

The Spartanburg County Foundation and Supporting Organizations

Combined Financial Statements

For the Years Ended December 31, 2019 and 2018

Table of Contents

| | |
|--|----|
| Independent Auditors' Report | 1 |
| Combined Financial Statements: | |
| Combined Statements of Financial Position | 3 |
| Combined Statements of Activities | 4 |
| Combined Statements of Cash Flows | 6 |
| Notes to Combined Financial Statements | 7 |
| Supplementary Information: | |
| Combining Statement of Financial Position | 20 |
| Combining Statement of Financial Position – Supporting Organizations | 21 |
| Combining Statement of Activities | 23 |
| Combining Statement of Activities – Supporting Organizations | 24 |



Independent Auditors' Report

To the Board of Trustees
The Spartanburg County Foundation and Supporting Organizations

We have audited the accompanying combined statements of The Spartanburg County Foundation and Supporting Organizations (the "Foundation") which comprise the combined statement of financial position as of December 31, 2019, and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the combined financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The information captioned as supplementary information and identified on pages 20-25 are presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The



information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined 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 combined financial statements as a whole.

Prior Period Combined Financial Statements

The combined financial statements of the Foundation as of December 31, 2018, were audited by other auditors whose report dated March 15, 2019, expressed an unmodified opinion on those combined financial statements.

Dixon Hughes Goodman LLP

**Greenville, South Carolina
March 16, 2020**

The Spartanburg County Foundation and Supporting Organizations
Combined Statements of Financial Position
December 31, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|-----------------------------------|-----------------------|-----------------------|
| ASSETS | | |
| Cash | \$ 5,012,380 | \$ 2,250,029 |
| Accounts receivable | 3,403 | - |
| Contributions receivable, net | 3,431,812 | - |
| Investment pool | 197,708,639 | 168,833,262 |
| Other investments | 12,427,437 | 11,580,470 |
| Assets held in trust | 886,864 | 10,996,724 |
| Beneficial interest in trusts | 4,355,523 | - |
| Annuities | 88,884 | 74,284 |
| Fixed assets, net | 5,622,264 | 3,856,232 |
| Real estate - nonoperating | 779,061 | 1,253,384 |
| Other assets | 1,591,923 | 1,443,859 |
| | <u>1,591,923</u> | <u>1,443,859</u> |
| Total assets | <u>\$ 231,908,190</u> | <u>\$ 200,288,244</u> |
| LIABILITIES AND NET ASSETS | | |
| Due to other organizations | \$ 62,154,880 | \$ 54,583,126 |
| Annuities payable | 324,522 | 291,967 |
| Accounts payable | 516,072 | 15,200 |
| Trust liability | 886,864 | 10,505,282 |
| | <u>886,864</u> | <u>10,505,282</u> |
| Total liabilities | <u>63,882,338</u> | <u>65,395,575</u> |
| Net assets: | | |
| Without donor restrictions | 17,199,811 | 13,799,517 |
| With donor restrictions | 150,826,041 | 121,093,152 |
| | <u>150,826,041</u> | <u>121,093,152</u> |
| Total net assets | <u>168,025,852</u> | <u>134,892,669</u> |
| Total liabilities and net assets | <u>\$ 231,908,190</u> | <u>\$ 200,288,244</u> |

The Spartanburg County Foundation and Supporting Organizations
Combined Statement of Activities
For the Year Ended December 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Totals |
|--|---------------------------------------|------------------------------------|-----------------------|
| Revenues, gains and other support | | | |
| Contributions | \$ 3,489,152 | \$ 16,833,860 | \$ 20,323,012 |
| Contributions interfund | 984,588 | 5,082,702 | 6,067,290 |
| Trust income | 7,150 | - | 7,150 |
| Investment return, net | 1,150,071 | 20,022,299 | 21,172,370 |
| Change in value of split-interest agreements | - | 3,846,126 | 3,846,126 |
| Fundraising | - | 15,822 | 15,822 |
| Fees | 1,648,432 | 67,021 | 1,715,453 |
| Net assets released from restrictions | | | |
| Program restrictions satisfied | 16,134,941 | (16,134,941) | - |
| Total revenues, gains and other support | <u>23,414,334</u> | <u>29,732,889</u> | <u>53,147,223</u> |
| Expenses | | | |
| Program services | 18,867,278 | - | 18,867,278 |
| Supporting services: | | | |
| General and administrative | 1,024,327 | - | 1,024,327 |
| Fundraising and promotion | 122,435 | - | 122,435 |
| | <u>20,014,040</u> | <u>-</u> | <u>20,014,040</u> |
| Increase in net assets | 3,400,294 | 29,732,889 | 33,133,183 |
| Net assets, beginning of year | <u>13,799,517</u> | <u>121,093,152</u> | <u>134,892,669</u> |
| Net assets, end of year | <u>\$ 17,199,811</u> | <u>\$ 150,826,041</u> | <u>\$ 168,025,852</u> |

See accompanying notes.

The Spartanburg County Foundation and Supporting Organizations
Combined Statement of Activities
For the Year Ended December 31, 2018

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---------------------------------------|------------------------------------|-----------------------|
| Revenues, gains and other support | | | |
| Contributions | \$ 208,366 | \$ 17,685,806 | \$ 17,894,172 |
| Contributions interfund | 64,089 | 1,307,277 | 1,371,366 |
| Trust income | 55,725 | - | 55,725 |
| Investment return, net | (227,787) | (5,703,335) | (5,931,122) |
| Change in value of split-interest agreements | - | (1,609,018) | (1,609,018) |
| Fundraising | 60 | 80,321 | 80,381 |
| Fees | 1,607,641 | 86,768 | 1,694,409 |
| Net assets released from restrictions | | | |
| Program restrictions satisfied | 18,979,493 | (18,979,493) | - |
| Total revenues, gains and other support | <u>20,687,587</u> | <u>(7,131,674)</u> | <u>13,555,913</u> |
| Expenses | | | |
| Program services | 19,956,722 | - | 19,956,722 |
| Supporting services: | | | |
| General and administrative | 940,743 | - | 940,743 |
| Fundraising and promotion | 147,919 | - | 147,919 |
| | <u>21,045,384</u> | <u>-</u> | <u>21,045,384</u> |
| Decrease in net assets | (357,797) | (7,131,674) | (7,489,471) |
| Net assets, beginning of year | <u>14,157,314</u> | <u>128,224,826</u> | <u>142,382,140</u> |
| Net assets, end of year | <u>\$ 13,799,517</u> | <u>\$ 121,093,152</u> | <u>\$ 134,892,669</u> |

