Grand Rapids Community Foundation

Consolidated Financial Report
with Additional Information
June 30, 2016

GRAND RAPIDS COMMUNITY FOUNDATION

OFFICERS AND BOARD OF TRUSTEES

June 30, 2016

Grand Rapids Community Foundation

Contents

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Independent Auditor's Report

To the Board of Trustees
Grand Rapids Community Foundation

We have audited the accompanying consolidated financial statements of Grand Rapids Community Foundation (the "Foundation"), which comprise the consolidated statement of financial position as of June 30, 2016 and 2015 and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

To the Board of Trustees
Grand Rapids Community Foundation

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grand Rapids Community Foundation as of June 30, 2016 and 2015 and the results of its activities and changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Notes 2 and 11, the consolidated financial statements include alternative investments valued at $98,330,153 (35 percent of net assets) and $98,478,342 (32 percent of net assets) at June 30, 2016 and 2015, respectively, whose fair values have been estimated at net asset value by management based on information provided by the fund managers or the general partners. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

September 22, 2016

Grand Rapids Community Foundation

Consolidated Statement of Financial Position

	June 30, 2016	June 30, 2015
Assets		
Cash and cash equivalents	$ 9,153,936	$ 9,696,973
Investments (Notes 2 and 11)	280,230,122	296,679,358
Split-interest agreements receivable	3,835,678	3,663,423
Gifts and pledges receivable	2,719,187	6,172,527
Notes receivable (Note 3)	2,467,205	2,167,276
Property and equipment - Net (Note 4)	4,035,047	4,259,824
Other assets:		
Beneficial interests in perpetual trusts	2,150,779	2,340,278
Prepaid expenses	10,130	18,113
Reinsurance contracts	1,762,700	1,415,673
Cash surrender value of life insurance	635,827	610,977
Total assets	**$ 307,000,611**	**$ 327,024,422**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 53,732	$ -
Grants and scholarships payable (Note 5)	5,176,058	4,766,302
Charitable gift annuities payable	2,476,909	2,552,247
Funds held on behalf of nonprofit endowments (Note 7)	14,697,792	15,137,015
Total liabilities	22,404,491	22,455,564
Net Assets		
Unrestricted:		
Undesignated	20,647,553	20,519,531
Board-designated (Note 10)	242,161,211	257,890,794
Temporarily restricted (Note 9)	15,168,363	19,350,041
Permanently restricted (Note 9)	6,618,993	6,808,492
Total net assets	284,596,120	304,568,858
Total liabilities and net assets	**$ 307,000,611**	**$ 327,024,422**

Grand Rapids Community Foundation

Consolidated Statement of Activities and Changes in Net Assets

	2016 Unrestricted	2016 Temporarily Restricted	2016 Permanently Restricted	2016 Total	2015 Unrestricted	2015 Temporarily Restricted	2015 Permanently Restricted	2015 Total
	Year Ended June 30							
Revenue, Gains, and Other Support								
Investment income - Net of investment expenses of $1,127,777 in 2016 and $1,413,645 in 2015	$ 3,580,039	$ 194,626	$ -	$ 3,774,665	$ 2,694,383	$ 177,652	$ -	$ 2,872,035
Realized gains on sale of investments	7,196,927	184,000	-	7,380,927	10,281,307	366,590	-	10,647,897
Change in fair value of investments	(21,679,762)	(1,512,646)	(189,499)	(23,381,907)	(6,952,555)	(187,591)	(160,212)	(7,300,358)
Bequests and gifts	6,201,126	3,970,998	-	10,172,124	4,125,287	5,070,072	-	9,195,359
Change in fair value of charitable gift annuities	(25,173)	-	-	(25,173)	(54,291)	-	-	(54,291)
Change in fair value of split-interest agreements	-	(49,276)	-	(49,276)	-	104,868	-	104,868
New markets tax credit revenue (Note 6)	-	-	-	-	1,051,600	-	-	1,051,600
Less net revenue, gains, and other support associated with nonprofit activity (Note 7)	(149,889)	-	-	(149,889)	(1,043,481)	-	-	(1,043,481)
Total revenue, gains, and other support	(4,876,732)	2,787,702	(189,499)	(2,278,529)	10,102,250	5,531,591	(160,212)	15,473,629
Expenses								
Program:								
Grants and scholarships authorized	13,030,606	-	-	13,030,606	9,831,021	-	-	9,831,021
Charitable and philanthropic	1,439,602	-	-	1,439,602	1,280,094	-	-	1,280,094
Community initiatives and program expenses	1,018,719	-	-	1,018,719	951,527	-	-	951,527
Support services:								
Management and general	1,190,320	-	-	1,190,320	998,807	-	-	998,807
Development and marketing	1,409,094	-	-	1,409,094	1,335,944	-	-	1,335,944
Fund management	194,980	-	-	194,980	96,866	-	-	96,866
Property management	-	-	-	-	442,285	-	-	442,285
Less grants and fees related to nonprofit activity (Note 7)	(589,112)	-	-	(589,112)	(382,459)	-	-	(382,459)
Total expenses	17,694,209	-	-	17,694,209	14,554,085	-	-	14,554,085
(Decrease) Increase in Net Assets Before Assets Released from Restrictions	(22,570,941)	2,787,702	(189,499)	(19,972,738)	(4,451,835)	5,531,591	(160,212)	919,544
Assets Released from Restrictions	6,969,380	(6,969,380)	-	-	9,144,362	(9,144,362)	-	-
(Decrease) Increase in Net Assets	(15,601,561)	(4,181,678)	(189,499)	(19,972,738)	4,692,527	(3,612,771)	(160,212)	919,544
Net Assets - Beginning of year	278,410,325	19,350,041	6,808,492	304,568,858	273,717,798	22,962,812	6,968,704	303,649,314
Net Assets - End of year	**$ 262,808,764**	**$ 15,168,363**	**$ 6,618,993**	**$ 284,596,120**	**$ 278,410,325**	**$ 19,350,041**	**$ 6,808,492**	**$ 304,568,858**

