

**VENN FOUNDATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Venn Foundation
St. Paul, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Venn Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022 and 2021, and the 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.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements 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.

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 for one year after the date the financial statements are available to be issued.

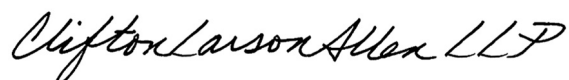
Auditors' Responsibilities for the Audit of the Financial Statements

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the 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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 17, 2023

**VENN FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 2,115,965	\$ 3,175,823
Program-Related Investments, Net	13,214,252	5,580,599
Receivables, Net	317,880	382,129
Prepaid Expenses	12,729	8,920
Total Assets	\$ 15,660,826	\$ 9,147,471
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 5,125	\$ 2,576
Note Payable	1,250,000	1,250,000
Accrued Expenses and Other Liabilities	20,204	12,075
Total Liabilities	1,275,329	1,264,651
NET ASSETS		
Without Donor Restriction	14,185,497	7,632,820
With Donor Restriction	200,000	250,000
Total Net Assets	14,385,497	7,882,820
Total Liabilities and Net Assets	\$ 15,660,826	\$ 9,147,471

See accompanying Notes to Financial Statements.

**VENN FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND SUPPORT						
Contributions	\$ 8,428,904	\$ -	\$ 8,428,904	\$ 4,795,893	\$ 250,000	\$ 5,045,893
Investment Income	293,730	-	293,730	113,421	-	113,421
Change in Value in Closed Loop Fund PRI	(265,000)	-	(265,000)	-	-	-
Program and Other Income	136,674	-	136,674	96,914	-	96,914
Net Assets Released from Restrictions	50,000	(50,000)	-	-	-	-
Total Revenue and Support	<u>8,644,308</u>	<u>(50,000)</u>	<u>8,594,308</u>	<u>5,006,228</u>	<u>250,000</u>	<u>5,256,228</u>
EXPENSES						
Program:						
Program Service Expense	109,163	-	109,163	75,652	-	75,652
Grants	121,500	-	121,500	222,000	-	222,000
Contribution from PRI	1,728,762	-	1,728,762	1,111,444	-	1,111,444
Total Program	<u>1,959,425</u>	<u>-</u>	<u>1,959,425</u>	<u>1,409,096</u>	<u>-</u>	<u>1,409,096</u>
Management and General	91,763	-	91,763	73,891	-	73,891
Fundraising and Development	40,443	-	40,443	29,457	-	29,457
Total Expenses	<u>2,091,631</u>	<u>-</u>	<u>2,091,631</u>	<u>1,512,444</u>	<u>-</u>	<u>1,512,444</u>
CHANGE IN NET ASSETS	6,552,677	(50,000)	6,502,677	3,493,784	250,000	3,743,784
Net Assets - Beginning of Year	<u>7,632,820</u>	<u>250,000</u>	<u>7,882,820</u>	<u>4,139,036</u>	<u>-</u>	<u>4,139,036</u>
NET ASSETS - END OF YEAR	<u>\$ 14,185,497</u>	<u>\$ 200,000</u>	<u>\$ 14,385,497</u>	<u>\$ 7,632,820</u>	<u>\$ 250,000</u>	<u>\$ 7,882,820</u>

See accompanying Notes to Financial Statements.

**VENN FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 97,000	\$ 42,000	\$ 26,250	\$ 165,250	\$ 63,900	\$ 29,700	\$ 18,900	\$ 112,500
Payroll Taxes	7,538	3,324	2,034	12,896	4,985	2,308	1,467	8,760
Total Payroll	104,538	45,324	28,284	178,146	68,885	32,008	20,367	121,260
Client Development and Engagement	-	-	2,145	2,145	210	-	-	210
Accounting Fees	-	10,041	-	10,041	-	9,043	-	9,043
Legal Fees	-	-	6,013	6,013	-	-	5,000	5,000
Contracted Services	115	3,325	-	3,440	-	2,976	-	2,976
Investment Management	1,048	-	-	1,048	3,450	-	-	3,450
Travel	300	235	-	535	125	38	-	163
Insurance	-	8,693	-	8,693	-	5,222	-	5,222
Occupancy	-	600	-	600	-	600	-	600
Grant Expense	121,500	-	-	121,500	222,000	-	-	222,000
Technology	242	21,108	72	21,422	150	21,330	-	21,480
Contribution from PRI	1,728,762	-	-	1,728,762	1,111,444	-	-	1,111,444
Miscellaneous	2,920	2,437	3,929	9,286	2,832	2,674	4,090	9,596
Total Expenses	<u>\$ 1,959,425</u>	<u>\$ 91,763</u>	<u>\$ 40,443</u>	<u>\$ 2,091,631</u>	<u>\$ 1,409,096</u>	<u>\$ 73,891</u>	<u>\$ 29,457</u>	<u>\$ 1,512,444</u>

See accompanying Notes to Financial Statements.

