

The William H. Donner Foundation, Inc.

Financial Statements

Year Ended October 31, 2021

Independent Auditors' Report

Board of Trustees **The William H. Donner Foundation, Inc.**

We have audited the accompanying financial statements of The William H. Donner Foundation, Inc. (the "Foundation") which comprise the statement of financial position as of October 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of The William H. Donner Foundation, Inc. as of October 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

As described in Note 2, certain of the Foundation's alternative investments as of October 31, 2021 have been valued by the Foundation's investment advisors using September 30, 2021 amounts. Management has adjusted the Foundation's records to reflect activity through October 31, 2021. Due to global market conditions, valuations may have material variances. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Foundation's October 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 16 - 24 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

September 13, 2022

The William H. Donner Foundation, Inc.

Statement of Financial Position
October 31, 2021
(with comparative amounts at October 31, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 174,942	\$ 527,869
Investments	241,076,980	199,297,506
Prepaid Federal excise and unrelated business income tax	-	46,065
Other assets	<u>74,290</u>	<u>32,985</u>
Total Assets	<u>\$ 241,326,212</u>	<u>\$ 199,904,425</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 189,964	\$ 166,859
Grants payable	25,000	71,000
Federal excise and unrelated business income tax payable	87,728	-
Deferred Federal excise tax	<u>1,065,206</u>	<u>557,971</u>
Total Liabilities	<u>1,367,898</u>	<u>795,830</u>
Net Assets		
Without donor restrictions	230,176,142	189,326,423
With donor restrictions	<u>9,782,172</u>	<u>9,782,172</u>
Total Net Assets	<u>239,958,314</u>	<u>199,108,595</u>
Total Liabilities and Net Assets	<u>\$ 241,326,212</u>	<u>\$ 199,904,425</u>

See notes to financial statements

The William H. Donner Foundation, Inc.

Statement of Activities

Year Ended October 31, 2021

(with summarized totals for year ended October 31, 2020)

	2021		2020
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Investment Return			
Interest and dividends	\$ 2,935,215	\$ 142,353	\$ 3,077,568
Realized gain from investments	13,369,492	648,397	14,017,889
Unrealized gain (loss) on investments	35,083,845	1,701,506	36,785,351
Other partnership income	843,770	40,921	884,691
Direct investment expenses	(3,204,660)	-	(3,204,660)
Investment Return Before Taxes and Appropriations	49,027,662	2,533,177	51,560,839
Less:			
Provision (benefit) for deferred Federal excise tax	507,235	-	507,235
Provision for Federal excise and unrelated business income taxes	207,793	-	207,793
Investment Return Before Appropriations	48,312,634	2,533,177	50,845,811
Appropriated for expenditures	2,533,177	(2,533,177)	-
Total Investment Return	50,845,811	-	50,845,811
EXPENSES			
Grants, net of refunds	8,847,280	-	8,847,280
General administration and program management	828,892	-	828,892
Investment oversight	319,920	-	319,920
	9,996,092	-	9,996,092
Change in Net Assets	40,849,719	-	40,849,719
NET ASSETS			
Beginning of year	189,326,423	9,782,172	199,108,595
End of year	\$ 230,176,142	\$ 9,782,172	\$ 239,958,314
			\$ 199,108,595

See notes to financial statements

The William H. Donner Foundation, Inc.

Statement of Functional Expenses
 Year Ended October 31, 2021
 (with summarized totals for the year ended October 31, 2020)

	2021				2020 Total	
	Grants	General Administration and Program Management	Investment Oversight	Total	Total	2020 Total
Grants, net of refunds	\$ 8,847,280	-	-	\$ 8,847,280	\$ 8,847,280	\$ 9,553,697
Management services	-	450,924	242,806	693,730	693,730	733,730
Professional fees	-	168,691	25,686	194,377	194,377	232,315
General office	-	18,198	957	19,155	19,155	15,396
Telephone	-	1,045	55	1,100	1,100	1,234
Postage	-	6,141	323	6,464	6,464	8,161
Membership dues and subscriptions	-	-	23,725	23,725	23,725	22,457
Travel and meeting	-	106,904	5,627	112,531	112,531	66,918
Investment committee meeting and travel	-	-	19,803	19,803	19,803	22,843
Insurance	-	17,822	938	18,760	18,760	19,561
Member reimbursement	-	59,167	-	59,167	59,167	11,872
	<u>\$ 8,847,280</u>	<u>\$ 828,892</u>	<u>\$ 319,920</u>	<u>\$ 9,996,092</u>	<u>\$ 9,996,092</u>	<u>\$10,688,184</u>

See notes to financial statements

The William H. Donner Foundation, Inc.

