Max M. & Marjorie S. Fisher Foundation

Financial Report
December 31, 2021

Contents

plante moran

Plante & Moran, PLLC
P.O. Box 307
3000 Town Center, Suite 100
Southfield, MI 48075
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
Max M. & Marjorie S. Fisher Foundation

Opinion

We have audited the financial statements of Max M. & Marjorie S. Fisher Foundation (the "Foundation"), which comprise the balance sheet as of December 31, 2021 and 2020 and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As explained in Note 2, the financial statements include certain investments whose fair values have been estimated by management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the partnership general partners. These investments are valued at $154,171,787 (46.4 percent of net assets) at December 31, 2021 and $150,257,422 (51.6 percent of net assets) at December 31, 2020. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor’s Responsibilities for the Audits of the Financial Statements

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

To the Board of Trustees
Max M. & Marjorie S. Fisher Foundation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 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 audits.

Plante & Moran, PLLC

September 7, 2022

Balance Sheet

December 31, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 241,649	$ 322,124
Investments (Note 3)	332,451,809	287,691,372
Mission-related investments (Note 3)	691,659	1,560,604
Program-related investments - Net of allowance of $0 as of December 31, 2021 and 2020 (Note 5)	5,141,592	4,654,561
Other receivables	617,441	2,230,812
Other assets	90,449	87,500
Property and equipment - Net (Note 6)	16,824	169,034
Total assets	**$ 339,251,423**	**$ 296,716,007**
Liabilities and Net Assets		
Liabilities		
Accrued liabilities	$ 1,739,700	$ 445,375
Grants payable (Note 4)	5,212,820	4,887,593
Total liabilities	6,952,520	5,332,968
Net Assets - Without donor restrictions	332,298,903	291,383,039
Total liabilities and net assets	**$ 339,251,423**	**$ 296,716,007**

See notes to financial statements.

Statement of Activities and Changes in Net Assets

Years Ended December 31, 2021 and 2020

	2021	2020
Changes in Net Assets without Donor Restrictions		
Investment income:		
Dividends and interest	$ 1,356,218	$ 1,059,705
Net realized and unrealized gains on investments	59,905,595	31,430,327
Other income	6,225	202,558
Investment expenses	(971,636)	(943,117)
Federal excise tax	(1,423,396)	(165,627)
Net investment income	58,873,006	31,583,846
Expenses:		
Program services:		
Grants (Note 12)	14,680,344	16,473,356
Program support (Note 12)	1,851,002	1,759,047
Total program services	16,531,346	18,232,403
Management and general (Note 12)	1,425,796	1,399,332
Total expenses	17,957,142	19,631,735
Increase in Net Assets	40,915,864	11,952,111
Net Assets - Beginning of year	291,383,039	279,430,928
Net Assets - End of year	**$ 332,298,903**	**$ 291,383,039**

Statement of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	$ 40,915,864	$ 11,952,111
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	20,980	24,101
Discount on grants payable	13,335	(6,663)
Discount on program-related investment loan receivable	(45,138)	135,989
Net realized gain on sales of investments	(98,028,804)	(8,880,992)
Net unrealized loss (gain) on investments	37,858,668	(22,549,335)
Loss on abandonment of leasehold improvements	133,486	-
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts receivable	(89,383)	356,261
Program-related investment loan receivables	(444,000)	(1,439,000)
Allowance for doubtful accounts	-	(650,000)
Other assets	(2,949)	7,000
Grants payable	311,892	(798,244)
Accrued liabilities	1,294,325	108,812
Net cash and cash equivalents used in operating activities	(18,061,724)	(21,739,960)
Cash Flows from Investing Activities		
Purchase of property and equipment	(2,256)	(3,272)
Purchases of investments	(267,697,611)	(25,096,213)
Proceeds from sales and maturities of investments	284,223,722	48,348,560
Net change in investment redemption receivable	1,457,394	(1,500,000)
Net cash and cash equivalents provided by investing activities	17,981,249	21,749,075
Net (Decrease) Increase in Cash and Cash Equivalents	(80,475)	9,115
Cash and Cash Equivalents - Beginning of year	322,124	313,009
Cash and Cash Equivalents - End of year	**$ 241,649**	**$ 322,124**

See notes to financial statements.

