

**EAST TENNESSEE FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**WITH SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2021 and 2020**

**and**

**INDEPENDENT AUDITOR'S REPORT**

EAST TENNESSEE FOUNDATION  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION

Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
East Tennessee Foundation  
Knoxville, Tennessee

**Opinion**

We have audited the accompanying consolidated financial statements of East Tennessee Foundation (a nonprofit corporation), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of East Tennessee Foundation as of December 31, 2021 and 2020, 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.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Tennessee Foundation (and its supporting foundations) and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 East Tennessee 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 East Tennessee 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.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 40 through 49 is presented for purposes 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 audit 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 supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Brown Jake & McDaniel, PC*

Knoxville, Tennessee  
November 23, 2022

EAST TENNESSEE FOUNDATION  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents	\$ 21,030,025	\$ 15,509,932
Accounts receivable, net	70,854	128,966
Unconditional promises to give	67,253,362	86,079,186
Loans and note receivable, net	228,688	168,318
Investments	554,797,600	463,385,825
Other assets	3,313	22,065
Property and equipment, net	<u>4,353,951</u>	<u>3,122,863</u>
Total assets	<u>\$ 647,737,793</u>	<u>\$ 568,417,155</u>
Liabilities and net assets:		
Liabilities -		
Accounts payable and accrued expenses	\$ 103,187	\$ 76,865
Notes payable	3,012,000	292,517
Grants payable	50,173,948	42,236,606
Annuity/unitrust liability	720,033	707,095
Liability for amounts held for others	<u>54,025,035</u>	<u>42,474,554</u>
Total liabilities	<u>108,034,203</u>	<u>85,787,637</u>
Net assets -		
Without donor restrictions		
Undesignated	272,433,297	111,265,313
Designated by the board for endowment	260,445,050	365,582,800
With donor restrictions		
Donor advised	115,873	257,776
Supporting organizations	84,025	67,132
Endowment	<u>6,625,345</u>	<u>5,456,497</u>
Total net assets	<u>539,703,590</u>	<u>482,629,518</u>
Total liabilities and net assets	<u>\$ 647,737,793</u>	<u>\$ 568,417,155</u>

The accompanying notes are an integral  
part of these financial statements.

EAST TENNESSEE FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions and grants	\$ 11,133,205	\$ -	\$ 11,133,205
Net investment income	5,938,011	-	5,938,011
Net realized and unrealized gain (loss) on investments	65,737,749	-	65,737,749
Change in value of split-interest agreements	-	1,279,578	1,279,578
Other revenue	987,080	-	987,080
Net assets released from restrictions during the period	235,740	(235,740)	-
Total revenues, gains and other support	84,031,785	1,043,838	85,075,623
Expenses:			
Program services -			
Grants and contributions	24,287,950	-	24,287,950
Other program expenses	1,677,655	-	1,677,655
Supporting services -			
Management and general expenses	1,057,740	-	1,057,740
Fundraising expenses	978,206	-	978,206
Total expenses	28,001,551	-	28,001,551
Change in net assets	56,030,234	1,043,838	57,074,072
Net assets at beginning of year	476,848,113	5,781,405	482,629,518
Net assets at end of year	\$ 532,878,347	\$ 6,825,243	\$ 539,703,590

The accompanying notes are an integral  
part of these financial statements.

EAST TENNESSEE FOUNDATION  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support:			
Contributions and grants	\$ 12,904,924	\$ -	\$ 12,904,924
Net investment income	5,228,944	-	5,228,944
Net realized and unrealized gain (loss) on investments	44,925,441	-	44,925,441
Change in value of split-interest agreements	(7,677)	619,444	611,767
Other revenue	889,837	-	889,837
Net assets released from restrictions during the period	352,458	(352,458)	-
Total revenues, gains and other support	64,293,927	266,986	64,560,913
Expenses:			
Program services -			
Grants and contributions	23,102,086	-	23,102,086
Other program expenses	1,640,573	-	1,640,573
Supporting services -			
Management and general expenses	1,214,363	-	1,214,363
Fundraising expenses	789,139	-	789,139
Total expenses	26,746,161	-	26,746,161
Change in net assets	37,547,766	266,986	37,814,752
Net assets at beginning of year	439,300,347	5,514,419	444,814,766
Net assets at end of year	\$ 476,848,113	\$ 5,781,405	\$ 482,629,518

The accompanying notes are an integral  
part of these financial statements.