See Notes to Consolidated Financial Statements.

Grand Rapids Community Foundation

Consolidated Statement of Cash Flows

	Year Ended June 30, 2016	Year Ended June 30, 2015
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (19,972,738)	$ 919,544
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation	282,581	309,222
Change in fair value of split-interest agreement receivable	49,276	(104,868)
Change in fair value of charitable gift annuities payable	25,173	54,291
Forgiveness of long-term debt	-	(1,051,600)
Amortization of finance costs	-	142,753
Change in fair value of investments	23,381,907	7,300,358
Realized gain on sale of investments	(7,380,927)	(10,647,897)
Change in fair value of beneficial interest in perpetual trusts	189,499	160,212
Change in value of reinsurance contracts	185,181	524,081
Change in cash surrender value of life insurance	(24,850)	(31,327)
Conversion of notes receivable to grants	-	418,834
Changes in operating assets and liabilities which provided (used) cash:		
Gifts and pledges receivable	3,453,340	3,183,266
Prepaid expenses	7,983	(13,965)
Funds held as nonprofit endowments	(439,223)	661,022
Other payables	53,732	-
Grants and scholarships payable	409,756	36,932
Net cash provided by operating activities	220,690	1,860,858
Cash Flows from Investing Activities		
Net proceeds from (purchases of) investments	448,256	(5,357,391)
Additions to furniture and equipment	(57,804)	(168,237)
Payment on reinsurance contract	(251,806)	(258,606)
Repayment on notes receivable	87,071	900,858
Advances of notes receivable	(387,000)	(520,000)
Net cash used in investing activities	(161,283)	(5,403,376)
Cash Flows from Financing Activities		
Payments on gift annuities	(442,523)	(423,522)
Proceeds from gift annuities	61,610	455,512
Payment on long-term debt	-	(2,948,400)
Contributions subject to split interest agreements	(221,531)	-
Net cash used in financing activities	(602,444)	(2,916,410)
Net Decrease in Cash and Cash Equivalents	(543,037)	(6,458,928)
Cash and Cash Equivalents - Beginning of year	9,696,973	16,155,901
Cash and Cash Equivalents - End of year	**$ 9,153,936**	**$ 9,696,973**
Supplemental Disclosure Cash Flow Information - Cash paid for interest	**$ -**	**$ 115,038**

Note 1 - Nature of Business and Significant Accounting Policies

Grand Rapids Community Foundation (formerly The Grand Rapids Foundation) was established in October 1922, upon recommendation of a committee appointed by the Association of Commerce (now the Grand Rapids Area Chamber of Commerce) by a resolution adopted jointly by the Michigan Trust Company (now Fifth Third Bank) and Grand Rapids Trust Company (now Bank of America). The purpose of Grand Rapids Community Foundation (the "Foundation") is to accept gifts and bequests and administer the resulting earnings for charitable and educational uses that, in the opinion of the board of trustees, promote the welfare of persons residing in, or institutions situated in, the city of Grand Rapids, Michigan and surrounding communities.

Effective April 12, 1989, Grand Rapids Community Foundation was incorporated.

Since November 1930, when funds first became available, grants totaling $178,928,323 and scholarships (in addition to scholarship loans) totaling $14,184,874 have been awarded by the Foundation.

Red Brick Building II, Inc. (RBB II) was formed as a supporting organization to the Foundation by providing real estate, renovations, and equipment for office space for the Foundation and the Grand Rapids area community. RBB II allowed the Foundation to provide needed space for its staff and volunteers to make decisions on grants to charitable organizations, to raise the financial support needed to continue to grow the endowment that aids in assuring that the Grand Rapids area community grows and thrives, to provide needed facilities to convene community meetings designed to address community issues and concerns, and to provide meeting and support facilities for area charitable organizations in the Grand Rapids area community to meet to resolve issues and create solutions. During April 2015 in accordance with the provisions of the operating agreement of RBB II, debt of $2,948,400 was paid off and the option agreement was exercised for $55,080 resulting in a gain of $1,051,600 associated with the debt forgiveness that was recognized within the consolidated statement of activities and changes in net assets (see Note 6). As part of the dissolution, RBB II was merged into the Foundation.