Note 1 - Nature of the Organization

Max M. & Marjorie S. Fisher Foundation (the "Foundation"), located in Southfield, Michigan; established in 1955; and endowed following the death of Max M. Fisher in 2005, is a private family foundation that was organized to make grants to charitable organizations, which are described in Section 501(c)(3) of the Internal Revenue Code. The primary activity of the Foundation is to receive and administer funds in order to support charitable, educational, religious, cultural, and other organizations. The Foundation aims to enrich humanity by strengthening and empowering children and families in need. The Foundation was funded through the Max M. Fisher Estate and contributions by family members.

Note 2 - Significant Accounting Policies

Cash Equivalents

The Foundation considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Investments

Money market investment funds are under the custody of fund managers and represent temporarily uninvested moneys and short-term investments consisting of funds collected.

Investments in cash and cash equivalents, common and preferred stocks, bonds, U.S. Treasury bills, and mutual funds are carried at quoted fair market value. The change in unrealized market appreciation is included in the statement of activities and changes in net assets. Realized gains and losses are recorded using specific identification of the assets sold.

The alternative investments, composed primarily of funds of funds, multiasset funds, private equity funds, alternative/hedge funds, and real estate funds, a significant amount of which are not readily marketable, are carried at estimated fair values, as provided by the various fund managers. Foundation management reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and significant assumptions used in determining fair value. Those estimated fair values are subject to uncertainty and may differ significantly from the values that would have been used had a ready market for these securities existed. The estimated fair values of the Foundation's alternative investments totaled $154,171,787 and $150,257,422 at December 31, 2021 and 2020, respectively.

Allowance for Doubtful Accounts

An allowance for doubtful accounts on program-related investments is established based on a specific assessment of all receivables that remain unpaid following agreed-upon payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made.

Risk and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, currency, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the balance sheet.

Property and Equipment

Property and equipment are recorded at cost when purchased and at estimated fair market value when donated. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets. Donated collections that include works of art, historical treasures, or similar assets are not capitalized or recognized as revenue or gains. In 2015, Mrs. Fisher donated the Max M. Fisher Archives to the Foundation. The archives consist of political memorabilia, autographs, and photos. The archives are housed at Wayne State University.

Note 2 - Significant Accounting Policies (Continued)

Grants Payable

Unconditional promises to give are recognized as an expense once the grant agreement is fully executed. Discretionary promises to give are recognized as an expense at the time of formal approval by the full board of trustees. Conditional promises to give, if any, are expensed when such conditions are substantially met.

Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. As a private family foundation, the Foundation is subject to an excise tax on net investment income, including realized gains, as defined in the Tax Reform Act of 1969.

Classification of Net Assets

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions. All net assets of the Foundation are without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including September 7, 2022, which is the date the financial statements were available to be issued.

Subsequent to year end, the Foundation's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses will be recognized in subsequent periods, if any, cannot be determined.

Note 3 - Investments and Mission-related Investments

Investments and mission-related investments consisted of the following at December 31:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Short-term cash pool	$ 8,530,688	$ 8,530,688	$ 4,698,414	$ 4,698,414
Fixed-income securities	67,305,110	67,535,234	31,987,348	38,141,026
Equity securities	99,106,130	102,905,759	41,393,625	95,111,761
Real estate funds	12,259,441	34,694,528	12,587,546	19,906,406
Private equity funds and distressed credit	52,617,959	104,973,878	39,907,645	72,717,889
Hedge funds	9,598,499	13,811,722	30,415,146	57,115,876
Mission-related investments	445,610	691,659	1,372,612	1,560,604
Total	$ 249,863,437	$ 333,143,468	$ 162,362,336	$ 289,251,976

Note 4 - Grants for Charitable, Educational, and Other Authorized Purposes

The following summarizes the changes in grants payable as of December 31, 2021 and 2020:

	2021	2020
Grants payable - Beginning of year	$ 4,887,593	$ 5,692,500
Grants approved	14,651,969	16,162,003
Payments made	(14,313,407)	(16,973,573)
Change in present value discount	(13,335)	6,663
Grants payable - End of year	$ 5,212,820	$ 4,887,593

The discount rate used in the December 31, 2021 and 2020 present value calculations was 0.97 percent and 0.27 percent, respectively, and is based on daily treasury yield curve rates.