Statement of Cash Flows
Year Ended October 31, 2021
(with comparative amounts for year ended October 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 40,849,719	\$ 7,397,287
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized gain from investments	(14,017,889)	(23,186,144)
Unrealized (gain) loss on investments	(36,785,351)	7,010,102
Deferred Federal excise tax	507,235	(385,067)
Change in operating assets and liabilities		
Prepaid Federal excise and unrelated business income tax	46,065	97,548
Federal excise and unrelated business income tax payable	87,728	-
Other assets	(41,305)	22,757
Accounts payable and accrued expenses	23,105	(25,945)
Grants payable	(46,000)	16,000
Net Cash from Operating Activities	(9,376,693)	(9,053,462)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(59,383,615)	(97,908,067)
Proceeds from sales of investments	68,407,381	107,297,237
Net Cash from Investing Activities	9,023,766	9,389,170
Net Change in Cash and Cash Equivalents	(352,927)	335,708
CASH AND CASH EQUIVALENTS		
Beginning of year	527,869	192,161
End of year	\$ 174,942	\$ 527,869
SUPPLEMENTAL CASH FLOW INFORMATION		
Federal excise taxes paid	\$ 74,000	\$ 150,000

See notes to financial statements

The William H. Donner Foundation, Inc.

Notes to Financial Statements
October 31, 2021

1. Organization

The William H. Donner Foundation, Inc. (the "Foundation") is a family foundation. The Foundation is exempt from Federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3). The Foundation has a sister institution in Canada (Donner Canadian Foundation), also founded by the Foundation's donor, which operates independently with respect to governance, personnel, policies, and programmatic interests. Donner Canadian Foundation is not included in the accompanying financial statements. The source of revenue for the Foundation is primarily derived from investment activities.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

Cash equivalents represent short-term investments with maturities of three months or less at time of purchase, except for those short-term investments managed by the Foundation's custodian as part of the long-term investment strategy.

Fair Value Measurements

The Foundation follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

The Foundation follows U.S. GAAP guidance which removed the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

The William H. Donner Foundation, Inc.

Notes to Financial Statements
October 31, 2021

2. Summary of Significant Accounting Policies (continued)

Investments Valuation

Investments, other than temporary cash investments, are carried at fair value. Temporary cash investments are valued at cost plus accrued interest. Certain of the Foundation's alternative investments have been valued by the Foundation's investment advisors using September 30, 2021 amounts. Management has adjusted the Foundation's records to reflect activity through October 31, 2021. The Foundation believes the carrying amount of these investments is a reasonable estimate of fair value. Due to global market conditions, valuations may have material variances.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to general administration and program management and investment oversight. Certain categories of expenses are attributable to more than one supporting function and are allocated on a reasonable basis that is consistently applied. The Foundation allocates these expenses based on estimates of time and effort of the management company and other Foundation resources utilized on investment activities as compared to management of the Foundation.

Presentation of Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Foundation's net assets and changes therein are classified as net assets without donor restrictions and net assets with donor restrictions. Support is reported as increases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of net assets with donor restrictions that are time or purpose restricted, if any (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Net assets with donor restrictions that are to be held in perpetuity contain donor-imposed restrictions that stipulate those resources be maintained permanently, but permit the Foundation to use or expend part or all of the income derived from the donated amounts for a specified purpose.

The William H. Donner Foundation, Inc.

Notes to Financial Statements

October 31, 2021

2. Summary of Significant Accounting Policies *(continued)*

Grant Expense

The Foundation recognizes grant expense upon approval of the grant by the Board of Trustees and communication to the grantee.