The accounting policies of the Foundation conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. The following is a summary of the significant accounting policies:

Principles of Consolidation - The consolidated financial statements include the activity of the Foundation and its wholly owned subsidiary, Red Brick Building II, Inc. for the year ended June 30, 2015. As indicated above, RBB II was merged into the Foundation during the year ended June 30, 2015. All significant intercompany transactions havebeen eliminated in consolidation.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Use of Estimates - The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Beneficial Interests in Perpetual Trust - A beneficial interest in a perpetual trust is an arrangement in which a donor establishes and funds a perpetual trust for the benefit of one or more nonprofit beneficiaries. The assets are administered and managed by an independent third party. Under the terms of these arrangements, the Foundation has the irrevocable right to receive the investment income earned on the trust assets in perpetuity. The value of the Foundation's interest in the trust is based on the fair value of the underlying assets of the trust. The value of these perpetual trusts was $2,150,779 and $2,340,278 at June 30, 2016 and 2015, respectively.

Split-interest Agreements Receivable - The Foundation is the sole or partial beneficiary of 14 charitable remainder trusts whereby the Foundation does not act as trustee. The Foundation has recorded an asset at the estimated present value of the revenue to be received from the trusts. Revenue to be received from the trusts is based on the Foundation's ownership percentage in the underlying trust investments, which are valued at fair value. Subsequent adjustments in the estimated present value of the revenue to be received from the trusts are recorded in the current year as revenue.

Charitable Gift Annuities Payable - Charitable gift annuities represent gifts which are given to the Foundation with the condition that a specified payment be made to the donor over his or her life. A liability is established based on the present value of the payments to be made. This liability is recalculated annually, based on changes in the interest rate, life expectancy assumptions, and payments made. Changes in the liability are recorded in the current year as revenue. The Foundation acquires annuities (reinsurance contracts) to fund certain of these arrangements.

Cash Equivalents - The Foundation considers all highly liquid investments purchased with a maturity date of three months or less to be cash equivalents.

Concentration of Credit Risk - The Foundation maintains cash balances at one bank and the accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. As of June 30, 2016 and 2015, the Foundation had uninsured deposits totaling $494,882 and $2,850,483, respectively.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Investments - Investments in marketable equity securities and debt securities are valued at their fair values in the consolidated statement of financial position. Alternative investments (hedge funds, timber, real estate, and private equity funds) and certain international equities and fixed-income investments are carried at fair value, which is estimated based on the net asset value per share (or its equivalent) of the investment company. Unrealized gains and losses are included in the consolidated statement of activities and changes in net assets. Realized gain or loss on the sale of investments is the difference between the proceeds received and the original cost of the specific investment sold.

Risks and Uncertainties - The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, 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 that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Gifts and Pledges Receivable - Unconditional gifts and pledges made as of June 30, 2016 are mostly due by June 30, 2017 and have been deemed to be fully collectible by management.

Notes Receivable - The Foundation records notes receivable, which are related to the Foundation's mission, at face value and meets regularly with organizations to ensure payment terms are being met. Management reviews all the Foundation's notes as of June 30 and determines if an allowance for doubtful accounts, based on specific assessment of each account, is necessary. All amounts deemed uncollectible are charged against grant expense for that year. There was no allowance for doubtful accounts at June 30, 2016 and 2015.

Property and Equipment - Property and equipment are stated at their estimated fair values at the date donated or at cost if purchased. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Useful lives range from 3 to 40 years.

Classification of Net Assets - To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation and financial statement presentation are maintained in accordance with the requirements of the Financial Accounting Standards Board. The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Gifts and bequests received by the Foundation are held in various funds which are classified as follows:

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

- Unrestricted net assets consist of resources that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations. This category consists of discretionary, donor-advised, nonprofit endowment, field of interest, designated, and scholarship net assets.
- Temporarily restricted net assets consist of resources of which the use by the Foundation is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. This category consists of long-term noncapital campaign pledges receivable, split-interest agreements, such as charitable remainder trusts and charitable lead trusts, undistributed earnings on permanently restricted endowment funds, and special community projects administered by the Foundation.
- Permanently restricted net assets consist of beneficial interests in perpetual trusts and funds created by donors, of which the Foundation is the owner. The Foundation has an irrevocable right to the original contribution that established these trusts and funds. The Foundation's earnings on permanently restricted net assets are classified as temporarily restricted until appropriated for expenditure based on the terms of the original gift agreement.

Community Foundation Classification of Unrestricted Net Assets - The bylaws of the Foundation include a variance provision and powers of modification, giving the board of trustees the power to vary the use of funds. Based on these provisions, some contributions received by the Foundation are reported as unrestricted support.

Federal Tax Status - The Internal Revenue Service has ruled that the Foundation and its supporting organization are public charities, as described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. Consequently, the Foundation is exempt from federal income tax and certain excise taxes imposed on private foundations.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Foundation and has concluded that as of June 30, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Foundation is subject to routine audits by taxing jurisdictions. The audit by the IRS related to the RBB II 990 during the year ended June 30, 2015 was closed with no impact to RBB or the Foundation.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Grants and Scholarships - Grants and scholarships are charged to operations and recognized as liabilities when authorized by the board of trustees, regardless of the year in which they are paid. It is generally present practice for the board to authorize grants to the extent of income earned on investments, subject to the limitation of a spending rule calculation.

Retirement Plan - The Foundation has a simplified employee benefit plan which covers substantially all employees. The Foundation contributes a discretionary amount each year, as determined by the board of trustees. Contributions are allocated to employee accounts based on compensation.