EAST TENNESSEE FOUNDATION  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	Program Services	Management and General Expenses	Fundraising Expenses	Total
Grants and contributions	\$ 24,287,950	\$ -	\$ -	\$ 24,287,950
Salaries and wages	863,883	543,113	455,389	1,862,385
Pension plan contributions	27,397	19,758	18,036	65,191
Other benefits	73,188	37,180	27,526	137,894
Payroll taxes	62,679	39,501	33,013	135,193
Fees for services	221,447	160,367	3,940	385,754
Advertising and promotion	42,860	8,637	20,148	71,645
Office expenses	70,464	21,813	50,281	142,558
Information technology	93,399	43,043	35,052	171,494
Occupancy	134,986	76,840	69,007	280,833
Travel	28,443	321	5,023	33,787
Conferences and meetings	32,462	899	462	33,823
Interest	-	2,253	-	2,253
Depreciation	5,547	3,124	2,342	11,013
Insurance	15,676	6,558	5,688	27,922
Federal, state and local taxes	5,224	59,879	-	65,103
Life insurance payments	-	34,454	-	34,454
Fundraising event expenses	-	-	252,299	252,299
	<u>\$ 25,965,605</u>	<u>\$ 1,057,740</u>	<u>\$ 978,206</u>	<u>\$ 28,001,551</u>

The accompanying notes are an integral  
part of these financial statements.

EAST TENNESSEE FOUNDATION  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	Program Services	Management and General Expenses	Fundraising Expenses	Total
Grants and contributions	\$ 23,102,086	\$ -	\$ -	\$ 23,102,086
Salaries and wages	764,771	455,695	429,322	1,649,788
Pension plan contributions	19,658	11,908	13,350	44,916
Other benefits	69,097	27,836	24,192	121,125
Payroll taxes	55,700	33,196	31,392	120,288
Fees for services	376,295	100,155	15,302	491,752
Advertising and promotion	61,051	1,600	20,345	82,996
Office expenses	28,148	11,674	23,857	63,679
Information technology	80,959	41,214	41,996	164,169
Occupancy	125,634	73,530	71,320	270,484
Travel	6,132	93	5,792	12,017
Conferences and meetings	16,344	3,352	528	20,224
Depreciation	5,044	2,919	2,317	10,280
Insurance	23,663	5,738	5,206	34,607
Federal, state and local taxes	6,470	70,863	-	77,333
Professional development	1,607	399	881	2,887
Life insurance payments	-	262,430	-	262,430
Settlement of a claim	-	84,812	-	84,812
Other expenses	-	26,949	-	26,949
Fundraising event expenses	-	-	103,339	103,339
	<u>\$ 24,742,659</u>	<u>\$ 1,214,363</u>	<u>\$ 789,139</u>	<u>\$ 26,746,161</u>

The accompanying notes are an integral  
part of these financial statements.

EAST TENNESSEE FOUNDATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 57,074,072	\$ 37,814,752
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,013	10,280
Net realized and unrealized (gain) loss on investments	(65,737,749)	(44,925,441)
Non-cash contributions received	(2,221,440)	(2,584,331)
Non-cash grants made	-	200,000
(Increase) decrease in assets:		
Accounts receivable	58,112	62,662
Unconditional promises to give	18,825,824	830,554
Loans/notes receivable	(60,370)	36,352
Other assets	18,752	20,368
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	26,322	(22,782)
Grants payable	7,937,342	4,171,561
Annuity/unitrust liability	12,938	16,274
Liability for amounts held for others	11,550,481	4,519,390
	27,495,297	149,639
Net cash provided by operating activities		
Cash flows from investing activities:		
Cash paid for acquisition of property and equipment	(1,962,102)	(711,572)
Cash received from sale of property	363,627	1,615,200
Purchases of investments	(141,877,416)	(107,512,240)
Proceeds from the sale of investments	118,781,204	103,204,588
	(24,694,687)	(3,404,024)
Net cash used by investing activities		
Cash flows from financing activities:		
Proceeds from notes payable	3,286,042	292,517
PPP loan forgiveness	(566,559)	-
	2,719,483	292,517
Net cash provided by financing activities		
Net increase (decrease) in cash and cash equivalents	5,520,093	(2,961,868)
Cash and cash equivalents, beginning of year	15,509,932	18,471,800
Cash and cash equivalents, end of year	\$ 21,030,025	\$ 15,509,932
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Unrelated business income taxes	\$ 58,569	\$ 55,622
Interest paid during the year	-	-

The accompanying notes are an integral part of these financial statements.