Investment Objectives and Spending Policy

The Foundation follows a total return investing concept, seeking to maintain a prudent balance between current income and future growth for its investment assets, while maintaining a suitable level of asset valuation volatility. Under this concept, the investment committee of the Board of Trustees seeks diversification among asset classes, markets and maturities. The investment committee also recommends a distribution and spending amount to the Board of Trustees based on a percentage of total net assets, including the endowment funds, and to comply with IRC payout requirements.

Accounting for Uncertainty in Income Taxes

The Foundation recognizes the effect of tax positions only if they are more likely than not to be sustained. Management has determined that the Foundation has no uncertain tax positions that would require financial statement disclosure and/or recognition. The Foundation is no longer subject to examinations by applicable taxing jurisdictions for periods prior to October 31, 2018.

Prior Year Summarized Comparative Information

Information as of and for the year ended October 31, 2020 is presented for comparative purposes only. Certain activity by net asset classification is not included in these financial statements. Accordingly, such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements as of and for the year ended October 31, 2020, from which the summarized comparative information was derived.

Subsequent Events

The Foundation evaluated subsequent events through September 13, 2022 which was the date the financial statements were available to be issued.

Concentrations of Credit Risk

The Foundation's financial instruments that are potentially exposed to concentration of credit risk consist of cash, cash equivalents and investments. The Foundation places its cash and cash equivalents with quality financial institutions. At times, cash balances may be in excess of FDIC insurance limit. The Foundation routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. As a consequence, concentrations of credit risk are limited.

The William H. Donner Foundation, Inc.

Notes to Financial Statements October 31, 2021

3. Tax on Income

Effective for the tax year ended October 31, 2021, the Foundation's excise tax rate is 1.39% in accordance with the amendment to section 4940(a) of the Internal Revenue Code. The Foundation paid a Federal excise tax rate of 1% on net investment income for the year ended October 31, 2020 under the former defined tax rates. The deferred Federal excise tax is calculated at 1.39% of the unrealized appreciation on fair value of investments at October 31, 2021 and 2020, respectively.

The Foundation invests in partnerships that generate unrelated business income tax (UBIT), which is subject to Federal and New York State income taxes at for-profit corporate rates. During 2021, these investments generated a loss totaling approximately \$123,400. Due to the loss, the Foundation has recorded the minimum New York State tax expense of \$250. During 2020, these investments generated a loss totaling approximately \$148,200. Due to the loss, the Foundation has recorded the minimum New York State tax expense of \$250.

The IRC requires that certain minimum distributions be made in accordance with a specified formula. The Foundation had approximately \$2,543,000 and \$1,720,000 of undistributed income as of October 31, 2021 and 2020.

4. Investments

The following are major categories of investments measured at fair value on a recurring basis at October 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2021		
	Level 1	Investments Measured at Net Asset Value (*)	Total
Equities			
Consumer discretionary	\$ 3,947,289	\$ -	\$ 3,947,289
Financial industry	4,051,713	-	4,051,713
Industrial	10,269,305	-	10,269,305
Information technology	10,065,378	-	10,065,378
Healthcare	9,726,322	-	9,726,322
Real estate	1,269,059	-	1,269,059
Other	4,885,230	-	4,885,230
US and international equity funds	-	33,433,689	33,433,689
Real estate funds	-	15,354,085	15,354,085
Specialized and distressed debt	-	32,506,231	32,506,231
Private equity	-	5,345,694	5,345,694
Venture capital	-	64,816,963	64,816,963
Total Investments at Fair Value	<u>\$ 44,214,296</u>	<u>\$ 151,456,662</u>	195,670,958
Money market funds, at cost			45,406,022
Total Investments			<u>\$ 241,076,980</u>

The William H. Donner Foundation, Inc.