The Spartanburg County Foundation and Supporting Organizations
Combined Statements of Cash Flows
Years Ended December 31, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Increase (decrease) in net assets | \$ 33,133,183 | \$ (7,489,471) |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 64,810 | 64,720 |
| Contributed fixed assets | (395,000) | - |
| Net change in investment pool and other investments | (29,722,344) | 12,904,045 |
| Loss on disposal of fixed assets | 59,155 | - |
| Loss on disposal of real estate | 32,931 | - |
| Change in value of split-interest agreements | (3,846,126) | (1,609,018) |
| Net change in operating assets and liabilities: | | |
| Accounts receivable | (3,403) | - |
| Contributions receivable | (3,431,812) | - |
| Other assets | (148,064) | (151,167) |
| Due to other organizations | 7,571,754 | (3,488,244) |
| Accounts payable | 36,095 | 11,902 |
| Net cash provided by operating activities | <u>3,351,179</u> | <u>242,767</u> |
| Cash flows from investing activities: | | |
| Purchases of fixed assets | (1,030,220) | - |
| Proceeds from sale of real estate | 441,392 | - |
| Net cash used by investing activities | <u>(588,828)</u> | <u>-</u> |
| Increase in cash | 2,762,351 | 242,767 |
| Cash, beginning of year | <u>2,250,029</u> | <u>2,007,262</u> |
| Cash, end of year | <u>\$ 5,012,380</u> | <u>\$ 2,250,029</u> |
| Non-cash financing activities | | |
| Fixed asset additions included in accounts payable | <u>\$ 464,777</u> | <u>\$ -</u> |

Notes to Combined Financial Statements

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of The Spartanburg County Foundation and Supporting Organizations (collectively, the "Foundation") is presented to assist in the understanding of the combined financial statements. The combined financial statements and notes are representations of the Foundation's management, who are responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the combined financial statements.

Organization and nature of activities

The Spartanburg County Foundation - The purpose of the Foundation is to provide financial support for mental, moral, intellectual and physical improvements, assistance and relief for the inhabitants of Spartanburg County.

Supporting Organizations - The purpose of the Supporting Organizations is to operate exclusively as supporting organizations to the Foundation as defined in Internal Revenue Code Section 509(a)(3). The Foundation controls the Supporting Organizations by virtue of the election of the majority of their board of trustees.

Combined financial statement presentation

In accordance with generally accepted accounting principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions are funds over which the Board of Trustees has discretionary control and are available for grant making and other purposes. These include board-designated purposes and endowments.

Basis of accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP") 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 combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of credit and market risk

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and investments. Cash equivalents are maintained at high-quality financial institutions. The Foundation has not experienced any losses on its cash equivalents. Management monitors the risk of exposure to loss through monitoring the performance of the financial institutions through publicly available rating agencies.

Management believes that the Foundation's investments do not represent significant concentrations of market risk because the Foundation's investment portfolio is adequately diversified among issuers and management believes that the Foundation has the ability to hold its investment portfolio during periods of temporary market declines.

The Spartanburg County Foundation and Supporting Organizations

Notes to Combined Financial Statements

Cash

For purposes of the statements of cash flows, the Foundation considers highly liquid investments without restrictions with an initial maturity of three months or less to be cash equivalents. The Foundation's deposits in each bank are insured by the Federal Deposit Insurance Corporation ("FDIC"). It is management's opinion that the Foundation is not exposed to any significant credit risk related to cash.

Contributions receivable

Contributions are recognized when the donor makes a promise to give that, in substance, is unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Unconditional promises to give (pledges) are stated net of an allowance for doubtful accounts. Pledges are periodically evaluated for collectability based on management's assessment of the collectability of each pledge. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using discounted rates applicable to the years in which the promises are to be received.

Investment pool

The Foundation maintains an investment pool consisting of various fixed income and equity mutual funds, flexible capital investments, real assets and money market funds. Unless specific prohibitive clauses are contained in the gift instrument, new gifts are added to the investment pool. Investment pool income is allocated to the various sub-funds based on the percentage of ownership interest in the market value of the investment pool. The Foundation considers the investments within the investment pool to be trading investments.

Other investments

The Foundation has received several investments from donors who have requested funds not to be invested in the investment pool. These investments are managed and invested separately from the investment pool. The Foundation considers the other investments to be trading investments.

Assets held in trust

The Foundation serves as trustee for an irrevocable charitable remainder uni-trust ("CRUT"). The obligation to make payments to the trust beneficiaries is reported as obligations under trust liability. Annually, the obligation is adjusted for changes in the value of the trust assets.

Beneficial interest in trusts

Beneficial interest in trusts consist of split-interest agreements that name the Foundation as a beneficiary and are administered by independent trustees. The fair value of the beneficial interest in a trust is recognized as an asset and as a contribution with donor restrictions at the date the trust is established. The trusts held by others are valued at the fair value of the underlying investments held as reported by the custodians. The discount rate used to determine the present value is consistent with the rate of return from the trusts and remains constant throughout the life of the trust. Changes in the value of the assets are included on the combined statements of activities as increases and decreases to change in value of split-interest agreements. Distributions to the Foundation during the life of the agreements are recognized as contributions in the appropriate net asset classification in accordance with the donors' wishes.

Fixed assets

Fixed asset acquisitions are recorded at cost. Fixed assets are depreciated using the straight-line method over estimated useful lives. The Foundation has a policy to capitalize any fixed asset purchases greater than \$5,000.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire

The Spartanburg County Foundation and Supporting Organizations

Notes to Combined Financial Statements

property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies donor restricted net assets to net assets without donor restrictions at that time.

Cash surrender value of life insurance

Several individuals are utilizing a life insurance program which names the Foundation as the beneficiary and owner. Contributions equivalent to the insurance premiums are provided to the Foundation to fund the individual's life insurance policy. The cash value at December 31, 2019 and 2018 is \$1,476,759 and \$1,328,098, respectively, which is included in other assets.

Income taxes

The Foundation has been recognized by the Internal Revenue Service as a charitable organization as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes pursuant to Section 509(a)(2) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying combined financial statements. The Foundation has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2019.

Contributions and recognition of donor restrictions

Contributions received are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions.

Net assets with donor restrictions are those which are restricted as to time or purpose of use, and include donor restricted endowments. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. However, if the restriction expires during the same accounting period in which the gift was received, the contribution is reported as an increase in net assets without donor restrictions.

The Foundation has elected to record interfund contributions and grant expenses and interfund fees and fee expenses at gross on the combined statement of activities. Grant interfund and fee expenses are included in program services on the combined statement of activities and are broken out in Note 12. Interfund contributions amounted to \$6,067,290 and \$1,371,366 and interfund grant expenses amounted to \$6,147,534 and \$1,591,450 for the years ended December 31, 2019 and 2018, respectively. Fee revenues which are administrative fees charged to funds within the Foundation amounted to \$1,715,453 and \$1,694,409 and related fee expenses to the funds amounted to \$1,187,158 and \$992,534 for the years ended December 31, 2019 and 2018, respectively.

Due to other organizations

Due to other organizations represent amounts owed to other organizations related to assets held by the Foundation in a purely custodial capacity. These other organizations specify the Foundation to distribute funds as requested. As these assets are being held for the benefit of a third party, and cannot be used to address activities or obligations of the Foundation, revenues and expenses are not recorded on the combined statements of activities and are included in due to other organizations.