Grants payable at December 31, 2021 are scheduled to be disbursed as follows: $3,474,057, $1,292,463, and $446,300 for 2022, 2023, and 2024, respectively.

As of December 31, 2021 and 2020, there were conditional grant commitments totaling $2,000,000 and $2,125,000, respectively, for which the grantee had not yet satisfied the condition.

Note 5 - Program-related Investments

Program-related investments (PRIs) in the balance sheet represent various below-market-rate loans and equity investments with outstanding principal totaling $5,484,000 and $5,040,000 as of December 31, 2021 and 2020, respectively. Interest rates range from 0 percent to 2.5 percent at December 31, 2021. Loans are individually monitored to determine net realizable value based on an evaluation of recoverability. One program-related investment converted from a loan to an equity investment, its value at December 31, 2021 and 2020 is $28,468 and $30,575, respectively. The present value discount on PRI loans receivable was $370,876 and $416,014 as of December 31, 2021 and 2020, respectively. There was $106,000 and $0 received as return of principal for the years ended December 31, 2021 and 2020, respectively. There were new PRI loans of $550,000 and $2,189,000 for the years ended December 31, 2021 and 2020, respectively.

PRIs are scheduled for collection as of December 31, 2021, as follows:

Years Ending	Amount
2022	$ 288,167
2023	105,167
2024	128,500
2025	2,771,833
2026	521,833
2027	178,500
2028	620,000
2029	120,000
2030	750,000
Total	$ 5,484,000

Management has reviewed the collectibility of all PRIs and has recorded an allowance of $0 as of December 31, 2021 and 2020. The Foundation conducts quarterly portfolio monitoring to determine the anticipated losses and realizes losses upon review and approval of the impact investing committee.

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	2021	2020
Office equipment	$ 41,908	$ 55,882
Computer equipment and software	56,003	101,824
Leasehold improvements	-	254,851
Total cost	97,911	412,557
Accumulated depreciation	81,087	243,523
Net property and equipment	$ 16,824	$ 169,034

Depreciation and amortization expense for 2021 and 2020 was $20,980 and $24,101, respectively. Depreciation is calculated on a straight-line basis over useful lives ranging from 3 to 39 years.

The Foundation's lease expired at the end of 2021, and the leasehold improvements in the previous suite were abandoned. As such, the Foundation wrote off $254,851 of leasehold improvements that had $121,365 of accumulated depreciation, resulting in a loss of $133,486.

Note 7 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at December 31, 2021 and 2020 and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 7 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2021*		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Net Asset Value	Balance at December 31, 2021
Investments:			
Equity securities - U.S.	$ -	$ 65,655,055	$ 65,655,055
Equity securities - International and emerging markets funds	-	37,250,704	37,250,704
Fixed-income mutual funds	22,042,899	-	22,042,899
Fixed-income institutional funds	-	45,492,335	45,492,335
Real estate funds	-	34,694,528	34,694,528
Private equity funds	-	103,596,889	103,596,889
Distressed credit funds	-	1,376,989	1,376,989
Hedge fund instruments	-	13,811,722	13,811,722
Total investments	22,042,899	301,878,222	323,921,121
Mission-related investments - Private equity funds	-	691,659	691,659
Total assets	$ 22,042,899	$ 302,569,881	$ 324,612,780

*Excludes the short-term cash pool totaling $8,530,688, which is not required to be disclosed under this accounting standard.

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2020*		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Net Asset Value	Balance at December 31, 2020
Investments:			
Equity securities - U.S.	$ 61,673	$ 47,447,018	$ 47,508,691
Equity securities - International and emerging markets funds	-	41,701,758	41,701,758
Equity mutual funds	5,901,312	-	5,901,312
Fixed-income mutual funds	20,311,829	-	20,311,829
Fixed-income institutional funds	-	17,829,197	17,829,197
Real estate funds	-	19,906,406	19,906,406
Private equity funds	-	71,241,945	71,241,945
Distressed credit funds	-	1,475,944	1,475,944
Hedge fund instruments	-	57,115,876	57,115,876
Total investments	26,274,814	256,718,144	282,992,958
Mission-related investments:			
Fixed-income mutual funds	1,043,353	-	1,043,353
Private equity funds	-	517,251	517,251
Total mission-related investments	1,043,353	517,251	1,560,604
Total assets	$ 27,318,167	$ 257,235,395	$ 284,553,562

*Excludes the short-term cash pool totaling $4,698,414, which is not required to be disclosed under this accounting standard.