**VENN FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 6,502,677	\$ 3,743,784
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Change in Allowance for Program-Related Investments	1,175,272	345,000
Change in Value in Closed Loop Fund PRI	265,000	-
Write-offs of Program-Related Investments	-	212,192
Forgiveness of Program-Related Investments	520,262	552,676
Increase (Decrease) in:		
Receivables	64,249	(349,234)
Prepaid Expenses	(3,809)	(7,415)
Decrease in:		
Accounts Payable	2,549	699
Accrued Expenses	8,129	93
Net Cash Provided by Operating Activities	8,534,329	4,497,795
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of Program-Related Investments	(5,818,975)	(3,356,970)
Purchase of Closed Loop Fund PRI	(4,090,771)	-
Payments of Program-Related Investments	315,559	169,363
Net Cash Used by Investing Activities	(9,594,187)	(3,187,607)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Note Payable	-	1,000,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,059,858)	2,310,188
Cash and Cash Equivalents - Beginning of Year	3,175,823	865,635
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,115,965	\$ 3,175,823

See accompanying Notes to Financial Statements.

VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Venn Foundation (the Foundation) is a nonprofit organization on a mission to unleash the full power of Program-Related Investments (PRIs) to advance charitable impact. By opening a special donor-advised fund called a Venn Account, any individual or organization can recommend that their charitable dollars be used by the Foundation to make PRIs. The Foundation can syndicate any one PRI among any number of Venn Accounts. Financial returns from these PRIs go back to participating accounts pro rata for the donors to recommend redeployment into new PRIs or grants. The Foundation's vision is to create a new category of flexible, below-market-rate capital that can be directed creatively to projects and organizations across all sectors that are helping advance charitable goals.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation insurance limits. The Foundation has not experienced any loss associated with this practice.

Program-Related Investments

Program-Related investments (PRIs) consist of debt and equity positions in organizations that conduct activities that fulfill the charitable purposes of the Foundation. PRIs are initially recorded on the statement of financial position at cost when approved. Uncollected interest earned on program-related investments with a debt position is recorded as earned and included in the investment account. These investments are recoverable over periods ranging up to 12 years. Should the recipient fail to use the PRI capital to advance the intended charitable purpose, the Foundation can require repayment. In the event that a PRI is subsequently determined to be uncollectible or the value is permanently impaired, the Foundation may record the uncollectible amount as a grant appropriation or record an impairment reserve.

Investment in Closed Loop Fund, LP

The Foundation's program-related investment in the Closed Loop Fund limited partnership is reported at fair value, using net asset value as a practical expedient, as determined by the partnership's general partner. Using net asset value as a practical expedient, the multi-strategy fund of funds is recorded as estimated fair value of the underlying assets. The estimated fair value as determined by the general partners or the fund manager may differ from the value that would have been used had ready markets for the investment existed and the differences could be significantly higher or lower for any specific holding.

**VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets Classification

Net assets are classified based on donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Without Donor Restriction – Net assets over which the board of directors has discretionary control. Board-designated amounts represent those net assets that are subject to self-imposed limits by action of the governing board. The Foundation maintains a plurality of donor advised funds (each a DAF). When donors contribute money into a DAF with the Foundation, those dollars are legally unrestricted. However, consistent with the mission of the Foundation, donors are encouraged to and often plan to recommend that their DAF dollars be deployed by the Foundation into particular PRI. Therefore, the Foundation classifies all of the balance in its DAFs as board-designated in holding for current and future PRIs. The Foundation does not intend that the assets in its DAFs will be used for general operating expenses.

With Donor Restriction – Net assets subject to donor-imposed stipulations that: a) restrict their use to a specific purpose and/or passage of time, or b) require that they be maintained in perpetuity by the Foundation, generally, the donor of these assets permits the Foundation to use all or part of the income earned and capital gains, if any, on related investments for general or specific purposes.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Payroll is allocated based on management's time estimates on where time is spent. Other costs are directly allocated as incurred.

Income Taxes

The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Foundation is a public charity and contributions to the Foundation qualify as a charitable tax deduction by the contributor.

The Foundation's tax returns are subject to review and examination by federal, state, and local authorities.

VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB issued this ASU to improve the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. Nonfinancial assets are defined within the ASU as including fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The amendments do not change the recognition and measurement of nonfinancial assets. The Foundation's financial statements reflect the application of ASU 2020-07 guidance retrospectively.