Notes to Financial Statements
October 31, 2021

4. Investments (continued)

	2020		
	Level 1	Investments Measured at Net Asset Value (*)	Total
Equities			
Consumer discretionary	\$ 3,168,635	\$ -	\$ 3,168,635
Financial industry	3,617,333	-	3,617,333
Industrial	9,296,090	-	9,296,090
Information technology	8,478,463	-	8,478,463
Healthcare	7,379,071	-	7,379,071
Real estate	1,408,452	-	1,408,452
Other	3,738,619	-	3,738,619
US and international equity funds	-	20,472,539	20,472,539
Real estate funds	-	9,126,205	9,126,205
Specialized and distressed debt	-	24,587,596	24,587,596
Private equity	-	9,836,865	9,836,865
Venture capital	-	37,920,949	37,920,949
Total Investments at Fair Value	<u>\$ 37,086,663</u>	<u>\$ 101,944,154</u>	139,030,817
Money market funds, at cost			<u>60,266,689</u>
Total Investments			<u>\$ 199,297,506</u>

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

Information regarding alternative investments valued at NAV using the practical expedient at October 31, 2021 is as follows:

	Fair Value	Unfunded Commitment	Redemption Frequency (if currently eligible)	Redemption Notice Period
US and international equity funds (see "a" below)	\$ 33,433,689	\$ -	Monthly	15 - 30 days
Real estate funds (see "b" below)	15,354,085	17,014,086	N/A	N/A**
Specialized and distressed debt (see "c" below)	32,506,231	16,801,075	N/A	N/A**
Private equity (see "d" below)	5,345,694	1,740,000	N/A	N/A**
Venture capital (see "e" below)	64,816,963	29,727,541	N/A	N/A**
	<u>\$ 151,456,662</u>	<u>\$ 65,282,702</u>		

(**) These investments can never be redeemed with the funds. Instead, the nature of the investments in this category is that distributions are received through liquidation of the underlying assets of the fund.

(a) This category includes four investments in domestic and international equity funds.

The William H. Donner Foundation, Inc.

Notes to Financial Statements

October 31, 2021

4. Investments (*continued*)

- (b) The real estate funds consist of six limited partnerships and two REITs. Two of these funds invest in real estate that is distressed, undervalued or mispriced in the U.S. in pursuit of long term investment return. Six of the investment partnerships focus on investing in properties that rent to U.S. government offices which provides a steady stream of income through long term leases.
- (c) Specialized and distressed debt investments consist of twelve investment partnerships. Three of these investments focus primarily on mezzanine debt and equity investments while seeking to earn high current returns and long term capital appreciation without subjecting principal to undue risk. The other nine partnerships focus on investing in companies experiencing financial difficulties that have either gone through reorganization after bankruptcy, debt restructuring, reorganization or liquidation. These ten partnerships also invest in "non-distressed debt" of companies believed to be undervalued seeking to balance out the investment return over the long term.
- (d) Private equity funds consist of two investment partnerships that invest in both late stage private companies and smaller capitalization public companies to promote growth and expansion.
- (e) Venture capital investments consist of nine investment partnerships which seek long-term capital appreciation through investments in a diversified selection of top tier venture funds and growth equity funds.

The Foundation has made commitments to invest up to a total of approximately \$233,367,000 in 42 limited partnerships. At October 31, 2021, approximately \$166,747,000 had been invested and approximately \$1,337,000 had been forfeited leaving unfunded commitments of approximately \$65,283,000.

Investments Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. The underlying investments of such funds, whether invested in stock or other securities, are generally not currently traded in a public market and typically are subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

The William H. Donner Foundation, Inc.

Notes to Financial Statements

October 31, 2021

5. Note Receivable

The Foundation made a \$2,000,000 loan to the corporate managers of an investment firm. Under a modification to the loan terms, the investment management firm may pay back the principal of the loan through assignment of profit sharing percentages to the Foundation in newly developed real estate investments. Profit sharing interests in fifteen investments have been assigned to the Foundation as of October 31, 2021. As of April 1, 2021, the principal loan balance was reduced to zero and the Foundation is expected to receive carried interest on the active real estate investments. During fiscal year 2021 the Foundation received carried interest of approximately \$1,016,000.

Based on the collectability risk of the note, management deemed it necessary to continue to provide an allowance of \$2,000,000 against the principal and future profit sharing interests as of October 31, 2021 and 2020.

6. Management Agreement

The Foundation has a management agreement with FIDES to perform administrative, management, and advisory services with regard to the Foundation's operations and activities. For fiscal 2021 the agreement called for the Foundation to pay FIDES for its services an annual fee of \$693,730 payable quarterly in installments on November 1, February 1, May 1 and August 1. In 2020, the Foundation paid fees of \$693,730.