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
Years Ended December 31, 2021 and 2020

1. Summary of Significant Accounting Policies

Nature of Activities

East Tennessee Foundation is a publicly-supported community foundation as described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code and is tax exempt under Code Section 501(c)(3). Governed by a volunteer board of directors and serving 25 counties, the Foundation's mission is to provide philanthropic leadership inspiring donors to make lives better and communities stronger in enduring ways across generations. The Foundation receives contributions and administers many charitable funds from which grants are made for scientific, educational and charitable purposes.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Consolidated Financial Statements

The consolidated financial statements include the accounts of the Foundation and its supporting organizations (See Note 19 for a listing of supporting organizations). All significant intercompany balances and transactions have been eliminated in the consolidation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. Cash and cash equivalents consist of demand deposit accounts and money market funds with financial institutions.

Investments and Fair Value Measurement

The Foundation follows the provisions of FASB ASC 820 which defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value and requires enhanced disclosures about fair value measurements. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e. the exit price).

Publicly traded equity and debt securities in active markets are reported at fair value based on the last reported sales price on the last business day of the year. Investment accounts consisting of publicly traded equities and fixed income instruments are recorded at fair value as provided primarily by custodians.

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Investments and Fair Value Measurement (Continued)

Investments for which observable market prices in active markets do not exist are reported at fair value, as determined in good faith by management. Privately held securities are valued either by the Board of Directors of the Corporation based on an internal valuation formula, or by outside appraisals where applicable. The valuations of limited partnership investments include assumptions and methods that were prepared by the General Partners of the limited partnerships.

A portion of the Foundation's long-term commingled fund is invested in alternative investment vehicles with The Investment Fund for Foundations (TIFF), including a series of private investment limited liability corporations (LLCs). The Foundation has a pro-rata share in each of these TIFF vehicles in which it participates. The private investment LLCs invest substantially in investment funds which employ a variety of investment strategies. Valuation of interests in the underlying investment funds comprising each vehicle is based on an amount equal to its pro-rata interest in the net assets, which are at fair value, of such underlying investment funds as reported to TIFF Advisory Services, Inc. (TAS) by the management of the investment funds. TAS independently evaluates the valuation provided by the fund managers of the private investment vehicles. TAS's evaluation takes into consideration numerous factors which may include, but are not limited to, the attributes of the interest held, risks inherent in the inputs to the manager's valuation, restrictions on the disposition of the interest, and data reasonably available to market participants.

The fair value of the Foundation's investment in alternative investments is based on available information and does not necessarily represent the amounts that might ultimately be realized, which depend on future circumstances and cannot be reasonably determined until the investment is actually liquidated. The fair values may differ significantly from the values that would have been used had a ready market for the investment funds existed.

Realized gains and losses are determined by comparison of asset average cost, or fair value at the date of donation or fair value at the beginning of the year, to net proceeds received at the time of disposal. Unrealized gains and losses are determined by the difference between fair value at the beginning and end of the year. These amounts are reflected in the financial statements as net realized and unrealized gains (losses) on investments.

Investment income is presented net of investment fees.

Other Assets

Other assets consist primarily prepaid expenses. These items are not readily convertible into cash.

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are stated at cost or fair value at date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	39 years
Furniture and equipment	3 – 10 years
Leasehold improvements	15 – 20 years

Additions and betterments of \$2,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Net Asset Classifications

The Foundation has determined it is subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which requires the Foundation to classify a portion of donor-restricted endowment funds of perpetual duration as net assets with donor restrictions, unless stated otherwise in the gift instrument by the donor.