Subsequent Events

The Foundation has evaluated subsequent events through April 17, 2023, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY

The Foundation classifies its net assets into two formal categories:

Without Donor Restrictions (WODR) – Net assets which are flexible and available for general use by the Foundation without any donor restrictions.

With Donor-Restrictions (WDR) – Net assets with a special restriction imposed by the donor, which requires that the assets be used in a certain way or over a certain period of time.

Additionally, the Foundation tracks two sub-types of WODR: (a) Board-Designated Net Assets (BDNA) and (b) Undesignated Net Assets (UDNA). BDNA do not have formal donor restrictions but are subject to self-imposed limits by action of the Foundation's board of directors as described in the Foundation's formal "Board-Designated Net Assets Policy."

**VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 LIQUIDITY (CONTINUED)

The Foundation's definition of liquidity includes WODR cash and current receivables as well WDR cash and current receivables that will likely be released from donor restrictions over the next 12 months. The Foundation further breaks down WODR cash and current receivables into BDNA and UDNA. Liquidity consisted of the following at December 31:

	2022	2021
Without Donor Restrictions		
Cash - Undesignated	\$ 277,597	\$ 215,819
Cash - Board-Designated	1,638,368	2,960,005
Total WODR Cash	1,915,965	3,175,824
Current Receivables - Undesignated	-	25,000
Current Receivables - Board-Designated	83,344	45,050
Total WODR Current Receivables	83,344	70,050
Total WODR Liquidity	1,999,309	3,245,874
With Donor Restrictions		
Cash to be Released from Restrictions	50,000	-
Current Receivables to be Released from Restrictions	-	50,000
Total WDR Liquidity	50,000	50,000
Total Liquidity	\$ 2,049,309	\$ 3,295,874

The Foundation aims to maintain an "Available Operating Reserve" that can cover all existing liabilities coming due within the next 90 days as well as operating expenses budgeted for the next 90 days (the Required Operating Reserve). The "Available Operating Reserve" is comprised of four items:

1. WODR undesignated cash
2. WODR undesignated receivables expected to be received in the next 90 days
3. WDR cash expected to be released from restrictions in the next 90 days
4. WDR receivables expected to be received and released from restrictions in the next 90 days

**VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 LIQUIDITY (CONTINUED)

	<u>2022</u>	<u>2021</u>
Without Donor Restrictions - Undesignated		
Cash	\$ 277,597	\$ 215,819
Receivables to be Received in Next 90 Days	-	25,000
Total WODR Undesignated in Available Operating Reserve	<u>277,597</u>	<u>240,819</u>
With Donor Restrictions		
Cash to be Released in Next 90 Days	50,000	-
Receivables to be Received and Released from Restrictions in Next 90 Days	-	50,000
Total WDR in Available Operating Reserve	<u>50,000</u>	<u>50,000</u>
Available Operating Reserve	327,597	290,819
Liabilities Due in Next 90 Days	20,262	12,083
New Operating Expenses Budgeted in Next 90 Days	90,155	68,170
Required Operating Reserve	<u>110,417</u>	<u>80,253</u>
Net Operating Reserve Available in Excess of Required	<u>\$ 217,180</u>	<u>\$ 210,566</u>

NOTE 3 PROGRAM-RELATED INVESTMENTS

The Foundation's mission is to unleash the full power of PRIs to advance charitable impact. As of December 31, 2022, the Foundation held 28 PRI assets valued, net of allowance, at a total of \$13,214,252. Twenty-one of the Foundation's PRI assets are multi-year, unsecured, low-interest-rate loans, ranging from 1% to 5%, made to nonprofits and early-stage businesses each with the primary purpose of advancing the Foundation's exempt purpose. Two of the Foundation's PRI assets are equity or equity-like investments in companies each made with the primary purpose of advancing the Foundation's charitable purposes. Three of the Foundation's PRI assets are pools of unsecured, no-interest PRI loans made to low-income Minnesota families as part of the Minnesota Afterschool Advance (MAA) program. Two of the Foundation's PRI assets are high-risk unsecured loans to the University of Minnesota to further develop promising technologies.

**VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 PROGRAM-RELATED INVESTMENTS (CONTINUED)

As of December 31, 2022, four investments made up 83% of the total program-related investment balance. As of December 31, 2021, two investments made up 45% of the total program-related investment balance.