Annuity obligations

Annuity obligations represent amounts due to donors under trust agreements. The related assets are reported on the combined statements of net position. Discount rates and actuarial assumptions vary by type of agreement.

Correction of beneficial interest in trusts

During 2019, management determined that in prior years, errors were made in the calculation and combined financial statement presentation (should be presented net verses prior year gross presentation) of the beneficial interest in trusts. Due to the relative immateriality of the amounts involved, management corrected this error through

The Spartanburg County Foundation and Supporting Organizations
Notes to Combined Financial Statements

the current year combined statement of activities. The correction resulted in a decrease in trust liability of \$9,773,615, a decrease in assets held in trust of \$10,265,057, an increase in beneficial interest in trusts of \$3,837,251, and an increase in change in value of split-interest agreements of \$3,345,809.

Reclassification

Certain amounts in the prior year combined financial statements have been reclassified for comparative purposes to conform to the presentation in the current year. Reclassifications did not impact changes in net assets.

2. Investments

Investments consisting of the investment pool and other investments are comprised of the following as of December 31, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|----------------------|-----------------------|-----------------------|
| Domestic equity | \$ 51,764,085 | \$ 42,143,497 |
| International equity | 31,906,486 | 24,296,684 |
| Flexible capital | 56,498,326 | 53,836,531 |
| Fixed income | 38,912,870 | 39,031,305 |
| Real assets | 20,005,601 | 18,133,108 |
| Money market funds | 11,048,708 | 2,972,607 |
| | <u>\$ 210,136,076</u> | <u>\$ 180,413,732</u> |

Investment income is comprised of the following for the years ended December 31, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|-------------------------------------|----------------------|-----------------------|
| Dividends and interest, net of fees | \$ 1,427,256 | \$ 2,920,347 |
| Realized losses, net | (418,809) | (215,264) |
| Unrealized gains (losses), net | 20,163,923 | (8,636,205) |
| | <u>\$ 21,172,370</u> | <u>\$ (5,931,122)</u> |

3. Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each classification within the combined financial statements:

- Investments – The fair value of debt and equity security investments are estimated based on quoted market prices when available. For other investments for which there are no quoted market prices, a reasonable estimate of fair value was made based upon readily available information. Hedge funds and private equity funds are valued at fair market value or net asset value, as determined by the managers of the private equity funds or hedge funds as reported to them by the general partner of the underlying funds or partnerships.
- Contributions receivable – The fair value of promises to give that are due in more than one year is estimated by discounting the estimated future cash flows using the Foundation’s earnings rate.
- Annuity obligations – These liabilities are carried at actuarially determined present value, which approximate fair value.
- Assets held in trust – The fair value of assets held in trust are estimated based on quoted market prices when available.

The Spartanburg County Foundation and Supporting Organizations Notes to Combined Financial Statements

- Beneficial interest in trusts – The contribution is calculated based on the life expectancy (single or joint), distribution percentage and the donor's age at time of donation. The portion of the contribution due to other named remaindermen is recorded as a custodial liability. The balance is recorded as contributions. The difference between the amount received and the calculated contribution is recorded as annuity payable and is amortized over the life expectancy of the donor. Distributions are annually adjusted based on the fair market value on a date determined by the trust agreement (normally January 1) and the percentage payout defined in the trust agreement.
- Cash surrender value of life insurance policies – The fair value of cash surrender value of life insurance policies is an estimate based on an amount a buyer would pay for the policy. These amounts are included in other assets.

When quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases could not be realized in immediate settlement of the instrument.

Fair value as defined under generally accepted accounting principles is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Generally accepted accounting principles establish a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1: Observable inputs such as quoted prices in active markets.
- Level 2: Inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no changes during the years ended December 31, 2019 and 2018 to the Foundation's valuation techniques used to measure asset and liability fair values on a recurring basis.

The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

The Spartanburg County Foundation and Supporting Organizations
Notes to Combined Financial Statements

The following tables set forth by level within the fair value hierarchy the Foundation's investments accounted for at fair value on a recurring basis as of December 31, 2019 and 2018:

| <u>Description</u> | <u>Fair Value Measurements at Reporting Date Using</u> | | | |
|---|--|----------------------|------------------|---------------------|
| | <u>2019</u> | <u>(Level 1)</u> | <u>(Level 2)</u> | <u>(Level 3)</u> |
| Financial assets requiring fair value disclosure: | | | | |
| Investment pool | \$ 121,337,667 | \$121,337,667 | \$ - | \$ - |
| Other investments | 10,119,312 | 10,119,312 | - | - |
| Assets held in trust | 886,864 | - | - | 886,864 |
| Beneficial interest in trusts | 4,355,523 | - | - | 4,355,523 |
| Other assets | 1,591,923 | - | - | 1,591,923 |
| Annuities | 88,884 | - | - | 88,884 |
| | <u>138,380,173</u> | <u>\$131,456,979</u> | <u>\$ -</u> | <u>\$ 6,923,194</u> |
| Investments at NAV (a) | <u>78,679,097</u> | | | |
| Total investments at fair value | <u>\$ 217,059,270</u> | | | |

| | | | | |
|--|-------------------|-------------|-------------|-------------------|
| Financial liabilities requiring fair value disclosure: | | | | |
| Annuity obligations | <u>\$ 324,522</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 324,522</u> |

| <u>Description</u> | <u>Fair Value Measurements at Reporting Date Using</u> | | | |
|---|--|----------------------|------------------|----------------------|
| | <u>2018</u> | <u>(Level 1)</u> | <u>(Level 2)</u> | <u>(Level 3)</u> |
| Financial assets requiring fair value disclosure: | | | | |
| Investment pool | \$ 101,065,175 | \$101,065,175 | \$ - | \$ - |
| Other investments | 9,423,906 | 9,423,906 | - | - |
| Assets held in trust | 10,996,724 | - | - | 10,996,724 |
| Other assets | 1,443,859 | - | - | 1,443,859 |
| Annuities | 74,284 | - | - | 74,284 |
| | <u>123,003,948</u> | <u>\$110,489,081</u> | <u>\$ -</u> | <u>\$ 12,514,867</u> |
| Investments at NAV (a) | <u>69,924,651</u> | | | |
| Total investments at fair value | <u>\$ 192,928,599</u> | | | |

| | | | | |
|--|-------------------|-------------|-------------|-------------------|
| Financial liabilities requiring fair value disclosure: | | | | |
| Annuity obligations | <u>\$ 291,967</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 291,967</u> |

(a) In accordance with Topic 820, certain investments that were measured at net asset value ("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 statements of financial position.

There were no transfers between levels for the years ended December 31, 2019 and 2018.