The Foundation's contributions for the years ended June 30, 2016 and 2015 were $158,225 and $152,170, respectively.

Functional Allocation of Expenses - The Foundation classifies its expenses based on the following categories:

- **Grants and Scholarships** - See policy above.
- **Charitable and Philanthropic Expenses** - Operating expenses associated with processing the Foundation's grant applications, philanthropic services (services to various nonprofit or community organizations, foundations, or the field of philanthropy), and special project expenses.
- **Community Initiatives and Program Expenses** - Those expenses which cover activities that could be carried out by a grantee, but which the Foundation chooses to conduct as a program with its own or others' resources. Currently, these initiatives are focused on K-12 education in the city of Grand Rapids and Encore National movement, which focuses on inspiring individuals in their 50s and beyond to engage in meaningful work and service. These are expenses for services or program materials that are paid to persons/organizations which are not not-for-profits. These include items such as consulting fees for a project or general operating expenses of a fund.
- **Management and General Expenses** - The expenses that benefit the Foundation as a whole and which cannot be directly assigned to any other category.
- **Development and Marketing Expenses** - Those expenses associated with acquiring and marketing Foundation assets through endowment, donor-related, or other Foundation activity.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

- **Fund Management Expenses** - Those expenses associated with managing the assets of the Foundation. This category includes all financial management (staff time), legal expenses, or other related expenses which are directly attributable to managing the funds of the Foundation.
- **Property Management Expenses** - Those expenses paid by the entity formerly known as RBB II, which owned the building and was established to utilize New Markets Tax Credit financing (see Note 6). Expenses recorded are interest on loan, depreciation, financing amortization, and miscellaneous professional fees.

The costs of providing services are reported on a functional basis. Costs are allocated between the various programs and support services on an actual basis, where available, or based upon reasonable methods. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Fair Value of Financial Instruments - The Foundation also holds certain assets and liabilities, including gifts and pledges receivable, notes receivable, reinsurance contracts, cash surrender value of life insurance, grants and scholarships payable, and charitable gift annuities payable. The fair value of these assets and liabilities approximates the carrying values recorded in the accompanying consolidated financial statements due to the short maturity of such instruments. The inputs are based upon terms in contractual agreements that are considered Level 2 as described in Note 11.

Subsequent Events - The consolidated financial statements and related disclosures include evaluation of events up through and including September 22, 2016, which is the date the consolidated financial statements were available to be issued.

Upcoming Accounting Pronouncement - The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities in* August, 2016. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow FASB not-for-profit rules, including changing from three classes of net assets to two classes, net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Foundation, including required disclosures about the liquidity and availability of resources. The new standard is effective for the Foundation's year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. The Foundation is currently evaluating the impact this standard will have on the consolidated financial statements.

Note 2 - Investments

Investments consist of the following, stated at fair value:

	2016	2015
Bonds and fixed-income mutual funds	$ 33,969,805	$ 25,464,479
U.S. equities stock and mutual funds	89,699,653	109,744,756
International stock and mutual funds	58,230,511	62,991,781
Alternative investments	98,330,153	98,478,342
Total investments	$ 280,230,122	$ 296,679,358

Note 3 - Notes Receivable

Notes receivable consist of the following program-related notes:

	2016	2015
Note maturing in December 2022 with quarterly installments of $15,000, paying interest at a fixed rate of 1.00 percent, through December 2022. $395,000 was converted to grant expense during the year ended June 30, 2015. The note payments were deferred for 2016	$ 392,975	$ 393,489
Note maturing in July 2017 with no annual installments, paying interest quarterly at a fixed rate of 3.00 percent, through July 2017	400,000	400,000
Note maturing in June 2016 with no annual installments, paying interest quarterly at a fixed rate of 2.00 percent, through June 2016	-	10,599
Note maturing in January 2024 with quarterly installments of $21,319, paying interest at a fixed rate of 4.00 percent, through January 2024	567,230	628,218
Note maturing in December 2018 with interest payable quarterly at a fixed rate of 3.00 percent, through December 2018	200,000	200,000
Note maturing in April 2018 with no annual installments, paying interest quarterly at a fixed rate of 3.50 percent, through April 2018. Interest increases to a fixed rate of 6.50 percent if principal is not paid in full by April 2018. Total amount available to borrower is $683,000	907,000	520,000

Note 3 - Notes Receivable (Continued)

	2016	2015
Nonprogram-related note - Note maturing in December 2015 with monthly installments of $1,922 paying interest at a fixed rate of 4.49 percent, through December 2015	$ -	$ 14,970
Total	$ 2,467,205	$ 2,167,276

Note 4 - Property and Equipment

Cost of land, buildings, and equipment consists of the following:

	2016	2015
Land	$ 200,000	$ 200,000
Buildings	4,309,986	4,309,986
Furniture and fixtures	762,549	712,801
Software	496,362	496,362
Total cost	5,768,897	5,719,149
Less accumulated depreciation	(1,733,850)	(1,459,325)
Net land, buildings, and equipment	$ 4,035,047	$ 4,259,824

Depreciation expense for the years ended June 30, 2016 and 2015 was $282,581 and $309,222, respectively.