The Board of Directors has determined that the majority of the Foundation's net assets do not meet the definition of endowment under UPMIFA. The Foundation is governed subject to the governing documents for the Foundation and contributions are subject to the terms of the governing documents and the specific gift instruments.

Under the terms of the governing documents and the specific gift instruments, the Board of Directors has the ability to change the stated purpose of the gift and to distribute so much of the corpus of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions not classified as net assets with donor restrictions are classified as net assets without donor restrictions for financial statement purposes. Also, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of the initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

Net assets with donor restrictions consist of irrevocable charitable trusts and lead trusts. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Endowment Investment and Spending Policies

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 funds while seeking to maintain the purchasing power of the endowment assets. The Foundation's spending and investment policies work together to achieve this objective. To achieve the investment goal, the Foundation's Investment Committee establishes investment objectives and strategies of equity, fixed income, cash and non-traditional investments within prudent risk parameters.

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Endowment Investment and Spending Policies (Continued)

The objective is to achieve a total annual return, measured on a five-year moving average basis equal to the spending rate (including administrative fees) as determined by the Foundation plus the inflation rate. 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 spending policy calculates the amount of money annually distributed from the Foundations' various endowed funds for grantmaking. The Board has adopted a 4½% annual spending level for grant distributions (not including administrative fees) to be calculated on a rolling average of twelve quarters of ending market values. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

Contributions

The Foundation recognizes pledges receivable upon written notification of a donor's unconditional promise to give. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. In general, contributions are recorded as net assets without donor restrictions because the Foundation's Board of Directors has ultimate control over the use of most gifts.

The Foundation reports gifts of cash, donated property and all other assets as net assets without donor restrictions unless explicit donor stipulations limit the use of the donated assets. When a donor restriction expires, that is, when the stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Donated property is recorded at fair market value at the time of donation and is reported as net assets with donor restrictions if it is received with donor imposed restrictions.

Gifts of future interest are recorded and revalued annually at actuarially determined present value. Gifts of future interest are reported as net assets with donor restrictions and are reclassified to net assets without donor restrictions when donor restrictions expire and reported in the statement of activities as net assets released from restrictions.

Functional Expense Allocation

Expenses which apply to more than one functional category have been allocated among program, general and administrative, and fundraising based on the time spent on these functions by specific employees as estimated by management. Indirect expenses such as occupancy, information technology and general office supplies are allocated based on the overall percentage of time spent by all staff in the various functional categories. Certain marketing material costs are allocated based on the percentage of the publication devoted to program and fundraising categories. All other costs are charged directly to the appropriate functional category.

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

1. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Under accounting standards, an organization must recognize tax benefits associated with tax taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by taxing authorities. There were no unrecognized tax benefits identified or recorded as liabilities for 2021 and 2020.

The Foundation's Form 990, *Return of Organization Exempt from Income Tax* (including the returns for its supporting organizations), and its Form 990-T, *Unrelated Business Tax Return*, for the years ending 2018 through 2021 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

2. Unconditional Promises to Give

Unconditional promises to give are scheduled to be collected as follows:

	2021	2020
Due in:		
Less than one year	\$ 60,513,384	\$ 412,001
One to five years	24,500	80,046,400
Thereafter	-	7,000
Due upon the expiration of income interests of gifts of future interests	6,715,478	5,613,785
	\$ 67,253,362	\$ 86,079,186

3. Loans and Note Receivable

The Foundation, through the Affordable Housing Trust Fund, entered into agreements with a government entity and not-for-profit organizations whereby funds were loaned to increase the quantity and quality of low income housing in the City of Knoxville. The balance of the outstanding loans at December 31, 2021 and 2020 was \$228,688 and \$168,318, respectively.

These loans bear interest at 0% and are to be repaid over various loan terms. The collateral on these loans varies.



EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

4. Investment and Fair Value Measurements

Investments at December 31, 2021 and 2020, at fair value, are summarized below:

	<u>2021</u>	<u>2020</u>
Money market, cash and cash equivalents:		
Money market and cash	\$ 4,875,112	\$ 5,005,542
Certificates of deposit	1,734,080	5,606,837
Mutual funds	16,554,308	17,193,335
Fixed Income:		
U.S. Government and agency obligations	7,090,828	8,080,592
Municipal and State obligations	303,904	252,251
U.S. Corporate bonds	6,692,664	4,704,868
Asset-backed securities	1,348,840	1,412,197
Mutual and exchange traded funds	48,646,276	50,955,513
Equities:		
Common and preferred stocks	88,633,618	73,924,089
Privately held securities	-	1,447,223
LLC Interests	67,000	67,000
Mutual and exchange traded funds	296,925,899	261,376,138
Alternative investments:		
Mutual funds	60,683,983	20,453,220
Hedge funds	1,229,833	1,472,960
Private equity	18,687,082	10,255,707
Real assets	<u>1,324,173</u>	<u>1,178,353</u>
 Total	 <u>\$ 554,797,600</u>	 <u>\$ 463,385,825</u>

FASB ASC 820-10 establishes a framework for measuring fair value and a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data based on the best information available in the circumstances.

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

4. Investment and Fair Value Measurements (Continued)

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – Inputs are quoted prices in active markets for identical investments as of the reporting date. Investments in this category include equities traded on an active exchange, as well as U.S. Treasury and other U.S. government and agency mortgage backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Inputs are observable for the investments, directly or indirectly, as of the reporting date. Fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities, and certain over-the-counter derivatives.

Level 3 – Inputs are unobservable and reflect assumptions on the part of the reporting entity. Investments that are included in this category generally include general and limited partnership interests in corporate private equity and real estate funds, debt funds, fund of hedge funds, distressed debt and non-investment grade residual interests in securitizations and collateralized debt obligations.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

4. Investment and Fair Value Measurements (Continued)

The table that follows sets forth information about the level within the fair value hierarchy at which the Foundation's investments are measured at December 31, 2021 and 2020.

	2021				2020			
	TOTAL	Level 1	Level 2	Level 3	TOTAL	Level 1	Level 2	Level 3
Money market, cash and cash equivalents:								
Money market and cash	\$ 4,875,112	\$ 4,875,112	\$ -	\$ -	\$ 5,005,542	\$ 5,005,542	\$ -	\$ -
Certificates of deposit	1,734,080	1,734,080	-	-	5,606,837	5,606,837	-	-
Mutual funds	16,554,308	16,554,308	-	-	17,193,335	17,193,335	-	-
Fixed Income:								
U.S. Government and agency obligations	7,090,828	7,090,828	-	-	8,080,592	8,080,592	-	-
Municipal and State obligations	303,904	303,904	-	-	252,251	252,251	-	-
U.S. Corporate bonds	6,692,664	-	6,692,664	-	4,704,868	-	4,704,868	-
Asset-backed securities	1,348,840	-	1,348,840	-	1,412,197	-	1,412,197	-
Mutual and exchange traded funds	48,646,276	48,646,276	-	-	50,955,513	50,955,513	-	-
Equities:								
Common and preferred stocks	88,633,618	88,633,618	-	-	73,924,089	73,924,089	-	-
Privately held securities	-	-	-	-	1,447,223	-	-	1,447,223
LLC interests	67,000	-	-	67,000	-	-	-	-
Mutual and exchange traded funds	296,925,899	296,925,899	-	-	261,376,138	261,376,138	-	-
Alternative investments:								
Mutual funds	60,683,983	60,683,983	-	-	20,453,220	20,453,219	-	-
Hedge funds	1,229,833	-	-	1,229,833	1,472,960	-	-	1,472,960
Private equity	18,687,082	-	-	18,687,082	10,255,707	-	-	10,255,707
Real assets	1,324,173	-	-	1,324,173	1,178,353	-	-	1,178,353
<b>Total</b>	<b>\$ 554,797,600</b>	<b>\$ 525,448,008</b>	<b>\$ 8,041,504</b>	<b>\$ 21,308,088</b>	<b>\$ 463,318,825</b>	<b>\$ 442,847,516</b>	<b>\$ 6,117,065</b>	<b>\$ 14,354,243</b>

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

4. Investment and Fair Value Measurements (Continued)

The following is a reconciliation of investments for which significant unobservable inputs (Level 3) were used in determining value:

Level 3 Activity	Domestic	Pooled Funds		Real Assets			Total
	Privately Held Security	Absolute Return Pool	Other Hedge Funds	Private Equity	Private Real Estate and Resources	LLC Interest	
Balance as of December 31, 2019	\$ 1,337,030	\$ 11,108,217	\$ 2,209,517	\$ 8,790,386	\$ 1,545,802	\$ 67,000	\$ 25,057,952
Transfers into level 3	-	-	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Capital calls/purchases	-	-	-	2,305,000	15,000	-	2,320,000
Realized gains on investments	-	2,039	(175,723)	1,220,873	77,491	-	1,124,680
Unrealized gains on investments	110,193	85,823	(169,226)	(453,181)	(278,877)	-	(705,268)
Investment income	-	-	38,172	(2,196)	2,601	-	38,577
Redemptions	-	(11,196,079)	(429,780)	(1,605,175)	(183,664)	-	(13,414,698)
Balance as of December 31, 2020	1,447,223	-	1,472,960	10,255,707	1,178,353	67,000	14,421,243
Transfers into level 3	-	-	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Capital calls/purchases	-	-	-	2,905,500	66,350	-	2,971,850
Realized gains on investments	(434,165)	-	-	1,220,873	77,491	-	864,199
Unrealized gains on investments	-	-	(237,893)	7,309,503	177,801	-	7,249,411
Investment income	-	-	-	(2,204)	2,601	-	397
Redemptions	(1,013,058)	-	(5,234)	(3,002,297)	(178,423)	-	(4,199,012)
Balance as of December 31, 2021	\$ -	\$ -	\$ 1,229,833	\$ 18,687,082	\$ 1,324,173	\$ 67,000	\$ 21,308,088

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

4. Investment and Fair Value Measurements (Continued)

The Foundation's investments at December 31, 2021 and 2020, that feature net asset value per share in Level 3 are as follows:

	2021		2020		Redemption Terms	Redemption Notice Period
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments		
Private equities (a)	\$ 18,687,082	\$ -	\$ 10,255,707	\$ 23,445,000	upon liquidation only	N/A
Private real estate and resources (b)	1,324,173	-	1,178,353	9,925,000	upon liquidation only	N/A
Hedge Funds - AQR Delta Total Return (c)	917,678	-	436,962	-	quarterly	45 days
Hedge Funds - Balyasny Atlas, Blackstone Alternative Alpha, Blackstone RE Income, Skybridge Multi-Advisor (c)	<u>312,155</u>	<u>-</u>	<u>1,035,998</u>	<u>-</u>	quarterly	65 days
Total	<u>\$ 21,241,088</u>	<u>\$ -</u>	<u>\$ 12,907,020</u>	<u>\$ 33,370,000</u>		

The following are descriptions of the classes of assets that feature net asset value per share in level 3 investments:

- (a) Private equity consists of member interests in 20 private equity vehicles with US and non-US managers engaging in venture capital, buyout, or resources investing. Three of these vehicles are opportunistic primarily focused on secondary investments. The partnerships have a remaining legal life span of 1 to 12 years with no redemption rights for the members. Liquidity is expected in the form of distributions from the funds when the underlying assets are sold. It is estimated that the underlying assets will be redeemed over this time period and that the Foundation will make new investments in other private equity strategies. The primary objective of these investments is to generate returns materially greater than those provided by global stock markets.
- (b) Private real estate and resources consist of member interests in 8 private realty and resources vehicles with US and non-US managers engaging in realty and natural resources investing. Capital is allocated among managers pursuing strategies involving commercial and residential real estate, oil and natural gas explorations and production, timberland, other natural resources, and any other asset class in which exposure to underlying commodity prices is expected to be a driver of investment returns. The partnerships have a remaining legal life span of 1 to 10 years with no redemption rights for the members. Liquidity is expected in the form of distributions from the funds when the underlying assets are sold. It is estimated that the underlying assets will be redeemed over this time period and that the Foundation will make new investments in other private realty and resources strategies. The primary objective over the life of each fund's term is an internal rate of return materially greater than the positive percentage increase in the CPI.