Changes in Level 3 fair value measurements for charitable trusts, other assets and annuities using significant unobservable inputs were as follows:

| | |
|--|---------------------|
| Ending balance – December 31, 2017 | \$ 14,003,817 |
| Change in assets held in trust, other assets and annuities | (1,488,950) |
| Ending balance – December 31, 2018 | 12,514,867 |
| Change in assets held in trust, other assets and annuities | (5,591,673) |
| Ending balance – December 31, 2019 | <u>\$ 6,923,194</u> |

The Spartanburg County Foundation and Supporting Organizations
Notes to Combined Financial Statements

The investments reported at NAV for determining fair value consist of flexible capital fund and for which the ownership terms and conditions restrict the marketability of the investments resulting in the valuation method previously described.

The following table summarizes investments for which fair value is measured using the NAV per share practical expedient or level 3 methods for flexible capital fund as of December 31, 2019 and 2018:

| | <u>Fair Value at December 31, 2019</u> | <u>Fair Value at December 31, 2018</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency</u> | <u>Redemption Notice Period</u> |
|------------------------------|--|--|---------------------------------|---------------------------------|---|
| Winston Hedge Fund | \$ 15,373,072 | \$ 15,729,880 | None | (b) | (b) |
| Sanderson Fund | 12,031,936 | 10,020,345 | None | (c) | (c) |
| Colchester Global Fund | 8,563,112 | 7,975,336 | None | (d) | (d) |
| Acadian International Fund | 8,601,983 | 6,998,960 | None | (e) | (e) |
| AEW Global Fund | 9,942,414 | 8,141,584 | None | (f) | (f) |
| Wellington Fund | 3,663,075 | 2,885,972 | None | (g) | (g) |
| Weatherlow Offshore Fund | 18,195,380 | 16,016,010 | None | (h) | (h) |
| Goldman Sachs Fund | 4,848 | 4,620 | \$5,001 | (i) | (i) |
| Pinehurst Institutional Fund | 1,145,938 | 1,060,442 | None | (j) | (j) |
| Magnitude International Fund | 1,157,339 | 1,091,502 | None | (k) | (k) |
| | <u>\$ 78,679,097</u> | <u>\$ 69,924,651</u> | | | |

- (b) Redemptions from the Winston Hedge Fund require notification 75 days prior to the redemption date. If there is a partial redemption from the Fund, a minimum required balance is \$250,000.
- (c) Redemptions from the Sanderson Fund require notification 10 days prior to redemption date.
- (d) Redemptions from the Colchester Global Fund require notification 10 days prior to the redemption date.
- (e) Redemptions from the Acadian International Fund require notification 30 days prior to the redemption date. The Fund reserves the right to pay the withdrawals in-kind which would result in the Foundation incurring the transactional cost.
- (f) Redemptions from the AEW Global Fund require notification 45 days prior to the redemption date and may occur on the last day of any fiscal quarter or quarterly redemptions.
- (g) Redemptions from the Wellington Fund require notification 10 days prior to the redemption date.
- (h) Redemptions from the Weatherlow Offshore Fund require notification 65 days prior to redemption date.
- (i) Redemptions from the Goldman Sachs Fund require notification 15 days prior to the redemption date.
- (j) Redemptions from the Pinehurst Institutional Fund require notification 100 days prior to the redemption date and may occur on the last day of any fiscal quarter.
- (k) Redemptions from the Magnitude International Fund require notification 65 days prior to the redemption date. Payment of 90% of the redemption proceeds generally will be made within 30 days after the redemption date.

The Spartanburg County Foundation and Supporting Organizations
Notes to Combined Financial Statements

4. Contributions Receivable

The Foundation has recognized unconditional promises to give as contributions receivable due as of December 31, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|----------------------------------|---------------------|-------------|
| Receivable in less than one year | \$ 774,168 | \$ - |
| Receivable in one to five years | <u>2,950,993</u> | <u>-</u> |
| | 3,725,161 | - |
| Discount for time value of money | <u>(293,349)</u> | <u>-</u> |
| Contributions receivable, net | <u>\$ 3,431,812</u> | <u>\$ -</u> |

The discount to net present value was calculated using the estimated earnings rate of 3% as of December 31, 2019.

5. Fixed Assets

Fixed assets are comprised of the following as of December 31, 2019 and 2018:

| | <u>2019</u> | <u>2018</u> |
|--------------------------------|---------------------|---------------------|
| Land | \$ 2,423,199 | \$ 1,992,354 |
| Buildings | 2,634,741 | 2,781,741 |
| Furniture and fixtures | 261,410 | 251,559 |
| Construction in progress | <u>1,390,146</u> | <u>-</u> |
| Total fixed assets | 6,709,496 | 5,025,654 |
| Less: accumulated depreciation | <u>(1,087,232)</u> | <u>(1,169,422)</u> |
| Fixed assets, net | <u>\$ 5,622,264</u> | <u>\$ 3,856,232</u> |

The Foundation entered into contracts for approximately \$5,500,000 for construction and design services related to the construction of the Robert Hett Chapman III Center for Philanthropy. The remaining commitment as of December 31, 2019 is approximately \$4,300,000. Construction is expected to be completed during 2020.

6. Line of Credit

On February 4, 2019, the Foundation entered into an unsecured line of credit with a bank in the amount of \$5,000,000 with interest accruing thereon from the date of each advance at 30-day LIBOR plus 0.75%. The line of credit matures on February 4, 2024. The Foundation had not drawn on the line of credit as of December 31, 2019.

7. Retirement Plan

The Foundation participates in the Teacher Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). Contributions of \$81,092 and \$83,603, representing 12% of eligible employee salaries were made during the years ended December 31, 2019 and 2018, respectively. Employees may elect to participate in various deferred compensation plans of TIAA-CREF.

The Spartanburg County Foundation and Supporting Organizations
Notes to Combined Financial Statements

8. Endowments

The Foundation's endowment consists of 223 individual funds established for a variety of purposes. Net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Foundation has interpreted the South Carolina Uniform Prudent Management of Institutional Funds Act ("SCUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with restrictions held in perpetuity (a) the original value of gifts donated to the endowment held in perpetuity, (b) the original value of subsequent gifts to the endowment held in perpetuity, and (c) accumulations to the endowment held in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is classified as with donor restricted net assets with a time or donor restriction until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SCUPMIFA.

In accordance with SCUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the Foundation and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Foundation.
- The investment policies of the Foundation.