Note 5 - Grants and Scholarships Payable

As of June 30, 2016, the board of trustees authorized the payment of certain grants in future periods as follows:

Years Ending June 30	Amount
2017	$ 3,771,058
2018	827,417
2019	303,833
2020	225,000
Thereafter	48,750
Total	$ 5,176,058

Note 6 - Long-term Debt

Red Brick Building II, Inc. (RBB II) was financed in part by proceeds from loans received from an investor trustee participating in the New Markets Tax Credit program administered by the Community Development Financial Institutions Fund of the U.S. Department of the Treasury. Under the program and as part of the loan agreement, RBB II committed to maintaining its status as a qualified active low-income community business as defined in IRC Section 45D.

The first loan in the amount of $2,948,400 was paid off in full in February 2015.

During the year ended June 30, 2015, the second loan in the amount of $1,051,600 was purchased at an option price of $55,080 and the resulting gain was recorded as revenue within the consolidated statement of activities and changes in net assets.

Note 7 - Funds Held on Behalf of Nonprofit Endowments

The Foundation has adopted the accounting standard *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This statement establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both to another entity that is specified by the donor. This statement specifically requires that if a not-for-profit organization (NPO) establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as nonprofit endowments.

The Foundation maintains variance power and legal ownership of nonprofit endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with the statement, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the NPOs.

Note 7 - Funds Held on Behalf of Nonprofit Endowments (Continued)

At June 30, 2016 and 2015, the Foundation was the owner of nonprofit endowment funds, of which $14,697,792 and $15,137,015, respectively, is reported as a liability in the accompanying consolidated financial statements. The following table summarizes activity during the year in those funds for which there is a corresponding liability:

	2016	2015
Nonprofit endowment fund balances at July 1	$ 15,137,015	$ 14,475,993
Amounts raised	719,530	693,943
Investment income	231,753	193,733
Unrealized and realized investment (losses) gains	(801,394)	155,805
Grants	(534,632)	(315,311)
Fees	(54,480)	(67,148)
Nonprofit endowment fund balances at June 30	$ 14,697,792	$ 15,137,015

Note 8 - Lease Agreement

The Foundation leased its facilities from RBB II through April 2015, at which time RBB II was merged into Grand Rapids Community Foundation. Rent payments for the year ended June 30, 2015 were $186,098. The income and expense related to this lease agreement were eliminated upon consolidation.

Note 9 - Restricted Net Assets

Temporarily restricted net assets are restricted based upon time or purpose restrictions as follows:

	2016	2015
Scholarships	$ 131,496	$ 152,891
Split-interest agreements receivable	3,835,678	3,663,423
Endowed and other program funds including earnings	7,829,350	9,044,845
Special projects	652,652	316,355
Pledges receivable	2,719,187	6,172,527
Total temporarily restricted net assets	$ 15,168,363	$ 19,350,041

Permanently restricted net assets are restricted to investments in perpetuity, the income from which is expendable for the following purposes:

	2016	2015
Community welfare and programs	$ 4,354,699	$ 4,354,699
Beneficial interests in perpetual trusts	2,150,779	2,340,278
Scholarships	113,515	113,515
Total permanently restricted net assets	$ 6,618,993	$ 6,808,492

Note 10 - Board-designated and Donor-restricted Endowments

The Foundation's endowment funds consist of a donor-restricted endowment as well as board-designated net assets. The board-designated net assets consist of designated endowments that would be classified as donor-restricted endowments except that the Foundation has variance power of these assets. Therefore, the board of trustees treats these funds as designated endowments. The net assets associated with the donor-restricted and board-designated endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions, as well as variance power.

Interpretation of Relevant Law

The board of trustees of the Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the board-designated or donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation of the law and variance power, the Foundation classified as unrestricted or permanently restricted net assets (a) the original value of the donated endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment 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 classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate a donor-restricted endowment fund:

(1) The duration and preservation of the fund
(2) The purposes of the Foundation and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effects of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Foundation
(7) The investment policies of the Foundation

The Foundation's accounting policy complies with accounting standards for endowments subject to UPMIFA. The accounting standards require investment earnings on permanently restricted net assets subject to UPMIFA to be classified as temporarily restricted until they are appropriated for expenditure by the Foundation. In addition, due to the variance power and powers of modification available to the board of trustees, the Foundation's board of trustees adopted a resolution to designate those endowment funds considered unrestricted.

Note 10 - Board-designated and Donor-restricted Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 1,530,494	$ 4,468,214	$ 5,998,708
Board-designated endowment funds	242,161,211	-	-	242,161,211
Total funds	$ 242,161,211	$ 1,530,494	$ 4,468,214	$ 248,159,919

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ 257,890,794	$ 3,235,688	$ 4,468,214	$ 265,594,696
Investment return:				
Investment income	4,042,719	277,954	-	4,320,673
Net depreciation (realized and unrealized)	(13,465,306)	(796,651)	-	(14,261,957)
Total investment (loss)	(9,422,587)	(518,697)	-	(9,941,284)
Contributions	2,362,533	-	-	2,362,533
Appropriation of endowment assets for expenditure	(8,669,529)	(1,186,497)	-	(9,856,026)
Endowment net assets - End of year	$ 242,161,211	$ 1,530,494	$ 4,468,214	$ 248,159,919