Note 7 - Fair Value Measurements (Continued)

Investments in Entities That Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At year end, the approximate fair value, unfunded commitments, and redemption rules of those investments are as follows (in thousands):

	December 31, 2021	December 31, 2020	December 31, 2021		
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Equity securities - U.S. (a)	$ 65,655	$ 47,447	$ -	Monthly	30 days
Equity securities - International and emerging markets funds (b)	37,251	41,702	-	Monthly	30 days
Fixed-income institutional funds (c)	45,492	17,829	-	Monthly	30 days
Real estate (d)	34,694	19,906	5,376	N/A*	N/A
Private equity (e)	103,597	71,242	33,439	N/A*	N/A
Distressed credit (f)	1,377	1,476	316	N/A*	N/A
Hedge funds (g)	13,812	57,116	-	Semi-Annually	105 days
Mission-related investments (h)	692	517	-	N/A*	N/A
Total	$ 302,570	$ 257,235	$ 39,131		

*These funds are in private equity structures with no rights to redemption. Liquidity is based on the timing of the fund's ability to distribute proceeds as available.

The unfunded commitments noted above are not considered liabilities of the Foundation at December 31, 2021 and 2020 and have not been recorded in the balance sheet.

(a) Equity securities - U.S. include an actively managed portfolio of individual stocks and index funds benchmarked to three stock indexes.

(b) Equity securities - International and emerging markets funds include investments in diversified institutional funds.

(c) Fixed-income institutional funds include investments in diversified institutional funds. The underlying investments include U.S. corporate bonds (both investment grade and high yield), bank loans, sovereign debt of both established international and emerging market countries, U.S. master limited partnerships, and U.S. Treasury and agency bonds.

(d) The real estate funds category includes several real estate funds invested in a variety of real property types, including multifamily, office, retail, and hotel, primarily in North America.

(e) The private equity funds category includes investments in large and small company buyouts, venture capital, growth equity, and distressed situations. The investment managers invest directly or through secondary market purchases globally.

(f) The distressed credit category includes investments in a variety of debt instruments purchased at discounts to intrinsic value globally.

(g) The hedge fund category includes global investments in stocks, bonds, commodities, and currencies. Such managers are provided broad latitude to invest long or short, directly or synthetically, and can employ leverage.

Note 7 - Fair Value Measurements (Continued)

(h) The mission-related investments category includes investments in a venture capital fund for a social or environmental impact.

Note 8 - Liquidity and Availability of Financial Assets

The following reflects the Foundation's financial assets available to meet cash needs for general expenditures within one year as of December 31:

	2021	2020
Cash and cash equivalents	$ 241,649	$ 322,124
Short-term investments	178,971,681	138,994,554
Financial assets available to meet cash needs for general expenditures within one year	$ 179,213,330	$ 139,316,678

None of the financial assets disclosed above are subject to contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately $3,315,000. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Foundation invests cash in excess of daily requirements in various short-term investments.

Note 9 - Excise Taxes

The Foundation's current excise tax expense for the years ended December 31, 2021 and 2020 was $1,423,396 and $165,627, respectively. The unrealized gain on contributed securities was $0 and $1,709,112 for 2021 and 2020, respectively. There are deferred taxes related to this unrealized gain at December 31, 2021 and 2020 of $0 and $23,757, respectively, which are included within accrued liabilities on the balance sheet.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020, enabled taxpayers to carry back net operating losses (NOL) to the five prior tax years. Previously, these losses were only allowed to be carried forward. As the Foundation had tax losses in 2018 and 2019, the losses were carried back to 2013 and 2014, respectively, to obtain refunds in the amounts of $41,838 and $98,388, respectively. The amended returns were filed prior to December 31, 2020, and, as such, the refunds were recorded as a receivable and a reduction to tax expense for the years ended December 31, 2020. The 2013 refund was received in 2021. The 2014 refund has not been received.

