,213)	-	(23,999,766)
Change in value of split-interest agreements	(206,714)	-	(15,213)	-	(221,927)
Change in value of gift annuity	(59,449)	-	-	-	(59,449)
Increase in life insurance, cash surrender value	67,019	-	-	-	67,019
Rental income	82,589	-	-	-	82,589
Other income	81,444	(954)	(2,487)	-	78,003
Administrative fees	3,819,175	-	412,126	(212,606)	4,018,695
Total revenues, gains and other support	<u>36,461,149</u>	<u>(3,265,740)</u>	<u>2,633,407</u>	<u>(212,606)</u>	<u>35,616,210</u>
Expenses					
Grants made	17,687,225	1,965,632	3,844,144	-	23,497,001
Less grants made for other organizations	(976,757)	-	(92,564)	-	(1,069,321)
Net grants made	<u>16,710,468</u>	<u>1,965,632</u>	<u>3,751,580</u>	<u>-</u>	<u>22,427,680</u>
Grants program expenses	623,588	188,128	125,618	-	937,334
Total grants expenses	<u>17,334,056</u>	<u>2,153,760</u>	<u>3,877,198</u>	<u>-</u>	<u>23,365,014</u>
Other program expenses	3,109,579	667,155	86,429	-	3,863,163
Total program expenses	<u>20,443,635</u>	<u>2,820,915</u>	<u>3,963,627</u>	<u>-</u>	<u>27,228,177</u>
Management and general	4,535,791	334,084	561,395	(212,606)	5,218,664
Fundraising and development	845,549	-	113,454	-	959,003
Total expenses	<u>25,824,975</u>	<u>3,154,999</u>	<u>4,638,476</u>	<u>(212,606)</u>	<u>33,405,844</u>
Increase in net assets before transfers	10,636,174	(6,420,739)	(2,005,069)	-	2,210,366
Interfund transfers, net	(261,597)	77,500	(9,000)	-	(193,097)
Increase in net assets	<u>10,374,577</u>	<u>(6,343,239)</u>	<u>(2,014,069)</u>	<u>-</u>	<u>2,017,269</u>
Net assets, beginning of year	<u>259,489,279</u>	<u>48,309,667</u>	<u>28,113,518</u>	<u>-</u>	<u>335,912,464</u>
Net assets, end of year	<u>\$ 269,863,856</u>	<u>\$ 41,966,428</u>	<u>\$ 26,099,449</u>	<u>\$ -</u>	<u>\$ 337,929,733</u>

Coastal Community Foundation of South Carolina, Inc.
Consolidating Statements of Activities
For the Year Ended June 30, 2021

	Coastal Community Foundation	Frances P. Bunnelle Foundation	Waccamaw Community Foundation	Eliminations	Consolidated Total
Revenues, gains and other support					
Contributions	\$ 19,782,107	\$ 3,130	\$ 2,552,271	\$ -	\$ 22,337,508
Less contributions received for other organizations	(951,469)	-	(26,334)	-	(977,803)
Net contributions	<u>18,830,638</u>	<u>3,130</u>	<u>2,525,937</u>	<u>-</u>	<u>21,359,705</u>
Investment income, net	62,833,417	13,046,798	6,106,929	-	81,987,144
Government grant PPP loan forgiveness	475,773	-	-	-	475,773
Change in value of split-interest agreements	91,574	-	12,434	-	104,008
Change in value of gift annuity	(53,718)	-	-	-	(53,718)
Decrease in life insurance, cash surrender value	(124,243)	-	-	-	(124,243)
Rental income	66,675	-	-	-	66,675
Other income	61,032	989	2,492	-	64,513
Administrative fees	3,163,228	-	373,514	(204,383)	3,332,359
Total revenues, gains and other support	<u>85,344,376</u>	<u>13,050,917</u>	<u>9,021,306</u>	<u>(204,383)</u>	<u>107,212,216</u>
Expenses					
Grants made	15,187,367	1,672,087	1,983,161	-	18,842,615
Less grants made for other organizations	(982,504)	-	(29,659)	-	(1,012,163)
Net grants made	<u>14,204,863</u>	<u>1,672,087</u>	<u>1,953,502</u>	<u>-</u>	<u>17,830,452</u>
Grants program expenses	889,283	170,486	103,489	-	1,163,258
Total grants expenses	<u>15,094,146</u>	<u>1,842,573</u>	<u>2,056,991</u>	<u>-</u>	<u>18,993,710</u>
Other program expenses	1,531,669	519,552	40,190	-	2,091,411
Total program expenses	<u>16,625,815</u>	<u>2,362,125</u>	<u>2,097,181</u>	<u>-</u>	<u>21,085,121</u>
Management and general	4,086,265	289,063	483,816	(204,383)	4,654,761
Fundraising and development	489,575	-	18,914	-	508,489
Total expenses	<u>21,201,655</u>	<u>2,651,188</u>	<u>2,599,911</u>	<u>(204,383)</u>	<u>26,248,371</u>
Increase in net assets before transfers	64,142,721	10,399,729	6,421,395	-	80,963,845
Interfund transfers, net	32,550	(11,000)	(2,889)	-	18,661
Increase in net assets	<u>64,175,271</u>	<u>10,388,729</u>	<u>6,418,506</u>	<u>-</u>	<u>80,982,506</u>
Net assets, beginning of year	<u>195,314,008</u>	<u>37,920,938</u>	<u>21,695,012</u>	<u>-</u>	<u>254,929,958</u>
Net assets, end of year	<u>\$ 259,489,279</u>	<u>\$ 48,309,667</u>	<u>\$ 28,113,518</u>	<u>\$ -</u>	<u>\$ 335,912,464</u>