In April 2021, the Foundation and FIDES extended the fiscal year 2021 management agreement for an additional three months from November 1, 2021 through January 31, 2022, upon which the management relationship was terminated. The Foundation paid a fee of \$161,014 during this three-month period. In April 2021, the Foundation and FIDES also entered into a consulting agreement to assist with the transition of new management from February 1, 2022 through April 30, 2022. The Foundation paid a fee of \$129,000 during this three-month period.

In November 2021, the Foundation entered into a management agreement with the Donner Canadian Foundation (DCF). For fiscal 2022 the agreement called for the Foundation to pay DCF for its services an annual fee of CAD \$124,415. In February 2022, the service fee increased to an annual fee of CAD \$136,194. This calculates to approximately USD \$107,000 for fiscal 2022.

7. Endowment Funds

Net assets with donor restrictions-endowment funds consist of donations received for which the donors stipulated they be held in perpetuity. All income earned on the funds are classified as net assets with donor restrictions-time or purpose restricted and released upon appropriation.

The William H. Donner Foundation, Inc.

Notes to Financial Statements
October 31, 2021

7. Endowment Funds *(continued)*

The following is a reconciliation of the investment activity in the endowment funds as of and for the years ended October 31:

	Net Assets with Donor Restrictions <u>(Time or Purpose)</u>	Net Assets with Donor Restrictions <u>(Perpetual)</u>
Balance at November 1, 2019	\$ -	\$ 9,782,172
Net investment income	915,804	-
Appropriated for expenditures	<u>(915,804)</u>	<u>-</u>
Balance at October 31, 2020	-	9,782,172
Net investment income	2,533,177	-
Appropriated for expenditures	<u>(2,533,177)</u>	<u>-</u>
Balance at October 31, 2021	<u>\$ -</u>	<u>\$ 9,782,172</u>

The Foundation follows the policy of pooling its invested funds. Investment income and appreciation are allocated annually based upon a sharing percentage adjusted for additions to and withdrawals from the pooled fund. The endowment fund is allocated from a percentage of the total pooled funds based on the cost basis of the portfolio at year end.

Interpretation of Relevant Law

In September 2010, New York State enacted New York Prudent Management of Institutional Funds Act (“NYPMIFA”), the terms of which are applicable to the Foundation. NYPMIFA principally addresses the management and investment of all not-for-profit entity “institutional funds” (which are mainly the financial assets of the entity and which exclude programmatic assets such as buildings or operating facilities) as well as the appropriations by the governing board of earnings derived from both donor-restricted and board-designated endowment funds. In essence, NYPMIFA requires all of the financial resources of the entity to be used in a “prudent” fashion with the express approval and action of the governing board. The Foundation’s Board of Trustees will continue to adhere to NYPMIFA’s requirements relating to the Foundation’s permanent endowment funds.

8. Line of Credit

The Foundation has a \$5,000,000 revolving line of credit agreement with a bank that was renewed on November 1, 2021 and expires November 30, 2023. Borrowings will bear optional interest at the LIBOR rate plus 100 basis points, 2%, the prime rate less 75 basis points or a bank offered rate at the time the Foundation draws funds. No borrowings were made on this line of credit during 2021 and 2020.

The William H. Donner Foundation, Inc.

Notes to Financial Statements
October 31, 2021

9. Liquidity and Availability of Financial Assets

The Foundation's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows as of October 31:

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and cash equivalents	\$ 174,942	\$ 527,869
Investments	241,076,980	199,297,506
Accrued income and loan interest receivable (recorded in other assets)	<u>49,747</u>	<u>9,976</u>
Total financial assets	241,301,669	199,835,351
Less: Contractual or donor imposed restriction amounts		
Net assets with donor restrictions	9,782,172	9,782,172
Illiquid investments	<u>118,022,973</u>	<u>81,471,615</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$113,496,524</u>	<u>\$108,581,564</u>

Cash flow is monitored regularly and investments are redeemed as needed in accordance with the Foundation's investment policy. In addition, the Foundation has a line of credit available, if needed, as described in Note 8.

10. Subsequent Market Conditions

There has been substantial volatility in the global financial markets in the months following year end. Because of the changing market conditions, the amount of losses, if any, cannot be determined.

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