Note 10 - Related Party Transactions

The following is a description of transactions between the Foundation and related parties:

The Fisher Group (TFG) provides financial and investment management services for the Foundation under the terms of a service agreement. Four trustees of the Foundation are also owners of TFG. For the years ended December 31, 2021 and 2020, the Foundation incurred expenses related to TFG service provider fees in the amount of $1,435,332 and $1,417,068, respectively. The TFG fee is multiplied by 65 percent and added to Mellon fees to calculate investment expense, which can be found on the statement of activities and changes in net assets. The non-investment-related portion (35 percent) is included in functional expenses under management and general expenses in Note 12.

Note 10 - Related Party Transactions (Continued)

The Foundation has entered into a commitment to invest $8 million in Ram Realty Partners II LP and Ram Realty Investors II LLC (collectively, the "Ram Funds"). The Foundation has also entered into a commitment to invest $2.5 million directly in Ram Realty Partners III, $1.7 million in Ram Realty Partners IV, and $1.35 million in The Boulevard f/k/a Third & Grand LLC. In 2018, the Foundation entered into a commitment to invest $1 million in Platform Neighborhood Fund I and $800,000 in Ram Realty Partners V LP. The above-mentioned funds are sponsored and managed by entities co-owned by a foundation board of trustees member.

Note 11 - Defined Contribution Plan

The Foundation sponsors a defined contribution 403(b) plan for all eligible full-time employees. Employees may make elective contributions to the 403(b) plan in accordance with IRS regulations. The Foundation may make contributions to the 403(b) plan up to 5 percent of the employees' base salaries. During the years ended December 31, 2021 and 2020, the Foundation contributed $44,035 and $43,643, respectively, to the plan.

Note 12 - Functional Expenses

Expenses are functionally allocated as follows for the year ended December 31, 2021:

	Program Services	Management and General	Total
Grants	$ 14,680,344	$ -	$ 14,680,344
Salaries and wages	968,604	408,426	1,377,030
Contract and professional fees	513,186	250,990	764,176
Employee benefits	232,306	112,221	344,527
Travel	9,874	896	10,770
Payroll taxes	61,919	26,109	88,028
Rent and utilities	42,304	18,520	60,824
Depreciation and amortization	14,592	6,388	20,980
Telephone	8,217	3,540	11,757
Miscellaneous	-	14,377	14,377
Convenings	-	7,382	7,382
Employee relations and training	-	33,113	33,113
Insurance	-	13,636	13,636
Postage and shipping	-	1,841	1,841
Non-investment-related TFG service provider fee	-	502,366	502,366
Supplies, printing, and subscriptions	-	13,702	13,702
Other taxes*	-	4,200	4,200
Information systems	-	8,089	8,089
Total	$ 16,531,346	$ 1,425,796	$ 17,957,142

Note 12 - Functional Expenses (Continued)

Expenses are functionally allocated as follows for the year ended December 31, 2020:

	Program Services	Management and General	Total
Grants	$ 16,473,356	$ -	$ 16,473,356
Salaries and wages	793,162	397,314	1,190,476
Contract and professional fees	653,330	256,994	910,324
Employee benefits	193,625	102,430	296,055
Travel	11,650	12,446	24,096
Payroll taxes	48,533	24,312	72,845
Rent and utilities	37,171	21,244	58,415
Depreciation and amortization	15,336	8,765	24,101
Telephone	4,240	2,577	6,817
Miscellaneous	2,000	17,839	19,839
Convenings	-	26,140	26,140
Employee relations and training	-	17,813	17,813
Insurance	-	12,654	12,654
Postage and shipping	-	1,814	1,814
Non-investment-related TFG service provider fee	-	495,974	495,974
Supplies, printing, and subscriptions	-	14,880	14,880
Interest expense	-	2	2
Other taxes (recovery)*	-	(34,610)	(34,610)
Information systems	-	20,744	20,744
Total	$ 18,232,403	$ 1,399,332	$ 19,631,735

*Other taxes (recovery) includes federal and state income tax on unrelated business taxable income generated from investment gains. See Note 9 for more information.

Costs have been allocated between program and management and general based on estimates determined by management. Salaries and wages, employee benefits, and payroll taxes are allocated on the basis of the actual employee time and effort devoted to these activities. Other expenses are allocated on the basis of the program or support service that used the related asset or service. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.