Program-Related Investments consist of the following at December 31:

<u>Description</u>	<u>2022</u>	<u>2021</u>
Asiya, LLC. Matures June 2023	\$ 178,165	\$ 178,165
Binary Bridge, SBC. Matures January 2023	177,392	177,392
Family Tree, Inc. Matures October 2023	105,000	105,000
Reflection Sciences, Inc. Matures August 2023	50,100	50,100
Fair Anita, SBC. Matures May 2023	148,330	148,330
Minnesota Children's Museum. Matures November 2024	115,955	115,955
NetZro, SBC. Matures November 2022	56,385	56,385
Emerge Enterprises. Matures January 2024	125,000	125,000
Neighborhood Development Center. Matures December 2025	335,458	335,458
Breathe99. Matures April 2022	129,825	129,825
Golden Path Solutions. Matures August 2023	100,500	100,500
YardHomes. Matures December 2031	352,038	352,038
Cologne House. Matures September 2023	60,100	60,100
Arctaris Saddleback. Matures December 2026	4,207,753	2,126,706
UMN - Osteosarcoma. Matures June 2030	302,500	302,500
MAA Loan Fund - 2020	90,405	116,483
UMN - Male Contraception. Matures January 2031	345,000	345,000
MAA Loan Fund - 2021	243,147	532,628
Tech Dump. Matures June 2026	181,534	181,534
TRI-Construction. Matures July 2027	227,500	105,000
Better Future Forward. No Maturity Date. Revenue-Based Repayment	400,000	400,000
Lutunji's Palate. Matures December 2026	84,000	84,000
Proserva. Matures December 2028	100,000	100,000
Actaris Saddleback - Workforce Housing. Matures January 2027	1,512,000	-
MAA Loan Fund - 2022	1,369,469	-
Kindly Tech. No Maturity Date. Simple Agreement for Future Equity	77,597	-
Global Water First. Matures October 2027	136,100	-
Closed Loop Fund, LP *shown as NAV, see Note 7	3,825,771	-
Subtotal	15,037,024	6,228,099
Allowance for Loss	(1,822,772)	(647,500)
Total	\$ 13,214,252	\$ 5,580,599

As of December 31, 2022, five PRIs were in default due to one or more missed payments. The Foundation is actively managing these PRIs and, where appropriate, writing down asset values to an allowance account and restructuring terms. No PRIs were past due as of December 31, 2021.

**VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 PROGRAM-RELATED INVESTMENTS (CONTINUED)

Three of the Foundation's PRI assets contain some type of provision for conditional forgiveness of PRI principal and/or accrued interest. Upon completion of certain agreed upon milestones or in certain scenarios, the Foundation has agreed to forgive a set percentage of the PRI principal and/or accrued interest. In 2022, the Foundation forgave \$520,262 of principal in its PRI portfolio.

Subsequent to year-end, on January 9, 2023, the Foundation entered into an additional program-related investment agreement with Arctaris Saddleback Ski Operations, LLC in the amount of \$780,000.

NOTE 4 NOTES PAYABLE

Notes payable consist of the following as of December 31:

<u>Description</u>	<u>2022</u>	<u>2021</u>
Promissory note payable to the Bush Foundation in the amount of \$250,000 with simple interest per annum. The agreement was entered on December 21, 2020. The promissory note is subject to certain permissive repayments and its maturity is subject to acceleration under certain conditions.	\$ 250,000	\$ 250,000
Promissory note payable to the Bush Foundation in the amount of \$1,000,000 with no interest. The agreement was entered on August 31, 2021. The promissory note is subject to certain permissive repayments and its maturity is subject to acceleration under certain conditions.	<u>1,000,000</u>	<u>1,000,000</u>
Total Notes Payable	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2022</u>	<u>2021</u>
Time Restricted	\$ 200,000	\$ 250,000

**VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2022	2021
Expiration of Time Restrictions	\$ 50,000	\$ -

NOTE 6 CONCENTRATION RISKS

Two contributors accounted for approximately 79% and three contributors accounted for approximately 65% of total contribution revenue for the years ended December 31, 2022 and 2021, respectively.

NOTE 7 INVESTMENTS HELD AT NET ASSET VALUE

The following is a summary of the investments whose net asset value approximates fair value and the related unfunded commitments and redemption restrictions associated with each major category at December 31:

	2022			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Closed Loop Fund, LP	\$ 3,825,771	\$ -	Not Applicable	Not Applicable
	2021			
	Net Asset Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Closed Loop Fund, LP	\$ -	\$ -	Not Applicable	Not Applicable

Closed Loop Fund, LP – This fund provides below-market rate financing to replicable, scalable, and sustainable recycling and circular economy infrastructure projects in the United States. These projects may be run by government bodies, public/private partnerships, and private companies in certain cases. The goal of the fund is to reduce waste, improve recycling, and to create and grow markets for recycled material.

Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the Foundation’s interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if the Foundation were to settle these investments in the secondary market, a buyer may require a discount to the reported net assets value, and the discount could be significant.



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