Endowment Net Asset Composition by Type of Fund as of June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 3,235,688	$ 4,468,214	$ 7,703,902
Board-designated endowment funds	257,890,794	-	-	257,890,794
Total funds	$ 257,890,794	$ 3,235,688	$ 4,468,214	$ 265,594,696

Note 10 - Board-designated and Donor-restricted Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ 256,435,136	$ 3,508,553	$ 4,468,214	$ 264,411,903
Investment income	3,537,510	255,850	-	3,793,360
Net appreciation (realized and unrealized)	2,909,870	95,825	-	3,005,695
Total investment return	6,447,380	351,675	-	6,799,055
Contributions	6,397,808	-	-	6,397,808
Appropriation of endowment assets for expenditure	(11,389,530)	(624,540)	-	(12,014,070)
Endowment net assets - End of year	$ 257,890,794	$ 3,235,688	$ 4,468,214	$ 265,594,696

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of the donor-restricted funds that the Foundation must hold in perpetuity or for the donor-specified period.

Under this policy, as approved by the board of trustees, the Foundation has three objectives: (1) to preserve and grow the assets of the Foundation by focusing on total investment returns from a diversified portfolio of investments; (2) balance long-term growth with appropriate risk and liquidity; and (3) comply with applicable laws, rules, and regulations.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation of domestic equity, foreign equity, fixed-income funds, and alternative investments, with performance benchmarks based on each asset class.

Note 10 - Board-designated and Donor-restricted Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 16 quarters through the fiscal year end preceding the fiscal year in which the distribution is planned. The expendable amount will never be less than a floor amount of 4.0 percent of the current fair value or more than a ceiling amount of 5.75 percent of current fair value. In establishing this policy, the Foundation considered the long-term expected return on its endowment. By limiting its spending policy over the long term, the Foundation expects the current spending policy to allow its net assets to grow annually. This is consistent with the Foundation's objective to maintain the purchasing power of the investment portfolio and net assets, as well as to provide additional real growth through new gifts and investment return.

Note 11 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated 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 June 30, 2016 and 2015 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 whereby 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 11 - Fair Value Measurements (Continued)

The Foundation applies guidance that allows for investments valued at net asset value (NAV) per share (or its equivalent) as a practical expedient. Investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient are no longer classified in the fair value hierarchy above.

The Foundation's policy is to recognize transfers between levels of the fair value hirarchy as of the end of the reporting period. For the years ended June 30, 2016 and 2015, there were no transfers between levels of the fair value hierarchy.

Assets Measured at Fair Value on a Recurring Basis at June 30, 2016

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2016
Investments:				
Fixed income	$ 28,808,444	$ -	$ -	$ 28,808,444
U.S. equities	89,699,653	-	-	89,699,653
International equities	15,731,801	-	-	15,731,801
International fixed-income (measured at NAV)	-	-	-	5,161,361
International equities (measured at NAV)	-	-	-	42,498,710
Alternatives (measured at NAV)	-	-	-	98,330,153
Subtotal investments	134,239,898	-	-	280,230,122
Beneficial interests in perpetual trusts	-	-	2,150,779	2,150,779
Split-interest agreements receivable	-	-	3,835,678	3,835,678
Total	-	-	5,986,457	5,986,457
Total assets	$ 134,239,898	$ -	$ 5,986,457	$ 286,216,579

Note 11 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at June 30, 2015

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2015
Investments:				
Fixed income	$ 20,669,399	$ -	$ -	$ 20,669,399
U.S. equities	109,744,756	-	-	109,744,756
International equities	16,954,845	-	-	16,954,845
International fixed-income (measured at NAV)	-	-	-	4,795,080
International equities (measured at NAV)	-	-	-	46,036,936
Alternatives (measured at NAV)	-	-	-	98,478,342
Subtotal investments	147,369,000	-	-	296,679,358
Beneficial interests in perpetual trusts	-	-	2,340,278	2,340,278
Split-interest agreements receivable	-	-	3,663,423	3,663,423
Total	-	-	6,003,701	6,003,701
Total assets	$ 147,369,000	$ -	$ 6,003,701	$ 302,683,059

The following tables summarize the valuation methods and inputs used to determine fair value at June 30, 2016 and 2015 for assets and liabilities measured at fair value on a recurring basis using unobservable inputs (Level 3 inputs).

	Fair Value at June 30, 2016	Valuation Technique	Significant Unobservable Inputs Used	Range (Weighted Average)
Assets:				
Beneficial interest in perpetual trusts	$ 2,150,779	Trust investment statement	Market value of trust assets	$92,587-$1,202,597
Split-interest agreements receivable	3,835,678	Discounted cash flow	Discount rate	3%
			Life expectancy of beneficiaries	4-43 years
			Market value of trust assets	$105,926-$997,772
			Expected investment return	0%-6%

Note 11 - Fair Value Measurements (Continued)

	Fair Value at June 30, 2015	Valuation Technique	Significant Unobservable Inputs Used	Range (Weighted Average)
Assets:				
Beneficial interest in perpetual trusts	$ 2,340,278	Trust investment statement	Market value of trust assets	$99,817-$1,263,872
Split-interest agreements receivable	3,663,423	Discounted cash flow	Discount rate	3%
			Life expectancy of beneficiaries	3-39 years
			Market value of trust assets	$117,962-$1,029,428
			Expected investment return	0%-6%

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

Beneficial interests in perpetual trusts and split-interest agreement receivables are categorized as Level 3 assets. The fair value is based on the percentage of the trust designated to the Foundation applied to the total fair value of the trust, which is based on quoted market prices unless the facts and circumstances indicate that the fair value would be different from the present value of estimated future distributions. Changes in the fair value of the underlying trust asset, as determined by the trustees that hold and manage these assets, are recognized in the consolidated statement of activities and changes in net assets in the period in which they occur. Significant increases (or decreases) in any of those inputs in isolation would result in a significantly lower (or higher) fair value measurement.