Endowment Net Asset Composition

Endowment net asset composition and changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

Changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|--|---|----------------------|
| Endowment net assets, December 31, 2017 | \$ 921,965 | \$ 18,487,505 | \$ 19,409,470 |
| Investment loss, net | (52,865) | (1,250,721) | (1,303,586) |
| Contributions | 7,050 | 303,475 | 310,525 |
| Amount appropriated for expenditures | <u>(33,412)</u> | <u>(857,101)</u> | <u>(890,513)</u> |
| Changes in endowment net assets | <u>(79,227)</u> | <u>(1,804,347)</u> | <u>(1,883,574)</u> |
| Endowment net assets, December 31, 2018 | 842,738 | 16,683,158 | 17,525,896 |
| Investment return, net | 147,058 | 2,728,792 | 2,875,850 |
| Contributions | 53,448 | 2,377,167 | 2,430,615 |
| Amount appropriated for expenditures | <u>(32,685)</u> | <u>(433,552)</u> | <u>(466,237)</u> |
| Changes in endowment net assets | <u>167,821</u> | <u>4,672,407</u> | <u>4,840,228</u> |
| Endowment net assets, December 31, 2019 | <u>\$ 1,010,559</u> | <u>\$ 21,355,565</u> | <u>\$ 22,366,124</u> |

The Spartanburg County Foundation and Supporting Organizations

Notes to Combined Financial Statements

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SCUPMIFA requires the Foundation to retain as a fund of perpetual duration. The Foundation has interpreted SCUPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At December 31, 2019, funds with original gift values of \$2,681,040, fair values of \$2,064,524 and deficiencies of \$616,516 were reported in net assets with donor restrictions. At December 31, 2018, funds with original gift values of \$850,226, fair values of \$720,263 and deficiencies of \$129,963 were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that were previously approved and were critical initiatives deemed prudent by the Board of Trustees.

Spending policy, return objectives and risk parameters

The Board of Trustees of the Foundation has determined that it must preserve the amount explicitly stipulated by the donors. The Foundation classifies the endowed amount as net assets restricted by donors at the original value of gifts donated to the Foundation.

The Foundation has adopted endowment investment and spending policies that attempt to provide a stream of funding to programs supported by the endowments while ensuring that the purchasing power of the endowments does not decline over time. The spending policy defines the amount of money that can be disbursed from a fund each year for charitable purposes. A spending percentage rate of 4% is the standard rate and is subject to the review and approval by the Foundation annually. The spending policy rate is based upon a "total return" approach, which anticipates that both income and capital appreciation will be withdrawn for charitable distributions. The calculation of the spending policy amount for each fund of the Foundation shall be made using the average of the previous 20 quarters of the fund's market value. The formula shall be applied to the 20 quarters ending each December 31. The spending amount is intended to be used for grant making or similar related purposes approved by the Foundation. The fund's annual contribution to the Community Fund of the Foundation will not be applied to the spending amount.

The endowments are subject to the State of South Carolina statute enacted under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") effective July 1, 2008, which provides that unless otherwise stated in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution. The appropriation policy is as stated in the previous paragraph. Appropriation is deemed to occur upon approval for the expenditures, unless approval is for future period, in which case appropriation is deemed to occur when that period is reached.

The Board of Trustees has determined that the majority of the Foundation's contributions are subject to the terms of the Foundation's fund agreements and the Foundation's Governing Documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

The Spartanburg County Foundation and Supporting Organizations
Notes to Combined Financial Statements

9. Liquidity and Availability

The Foundation's management 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 money market funds. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

| | <u>2019</u> | <u>2018</u> |
|---|----------------------|----------------------|
| Cash | \$ 5,012,380 | \$ 2,250,029 |
| Accounts receivable | 3,403 | - |
| Investment pool | 197,708,639 | 168,833,262 |
| Other investments | 12,427,437 | 11,580,470 |
| Less: | | |
| Due to other organizations | (62,154,880) | (54,583,126) |
| Those unavailable for general expenditure within one one year, due to contractual or donor imposed restrictions: | | |
| Net assets with donor restrictions | <u>(150,826,041)</u> | <u>(121,093,152)</u> |
| | <u>\$ 2,170,938</u> | <u>\$ 6,987,483</u> |

10. Board Designated Funds Without Donor-Imposed Restrictions

The Board has designated funds without donor-imposed restrictions for the following purposes as of December 31, 2019 and 2018:

| <u>Fund Name</u> | <u>2019</u> | <u>2018</u> | <u>Purpose</u> |
|---------------------------------------|---------------------|---------------------|---|
| Annual Meeting Fund | \$ 16,406 | \$ 8,116 | Funding costs of the SCF Annual Meeting |
| CFP Capital Campaign Fund | 107,252 | 43,380 | Funding costs of the construction of the Robert H. Chapman, III Center for Philanthropy |
| Just Because Fund | 10,203 | 4,176 | Funding grant opportunities to local nonprofits |
| SCF 75 th Anniversary Fund | 8 | 19,903 | Funding the costs of the SCF 75 th Anniversary events |
| SCF Provisional Fund | 6,226 | - | Funding the costs of identified, but unopened funds |
| CFP Endowment Fund | 4,039,458 | - | Funding operating endowment for the Robert H. Chapman, III Center for Philanthropy |
| SCF Operating Reserve Fund | 1,529,932 | - | Funding the operating reserve fund for The Spartanburg County Foundation |
| Various Field of Interest Funds | - | 1,304,189 | Funding various costs for the field of interest funds |
| | <u>\$ 5,709,485</u> | <u>\$ 1,379,764</u> | |

The Spartanburg County Foundation and Supporting Organizations
Notes to Combined Financial Statements

11. Composition of Net Assets With Donor Restrictions

The Foundation's net assets with donor restrictions consist of amounts subject to expenditure for a specified purpose (non-endowed) and amounts subject to the Foundation's spending policy and appropriation (endowed). Net assets with donor restrictions as of December 31, 2019 and 2018 follow:

| As of December 31, 2019 | Non-Endowed | Endowed | Total |
|--|----------------------|----------------------|----------------------|
| Subject to discretion of the Scholarship Awards Committee | | | |
| Scholarship funds | \$ 13,922,794 | \$ 6,464,444 | \$ 20,387,238 |
| Subject to the discretion of the sponsor or Awards Committee | | | |
| Designated funds | 15,752,974 | 10,152,654 | 25,905,628 |
| Field of interest funds | 2,241,737 | 428,763 | 2,670,500 |
| Subject to the discretion of the donor advisor | | | |
| Donor advised funds | 39,872,887 | 1,235,609 | 41,108,496 |
| Subject to the discretion of the sponsoring foundation | | | |
| Supporting Organizations | 48,989,891 | 1,655,127 | 50,645,018 |
| Subject to original donor's restriction, and the discretion of the Trustees of The Spartanburg County Foundation | | | |
| Trustee initiated field of interest funds | 8,639,824 | 1,418,968 | 10,058,792 |
| Subject to passage of time | | | |
| Annuities | 50,369 | - | 50,369 |
| | <u>\$129,470,476</u> | <u>\$ 21,355,565</u> | <u>\$150,826,041</u> |
| As of December 31, 2018 | Non-Endowed | Endowed | Total |
| Subject to discretion of the Scholarship Awards Committee | | | |
| Scholarship funds | \$ 12,504,738 | \$ 5,402,078 | \$ 17,906,816 |
| Subject to the discretion of the sponsor or Awards Committee | | | |
| Designated funds | 14,024,632 | 7,184,603 | 21,209,235 |
| Field of interest funds | 1,935,324 | 378,877 | 2,314,201 |
| Subject to the discretion of the donor advisor | | | |
| Donor advised funds | 30,714,320 | 1,091,033 | 31,805,353 |
| Subject to the discretion of the sponsoring foundation | | | |
| Supporting Organizations | 42,634,167 | 1,487,887 | 44,122,054 |
| Subject to original donor's restriction, and the discretion of the Trustees of The Spartanburg County Foundation | | | |
| Trustee initiated field of interest funds | 2,565,423 | 1,138,680 | 3,704,103 |
| Subject to passage of time | | | |
| Annuities | 31,390 | - | 31,390 |
| | <u>\$104,409,994</u> | <u>\$ 16,683,158</u> | <u>\$121,093,152</u> |

The Spartanburg County Foundation and Supporting Organizations
Notes to Combined Financial Statements

12. Functional Allocation of Expenses

The method used to allocate costs to program and support functions, which primarily affects salaries and related expenses, is based upon employee time spent on programs versus support services. Other expenses are classified based upon the assessment by management of relevant programs supported by the expenses incurred or supporting functions benefited

Expenses presented on a functional basis for the years ended December 31, 2019 and 2018 are as follows:

| <u>2019</u> | <u>Program Services</u> | <u>Supporting Services</u> | | <u>Total</u> |
|--------------------------|-------------------------|---------------------------------|--------------------|----------------------|
| | | <u>Management & General</u> | <u>Fundraising</u> | |
| Grants and awards | \$ 8,244,519 | \$ - | \$ - | \$ 8,244,519 |
| Grants interfund | 6,147,534 | - | - | 6,147,534 |
| Grant expense | 2,387,340 | - | - | 2,387,340 |
| Depreciation | 16,442 | 45,163 | 3,205 | 64,810 |
| Dues | 33,942 | 4,542 | 7,290 | 45,774 |
| Insurance | 32,878 | 90,310 | 6,408 | 129,596 |
| Taxes - payroll | 13,117 | 36,029 | 2,556 | 51,702 |
| Legal and accounting | 16,136 | 44,321 | 3,145 | 63,602 |
| Office expense | 3,105 | 18,261 | 717 | 22,083 |
| Telephone | 2,786 | 7,653 | 543 | 10,982 |
| Travel and entertainment | 38,179 | 4,597 | 10,158 | 52,934 |
| Repairs and maintenance | 23,089 | 63,422 | 4,500 | 91,011 |
| Salaries | 201,240 | 552,768 | 39,222 | 793,230 |
| Retirement | 20,573 | 56,509 | 4,010 | 81,092 |
| Contributions in-kind | 20,626 | - | - | 20,626 |
| Other operating expenses | 1,665,772 | 100,752 | 40,681 | 1,807,205 |
| | <u>\$ 18,867,278</u> | <u>\$ 1,024,327</u> | <u>\$ 122,435</u> | <u>\$ 20,014,040</u> |

| <u>2018</u> | <u>Program Services</u> | <u>Supporting Services</u> | | <u>Total</u> |
|--------------------------|-------------------------|---------------------------------|--------------------|----------------------|
| | | <u>Management & General</u> | <u>Fundraising</u> | |
| Grants and awards | \$ 14,445,587 | \$ - | \$ - | \$ 14,445,587 |
| Grants interfund | 1,591,450 | - | - | 1,591,450 |
| Grant expense | 2,221,711 | - | - | 2,221,711 |
| Depreciation | 16,420 | 45,100 | 3,200 | 64,720 |
| Dues | 50,507 | 5,082 | 8,214 | 63,803 |
| Insurance | 31,565 | 86,704 | 6,152 | 124,421 |
| Taxes - payroll | 13,343 | 36,648 | 2,600 | 52,591 |
| Legal and accounting | 15,080 | 30,035 | 1,871 | 46,986 |
| Office expense | 1,344 | 17,516 | 715 | 19,575 |
| Telephone | 2,884 | 7,920 | 562 | 11,366 |
| Travel and entertainment | 24,483 | 3,417 | 16,577 | 44,477 |
| Repairs and maintenance | 40,411 | 51,217 | 3,634 | 95,262 |
| Salaries | 194,217 | 533,477 | 37,853 | 765,547 |
| Retirement | 21,209 | 58,260 | 4,134 | 83,603 |
| Contributions in-kind | 50,982 | - | - | 50,982 |
| Other operating expenses | 1,235,529 | 65,367 | 62,407 | 1,363,303 |
| | <u>\$ 19,956,722</u> | <u>\$ 940,743</u> | <u>\$ 147,919</u> | <u>\$ 21,045,384</u> |

13. Subsequent Events

Subsequent events have been evaluated through March 16, 2020 which is the date the combined financial statements were available to be issued.

The Spartanburg County Foundation and Supporting Organizations
Combining Statement of Financial Position
December 31, 2019 and 2018

| | Community | Special Unrestricted | Special Restricted | Annuity | Agency & Custodial | Supporting Organizations | 2019 | 2018 |
|-----------------------------------|----------------------|-------------------------|-----------------------|------------------|-----------------------|-----------------------------|-----------------------|-----------------------|
| ASSETS | | | | | | | | |
| Cash | \$ 3,482,448 | \$ - | \$ 1,529,932 | \$ - | \$ - | \$ - | \$ 5,012,380 | \$ 2,250,029 |
| Accounts receivable | 3,403 | - | - | - | - | - | 3,403 | - |
| Contributions receivable, net | 3,431,812 | - | - | - | - | - | 3,431,812 | - |
| Investment pool | 4,339,765 | 1,319,252 | 84,086,814 | - | 61,438,706 | 46,524,102 | 197,708,639 | 168,833,262 |
| Other investments | 100,293 | - | 12,322,296 | - | - | 4,848 | 12,427,437 | 11,580,470 |
| Assets held in trust | - | - | 886,864 | - | - | - | 886,864 | 10,996,724 |
| Beneficial interest in trusts | - | - | 1,726,500 | - | - | 2,629,023 | 4,355,523 | - |
| Annuities | - | - | - | 88,884 | - | - | 88,884 | 74,284 |
| Fixed assets, net | 4,236,536 | - | 669,554 | - | 716,174 | - | 5,622,264 | 3,856,232 |
| Real estate - nonoperating | 779,061 | - | - | - | - | - | 779,061 | 1,253,384 |
| Other assets | 18,313 | - | 86,565 | - | - | 1,487,045 | 1,591,923 | 1,443,859 |
| | <u>\$ 16,391,631</u> | <u>\$ 1,319,252</u> | <u>\$ 101,308,525</u> | <u>\$ 88,884</u> | <u>\$ 62,154,880</u> | <u>\$ 50,645,018</u> | <u>\$ 231,908,190</u> | <u>\$ 200,288,244</u> |
| LIABILITIES AND NET ASSETS | | | | | | | | |
| Due to other organizations | \$ - | \$ - | \$ - | \$ - | \$ 62,154,880 | \$ - | \$ 62,154,880 | \$ 54,583,126 |
| Annuities payable | - | - | 286,007 | 38,515 | - | - | 324,522 | 291,967 |
| Accounts payable | 511,072 | - | 5,000 | - | - | - | 516,072 | 15,200 |
| Trust liability | - | - | 886,864 | - | - | - | 886,864 | 10,505,282 |
| | <u>511,072</u> | <u>-</u> | <u>1,177,871</u> | <u>38,515</u> | <u>62,154,880</u> | <u>-</u> | <u>63,882,338</u> | <u>65,395,575</u> |
| Net assets: | | | | | | | | |
| Without donor restrictions | 15,880,559 | 1,319,252 | - | - | - | - | 17,199,811 | 13,799,517 |
| With donor restrictions | - | - | 100,130,654 | 50,369 | - | 50,645,018 | 150,826,041 | 121,093,152 |
| | <u>15,880,559</u> | <u>1,319,252</u> | <u>100,130,654</u> | <u>50,369</u> | <u>-</u> | <u>50,645,018</u> | <u>168,025,852</u> | <u>134,892,669</u> |
| | <u>\$ 16,391,631</u> | <u>\$ 1,319,252</u> | <u>\$ 101,308,525</u> | <u>\$ 88,884</u> | <u>\$ 62,154,880</u> | <u>\$ 50,645,018</u> | <u>\$ 231,908,190</u> | <u>\$ 200,288,244</u> |