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended June 30, 2016 and 2015 are as follows:

	Beneficial Interest in Perpetual Trusts	Split-interest Agreements Receivable
Balance at July 1, 2015	$ 2,340,278	$ 3,663,423
Purchases	59,641	-
Settlements	(157,983)	-
Total unrealized (losses) gains	(91,157)	172,255
Balance at June 30, 2016	$ 2,150,779	$ 3,835,678

Note 11 - Fair Value Measurements (Continued)

	Beneficial Interest in Perpetual Trusts	Split-interest Agreements Receivable
Balance at July 1, 2014	$ 2,500,490	$ 3,558,555
Purchases	61,805	-
Settlements	(87,347)	-
Total unrealized (losses) gains	(134,670)	104,868
Balance at June 30, 2015	$ 2,340,278	$ 3,663,423

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies whereby 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 fair value, unfunded commitments, and redemption rules of those investments are as follows:

	June 30, 2016	June 30, 2015	June 30, 2016		
	Fair Value	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Long/Short equity (a)	$ 20,479,201	$ 22,293,450	$ -	Quarterly	Quarterly
Commodities (b)	14,697,954	6,854,988	-	Monthly/Daily	5 days
Multi-strategy (c)	32,808,891	37,261,319	-	Annually on December 31	100 days
Timber (d)	3,590,802	3,562,462	-	N/A	N/A
Private equity (e)	9,075,776	8,564,237	4,550,000	N/A	N/A
Real estate (f)	2,731,310	3,467,910	823,529	N/A	N/A
Fixed income (g)	4,986,779	4,982,476	-	Quarterly	Quarterly
International equity (h)	42,498,710	46,036,936	-	Monthly	2-10 days
International fixed income (i)	5,161,361	4,795,080	-	Monthly	10 days
Capital appreciation (j)	9,959,440	11,491,500	-	Monthly	5 days
Total	$ 145,990,224	$ 149,310,358	$ 5,373,529		

(a) Long/Short Equity: The investment approach whereby investment managers combine buying positions in stocks that are expected to increase in value with selling positions in stocks that are expected to decrease in value. Although most managers maintain net long positions, market exposure can vary widely among managers and through time depending on the level of long and short exposures. Managers attempt to reduce volatility by either diversifying or hedging positions across various regions, industries, and sectors.

Note 11 - Fair Value Measurements (Continued)

(b) Commodities: An approach that invests in commodities, which include sources of energy such as oil or natural gas, metals such as gold, and agricultural products such as wheat. Investments are generally made in the form of futures contracts or mutual funds, and they do not involve actual holding of the physical commodities themselves. Commodity investing is basically a hedge against inflation whereby rises in prices are benefited. Commodity investing as we define it here differs in that it is predominantly based on assuming long positions and does not involve short selling.

(c) Multi-strategy: An investment approach that attempts to profit regardless of the overall direction of the stock or bond market. This is accomplished by using highly flexible investment strategies that permit the use of short selling and margin. While these techniques are widely perceived as risky, many managers have successfully used them to achieve solid returns with relatively low volatility. For example, while short selling is certainly risky on its own, when paired with traditional long equity positions, the result can be a relatively low-risk portfolio. Multi-strategies can also be described with names such as absolute return, market neutral, convertible arbitrage, and merger arbitrage.

(d) Timber: An approach that invests in timberland, which entails forests and the land on which they are grown. The returns are generated through timber sales, forest management, and land appreciation. Timber managers typically invest in forests globally, but the geographic focus is often in the U.S. South, Northwest, and Northeast, along with forests in South America, New Zealand, and Australia. Timberland generally requires a long-term investment, making it a suitable investment for institutional investors' time horizons of perpetuity. Timber offers additional diversification and strong returns with moderate risk.

(e) Private Equity: Private equity covers a broad class of investments, which generally involves taking an equity position in a privately held company or privatizing a publicly traded company. Private equity managers can be broadly classified into three groups: buyouts, venture capital, and special situations. Buyout transactions usually involve acquiring relatively mature businesses, while venture capital transactions involve providing capital to newer businesses. Special situations refer to investments in equity or debt securities of financially stressed companies. This could include various forms of investment such as mezzanine debt and distressed investments.

(f) Real Estate: This strategy involves generating returns predominately through the identification of undervalued or mispriced real estate assets or real estate-related companies. Investments would be expected to be made through either public or private equity securities, convertible notes or warrants, or other acquired or originated debt securities. The exposure within this asset class would be expected to be predominately long-only exposure, and will generally be maintaining a long exposure to direct real estate assets or real estate-related companies and securities.