The Spartanburg County Foundation and Supporting Organizations
Combining Statement of Financial Position - Supporting Organizations
December 31, 2019 and 2018

| | Habisreutinger & Black Foundation | Balmer Foundation | Noble Tree Foundation | Judy Bradshaw Children's Foundation | Ben M. Cart Foundation | Tena and Fred Oates Foundation | Barnet Foundation |
|-------------------------------|--|------------------------------|--------------------------------------|--|---------------------------------------|---|------------------------------|
| ASSETS | | | | | | | |
| Investment pool | \$ (322) | \$ 30,016,556 | \$ 4,315,094 | \$ 1,410,439 | \$ 698,607 | \$ 760,419 | \$ 3,155,525 |
| Other investments | - | - | - | - | - | - | 4,848 |
| Beneficial interest in trusts | - | 702,510 | - | - | - | - | - |
| Real estate - nonoperating | - | - | - | - | - | - | - |
| Other assets | - | - | - | - | - | 95,000 | - |
| Total assets | <u>\$ (322)</u> | <u>\$ 30,719,066</u> | <u>\$ 4,315,094</u> | <u>\$ 1,410,439</u> | <u>\$ 698,607</u> | <u>\$ 855,419</u> | <u>\$ 3,160,373</u> |
| NET ASSETS | | | | | | | |
| Without donor restrictions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| With donor restrictions | <u>(322)</u> | <u>30,719,066</u> | <u>4,315,094</u> | <u>1,410,439</u> | <u>698,607</u> | <u>855,419</u> | <u>3,160,373</u> |
| Total net assets | <u>\$ (322)</u> | <u>\$ 30,719,066</u> | <u>\$ 4,315,094</u> | <u>\$ 1,410,439</u> | <u>\$ 698,607</u> | <u>\$ 855,419</u> | <u>\$ 3,160,373</u> |

(Continued)

The Spartanburg County Foundation and Supporting Organizations
Combining Statement of Financial Position - Supporting Organizations
December 31, 2019 and 2018

| | <u>Falatok Foundation</u> | <u>Benevolent Foundation</u> | <u>Bain Foundation</u> | <u>Zimmerli Foundation</u> | <u>Perrin Foundation</u> | <u>Ivey Foundation</u> | <u>2019</u> | <u>2018</u> |
|-------------------------------|-------------------------------|----------------------------------|----------------------------|--------------------------------|------------------------------|----------------------------|----------------------|----------------------|
| ASSETS | | | | | | | | |
| Investment pool | \$ 908,653 | \$ 1,655,126 | \$ 289,272 | \$ 829,428 | \$ 1,474,645 | \$ 1,010,660 | \$ 46,524,102 | \$ 42,769,408 |
| Other investments | - | - | - | - | - | - | 4,848 | 1,339,996 |
| Beneficial interest in trusts | - | - | - | 1,926,513 | - | - | 2,629,023 | - |
| Real estate - nonoperating | - | - | - | - | - | - | - | 12,650 |
| Other assets | 1,392,045 | - | - | - | - | - | 1,487,045 | - |
| Total assets | <u>\$ 2,300,698</u> | <u>\$ 1,655,126</u> | <u>\$ 289,272</u> | <u>\$ 2,755,941</u> | <u>\$ 1,474,645</u> | <u>\$ 1,010,660</u> | <u>\$ 50,645,018</u> | <u>\$ 44,122,054</u> |
| NET ASSETS | | | | | | | | |
| Without donor restrictions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| With donor restrictions | 2,300,698 | 1,655,126 | 289,272 | 2,755,941 | 1,474,645 | 1,010,660 | 50,645,018 | 44,122,054 |
| Total net assets | <u>\$ 2,300,698</u> | <u>\$ 1,655,126</u> | <u>\$ 289,272</u> | <u>\$ 2,755,941</u> | <u>\$ 1,474,645</u> | <u>\$ 1,010,660</u> | <u>\$ 50,645,018</u> | <u>\$ 44,122,054</u> |

The Spartanburg County Foundation and Supporting Organizations
Combining Statement of Activities
December 31, 2019 and 2018

| | Without Donor Restrictions | | | With Donor Restrictions | | | | Totals | |
|--|----------------------------|----------------------|----------------------|-------------------------|------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | Community | Special Unrestricted | Total | Special Restricted | Annuity | Supporting Organizations | Total | 2019 | 2018 |
| Revenues, gains and other support | | | | | | | | | |
| Contributions | \$ 3,472,152 | \$ 17,000 | \$ 3,489,152 | \$ 16,310,964 | \$ 36,934 | \$ 485,962 | \$ 16,833,860 | \$ 20,323,012 | \$ 17,894,172 |
| Contributions interfund | 967,588 | 17,000 | 984,588 | 5,048,652 | - | 34,050 | 5,082,702 | 6,067,290 | 1,371,366 |
| Trust income | 7,150 | - | 7,150 | - | - | - | - | 7,150 | 55,725 |
| Investment return, net | 956,071 | 194,000 | 1,150,071 | 12,878,134 | - | 7,144,165 | 20,022,299 | 21,172,370 | (5,931,122) |
| Change in value of split-interest agreements | - | - | - | 1,235,058 | (17,955) | 2,629,023 | 3,846,126 | 3,846,126 | (1,609,018) |
| Fundraising | - | - | - | 15,822 | - | - | 15,822 | 15,822 | 80,381 |
| Fees | 1,628,934 | 19,498 | 1,648,432 | 65,880 | - | 1,141 | 67,021 | 1,715,453 | 1,694,409 |
| Net assets released from restrictions | | | | | | | | | |
| Program restrictions satisfied | 16,134,941 | - | 16,134,941 | (12,363,564) | - | (3,771,377) | (16,134,941) | - | - |
| Total revenues, gains and other support | <u>23,166,836</u> | <u>247,498</u> | <u>23,414,334</u> | <u>23,190,946</u> | <u>18,979</u> | <u>6,522,964</u> | <u>29,732,889</u> | <u>53,147,223</u> | <u>13,555,913</u> |
| Expenses | | | | | | | | | |
| Program expenses | 18,559,267 | 308,011 | 18,867,278 | - | - | - | - | 18,867,278 | 19,956,722 |
| Supporting services | | | | | | | | | |
| General and administrative | 1,024,327 | - | 1,024,327 | - | - | - | - | 1,024,327 | 940,743 |
| Fundraising and promotion | 122,435 | - | 122,435 | - | - | - | - | 122,435 | 147,919 |
| | <u>19,706,029</u> | <u>308,011</u> | <u>20,014,040</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,014,040</u> | <u>21,045,384</u> |
| Increase (decrease) in net assets | 3,460,807 | (60,513) | 3,400,294 | 23,190,946 | 18,979 | 6,522,964 | 29,732,889 | 33,133,183 | (7,489,471) |
| Net assets, beginning of year | 12,419,752 | 1,379,765 | 13,799,517 | 76,939,708 | 31,390 | 44,122,054 | 121,093,152 | 134,892,669 | 142,382,140 |
| Net assets, end of year | <u>\$ 15,880,559</u> | <u>\$ 1,319,252</u> | <u>\$ 17,199,811</u> | <u>\$ 100,130,654</u> | <u>\$ 50,369</u> | <u>\$ 50,645,018</u> | <u>\$ 150,826,041</u> | <u>\$ 168,025,852</u> | <u>\$ 134,892,669</u> |