(g) Fixed Income: This strategy is similar to long/short equity except that managers use fixed-income securities.

(h) International Equity: This strategy is similar to long/short equity except that managers use international securities.

(i) International Fixed-income: This strategy is similar to long/short equity except that managers use international fixed-income securities.

(j) Capital Appreciation: This strategy's objective seeks to create capital appreciation by investing all of its investable assets in the Master Fund. The Master Fund seeks to achieve its investment objective principally by (i) investing in undervalued publicly listed companies and (ii) adding value to the companies in which it invests by affecting change.

Note 11 - Fair Value Measurements (Continued)

Approximately $15,400,000 is invested in illiquid funds as of June 30, 2016. The illiquid funds are made up of natural resources and private equity. The availability of funds is based on when the underlying direct funds believe there is an attractive exit point in the investment. Based on the percentage of ownership in each fund, the Foundation will receive distributions when deals are closed. Generally speaking, it takes about two to four years for the private equity funds to deploy capital, and then roughly five to nine years to return it to investors. For natural resources, it takes outwards of 10 to 15 years after the capital is deployed to return it to investors as a result of the nature of the investment/business.

Note 12 - Commitments

The Foundation has provided a limited guarantee not to exceed $333,333 for the bank loans of a local nonprofit organization at June 30, 2016. For the guarantee, the Foundation's commitment is limited to one-third of the total default and shared with two other guarantors, and a default would be treated as a program-related investment. The guarantee expires at the end of of 2026.

Additional Information

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Independent Auditor's Report on Additional Information

To the Board of Trustees
Grand Rapids Community Foundation

We have audited the consolidated financial statements of Grand Rapids Community Foundation as of and for the years ended June 30, 2016 and 2015 and have issued our report thereon dated September 22, 2016, which contained an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of functional expenses is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

September 22, 2016

Grand Rapids Community Foundation

Consolidated Schedule of Functional Expenses
Year Ended June 30, 2016

	Program Services				Support Services					
	Grants and Scholarships	Charitable and Philanthropic	Community Initiatives and Program Expenses	Total Program Services	Management and General	Development and Marketing	Fund Management	Total Support Services	Total	2015
Salaries and wages	$ -	$ 752,577	$ -	$ 752,577	$ 565,012	$ 644,153	$ 104,669	$ 1,313,834	$ 2,066,411	$ 1,860,827
Payroll taxes	-	58,531	-	58,531	43,943	50,098	8,141	102,182	160,713	144,296
Recruitment and benefits	-	206,711	-	206,711	155,192	176,930	28,750	360,872	567,583	528,594
Total salaries and related expenses	-	1,017,819	-	1,017,819	764,147	871,181	141,560	1,776,888	2,794,707	2,533,717
Grants and scholarships	13,030,606	-	-	13,030,606	-	-	-	-	13,030,606	9,916,021
Component fund program expenses	-	-	178,064	178,064	-	-	-	-	178,064	221,073
Education project initiatives	-	-	840,655	840,655	-	-	-	-	840,655	730,454
Conferences	-	23,723	-	23,723	17,811	20,305	3,299	41,415	65,138	68,036
Office expenses	-	34,867	-	34,867	26,177	29,844	4,849	60,870	95,737	154,000
Occupancy	-	30,068	-	30,068	22,577	25,739	4,182	52,498	82,566	185,558
Insurance and dues/subscriptions	-	7,523	-	7,523	21,085	6,439	1,046	28,570	36,093	28,357
Equipment maintenance and depreciation	-	118,275	-	118,275	88,797	101,235	16,450	206,482	324,757	311,484
Board of trustees expenses	-	-	-	-	16,806	-	-	16,806	16,806	13,373
Computer and other professional fees	-	65,135	-	65,135	48,902	58,411	9,059	116,372	181,507	95,273
Audit, tax, and accounting	-	-	-	-	45,081	-	-	45,081	45,081	140,839
Legal	-	2,678	-	2,678	8,291	3,714	372	12,377	15,055	15,404
Scholarship program administration	-	25,894	-	25,894	-	-	-	-	25,894	8,376
Grantmaking expenses	-	8,244	-	8,244	-	-	-	-	8,244	-
Community outreach	-	3,555	-	3,555	-	-	-	-	3,555	3,924
Fund development activities	-	-	-	-	-	150,871	-	150,871	150,871	152,578
Publications - Annual report, newsletters, and brochures	-	5,512	-	5,512	58,340	58,920	767	118,027	123,539	99,322
General public relations	-	96,309	-	96,309	72,306	82,435	13,396	168,137	264,446	272,062
Interest expense	-	-	-	-	-	-	-	-	-	115,038
Amortization of bond discount	-	-	-	-	-	-	-	-	-	142,753
Eliminating entry for rent paid to Red Brick Building II, Inc.	-	-	-	-	-	-	-	-	-	(186,098)
Eliminating entry for grant from Red Brick Building II, Inc. to Grand Rapids Community Foundation	-	-	-	-	-	-	-	-	-	(85,000)
Total functional expenses	$ 13,030,606	$ 1,439,602	$ 1,018,719	$ 15,488,927	$ 1,190,320	$ 1,409,094	$ 194,980	$ 2,794,394	$ 18,283,321	$ 14,936,544