The Spartanburg County Foundation and Supporting Organizations
Combining Statement of Activities - Supporting Organizations
December 31, 2019 and 2018

| | Habisreutinger & Black Foundation | Balmer Foundation | Noble Tree Foundation | Judy Bradshaw Children's Foundation | Ben M. Cart Foundation | Tena and Fred Oates Foundation | Barnet Foundation |
|--|--|------------------------------|--------------------------------------|--|---------------------------------------|---|------------------------------|
| Revenues, gains and other support | | | | | | | |
| Contributions | \$ - | \$ - | \$ 94,236 | \$ 830 | \$ - | \$ - | \$ - |
| Contributions interfund | - | - | 34,050 | - | - | - | - |
| Reimbursements | - | 741 | - | - | - | - | - |
| Investment return, net | (16) | 4,589,034 | 633,256 | 230,726 | 105,367 | 113,723 | 508,879 |
| Change in value of split-interest agreements | - | 702,510 | - | - | - | - | - |
| | <u>(16)</u> | <u>5,292,285</u> | <u>761,542</u> | <u>231,556</u> | <u>105,367</u> | <u>113,723</u> | <u>508,879</u> |
| Expenses | | | | | | | |
| Program expenses: | | | | | | | |
| Grants and awards | - | 1,108,537 | 92,523 | 179,146 | 6,999 | 116 | 291,133 |
| Grants interfund | - | 1,228,650 | - | 5,500 | - | - | 110,890 |
| Operating expenses | 250 | 73,631 | 35,623 | 19,492 | 9,946 | 12,157 | 30,848 |
| | <u>250</u> | <u>2,410,818</u> | <u>128,146</u> | <u>204,138</u> | <u>16,945</u> | <u>12,273</u> | <u>432,871</u> |
| Increase (decrease) in net assets with donor restrictions | (266) | 2,881,467 | 633,396 | 27,418 | 88,422 | 101,450 | 76,008 |
| Net assets with donor restrictions, beginning of year | <u>(56)</u> | <u>27,837,599</u> | <u>3,681,698</u> | <u>1,383,021</u> | <u>610,185</u> | <u>753,969</u> | <u>3,084,365</u> |
| Net assets, end of year | <u>\$ (322)</u> | <u>\$ 30,719,066</u> | <u>\$ 4,315,094</u> | <u>\$ 1,410,439</u> | <u>\$ 698,607</u> | <u>\$ 855,419</u> | <u>\$ 3,160,373</u> |

See independent auditors' report.

(Continued)
24

The Spartanburg County Foundation and Supporting Organizations
Combining Statement of Activities - Supporting Organizations
December 31, 2019 and 2018

| | <u>Falatak Foundation</u> | <u>Benevolent Foundation</u> | <u>Bain Foundation</u> | <u>Zimmerli Foundation</u> | <u>Perrin Foundation</u> | <u>Ivey Foundation</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------------------|----------------------------------|----------------------------|--------------------------------|------------------------------|----------------------------|----------------------|----------------------|
| Revenues, gains and other support | | | | | | | | |
| Contributions | \$ 102,979 | \$ - | \$ 231,326 | \$ 56,263 | \$ - | \$ 328 | \$ 485,962 | \$ 2,774,823 |
| Contributions interfund | - | - | - | - | - | - | 34,050 | 25,544 |
| Reimbursements | - | - | - | - | - | 400 | 1,141 | - |
| Investment return, net | 141,248 | 254,717 | 61,194 | 124,378 | 227,020 | 154,639 | 7,144,165 | (2,645,939) |
| Change in value of split-interest agreements | - | - | - | 1,926,513 | - | - | 2,629,023 | - |
| | <u>244,227</u> | <u>254,717</u> | <u>292,520</u> | <u>2,107,154</u> | <u>227,020</u> | <u>155,367</u> | <u>10,294,341</u> | <u>154,428</u> |
| Expenses | | | | | | | | |
| Program expenses: | | | | | | | | |
| Grants and awards | (15,956) | 61,722 | 6,801 | 50,001 | 66,400 | 25,772 | 1,873,194 | 3,332,945 |
| Grants interfund | 30,000 | 5,000 | 236,000 | 5,450 | 1,100 | - | 1,622,590 | 348,290 |
| Operating expenses | 10,218 | 20,756 | 17,037 | 11,752 | 19,289 | 14,594 | 275,593 | 427,462 |
| | <u>24,262</u> | <u>87,478</u> | <u>259,838</u> | <u>67,203</u> | <u>86,789</u> | <u>40,366</u> | <u>3,771,377</u> | <u>4,108,697</u> |
| Increase (decrease) in net assets with donor restrictions | 219,965 | 167,239 | 32,682 | 2,039,951 | 140,231 | 115,001 | 6,522,964 | (3,954,269) |
| Net assets with donor restrictions, beginning of year | <u>2,080,733</u> | <u>1,487,887</u> | <u>256,590</u> | <u>715,990</u> | <u>1,334,414</u> | <u>895,659</u> | <u>44,122,054</u> | <u>48,076,323</u> |
| Net assets, end of year | <u>\$ 2,300,698</u> | <u>\$ 1,655,126</u> | <u>\$ 289,272</u> | <u>\$ 2,755,941</u> | <u>\$ 1,474,645</u> | <u>\$ 1,010,660</u> | <u>\$ 50,645,018</u> | <u>\$ 44,122,054</u> |