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

4. Investment and Fair Value Measurements (Continued)

- (c) Hedge funds are invested via commingled vehicles and provide exposure to a diverse array of absolute return-oriented strategies. These strategies may include but are not limited to long/short equity, event-driven investing (including merger arbitrage and distressed securities investing), capital structure arbitrage (including convertible bond and warrant arbitrage), and fixed income arbitrage.

The Foundation believes that the reported amounts for investments for which observable market prices in active markets do not exist are a reasonable estimate of their fair value at December 31, 2021 and 2020.

5. Property and Equipment

Property and equipment consist of the following:

	2021	2020
Land held for charitable use	\$ 1,259,841	\$ 1,979,841
Buildings held for charitable use	895,759	895,759
Construction work in progress	2,156,981	211,573
Furniture and equipment	123,026	147,570
	4,435,607	3,234,743
Less: accumulated depreciation	(81,656)	(111,880)
	\$ 4,353,951	\$ 3,122,863

Depreciation expense for the years ended December 31, 2021 and 2020 was \$11,013 and \$10,280, respectively.

6. Grants Payable

Grants authorized but unpaid at year end are reported as liabilities. The following is a summary of grants authorized and payable at December 31:

	2021	2020
To be paid in 2021	\$ -	\$ 1,040,963
To be paid in 2022	49,517,364	411,859
To be paid in 2023	442,684	40,765,784
To be paid in 2024	203,900	18,000
To be paid in 2025	10,000	-
Grants authorized but unpaid	\$ 50,173,948	\$ 42,236,606

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

7. Net Assets with Donor Restrictions

Donor restricted net assets consist for the following purposes as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
<b>Subject to the passage of time:</b>		
For periods after a future date	<u>\$6,825,243</u>	<u>\$5,781,405</u>
Total net assets with donor restrictions	<u>\$6,825,243</u>	<u>\$5,781,405</u>

Releases from donor restricted net assets for the year ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
<b>Releases from restrictions:</b>		
Subject to the passage of time	<u>\$235,740</u>	<u>\$ 352,458</u>
Total releases from restrictions	<u>\$235,740</u>	<u>\$ 352,458</u>

8. Board Designated Net Assets

The board designated net assets are comprised of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Without donor restrictions:		
Designated by the Board for:		
Endowment	<u>\$260,445,050</u>	<u>\$365,582,800</u>

9. Endowment Funds

Endowment net asset composition by type of fund as of December 31, 2021 and 2020 is as follows:

	<u>2021</u>			<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor Advised	\$ 29,487,357	\$ 5,535,413	\$ 35,022,770	\$ 26,489,327	\$ 4,393,598	\$ 30,882,925
Charitable Trusts	-	816,891	816,891	-	767,908	767,908
Designated	49,561,469	133,863	49,695,332	46,082,759	164,142	46,246,901
Field-of-Interest	45,248,299	-	45,248,299	40,157,210	-	40,157,210
Scholarship	30,101,623	-	30,101,623	25,382,406	-	25,382,406
Unrestricted	3,508,145	-	3,508,145	2,911,478	-	2,911,478
Operating	2,448,438	-	2,448,438	2,210,194	-	2,210,194
Special Project	-	-	-	-	-	-
Supporting Organizations	<u>100,089,719</u>	<u>139,178</u>	<u>100,228,897</u>	<u>222,349,426</u>	<u>130,849</u>	<u>222,480,275</u>
Total Endowment Funds	<u>\$ 260,445,050</u>	<u>\$ 6,625,345</u>	<u>\$ 267,070,395</u>	<u>\$ 365,582,800</u>	<u>\$ 5,456,497</u>	<u>\$ 371,039,297</u>

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

9. Endowment Funds (Continued)

Total net asset composition by type of fund as of December 31, 2021 and 2020 is as follows:

Total Net Asset Composition	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Endowment Funds (from table on previous page)	\$ 260,445,050	\$ 6,625,345	\$ 267,070,395	\$ 365,582,800	\$ 5,456,497	\$ 371,039,297
Non-Endowment Funds						
Donor Advised	58,280,342	115,873	58,396,215	64,860,568	257,776	65,118,344
Designated	914,749	-	914,749	275,360	-	275,360
Field-of-Interest	4,301,354	-	4,301,354	2,946,379	-	2,946,379
Scholarship	552,443	-	552,443	73,341	-	73,341
Unrestricted	1,404,496	-	1,404,496	950,412	-	950,412
Operating	451,432	-	451,432	135,139	-	135,139
Special Project	4,197	-	4,197	2,953	-	2,953
Supporting Organizations	206,524,284	84,025	206,608,309	42,021,161	67,132	42,088,293
Total Non-Endowment Funds	272,433,297	199,898	272,633,195	111,265,313	324,908	111,590,221
Total Net Assets	\$ 532,878,347	\$ 6,825,243	\$ 539,703,590	\$ 476,848,113	\$ 5,781,405	\$ 482,629,518

Changes in endowment net assets for the years ended December 31, 2021 and 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at December 31, 2019	\$ 335,502,491	\$ 5,061,079	\$ 340,563,570
Change in endowed status	(9,094,475)	-	(9,094,475)
Contributions	4,838,600	-	4,838,600
Other income	24,673	-	24,673
Investment income	4,912,603	22,153	4,934,756
Net unrealized and realized gain on investments	38,058,067	146,933	38,205,000
Change in value of split-interest agreements	-	388,257	388,257
Grants made	(7,161,000)	-	(7,161,000)
Administrative and investment fees	(1,532,794)	(13,826)	(1,546,620)
Transfers to/from other funds	436,622	(144,848)	291,774
Other expenses	(401,987)	(3,251)	(405,238)
Endowment net assets at December 31, 2020	365,582,800	5,456,497	371,039,297
Change in endowed status	(133,494,665)	-	(133,494,665)
Contributions	4,920,312	-	4,920,312
Other income	38,477	-	38,477
Investment income	3,066,665	23,006	3,089,671
Net unrealized and realized gain on investments	30,287,944	164,713	30,452,657
Change in value of split-interest agreements	-	1,026,864	1,026,864
Grants made	(8,606,843)	-	(8,606,843)
Administrative and investment fees	(1,592,195)	(14,427)	(1,606,622)
Transfers to/from other funds	376,295	(28,130)	348,165
Other expenses	(133,740)	(3,178)	(136,918)
Endowment net assets at December 31, 2021	\$ 260,445,050	\$ 6,625,345	\$ 267,070,395



EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

9. Endowment Funds (Continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. The Foundation considers a fund to be underwater if the fair value of the fund is less than the original value of the initial and subsequent gift amounts donated to the fund. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required by law. From time to time, the fair value of assets associated with individual endowment funds may fall below the gift amount. These deficiencies resulted from 1) unfavorable market fluctuations that occurred shortly after the investment of new contributions or 2) historical changes to a fund's endowment status and appropriation for certain programs deemed prudent by the governing board. For the year ended December 31, 2021, the Foundation had no endowment funds with donor restrictions that were underwater.

10. Split-Interest Agreements

The Foundation administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Foundation's use. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded in the financial statements as a temporarily restricted contribution in the period the trust is established. Assets held in charitable remainder trusts are reported at fair value in the financial statements and totaled \$1,346,623 and \$1,284,956 at December 31, 2021 and 2020, respectively. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments (\$529,733 and \$517,048 at December 31, 2021 and 2020, respectively) is calculated using a discount rate applied at the time of the contribution and applicable mortality tables. The present value of estimated future remainder interest benefits was \$816,890 and \$767,908 at December 31, 2021 and 2020, respectively.

The Trinity Health Foundation of East Tennessee (a supporting organization) administers a gift annuity program. Assets held in the gift annuity program are reported at fair value in the financial statements and totaled \$274,325 and \$257,179 at December 31, 2021 and 2020, respectively. On an annual basis, the Foundation revalues the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments (\$190,300 and \$190,048 at December 31, 2021 and 2020, respectively) is calculated using a discount rate applied at the time of the contribution and applicable mortality tables. The present value of estimated future remainder interest benefits was \$84,025 and \$67,131 at December 31, 2021 and 2020, respectively.

11. Agency Endowments

The Foundation and its supporting organizations are recipients of financial assets transferred to and owned by the Foundation for the benefit of other unrelated organizations. These amounts are reported as liability for amounts held for others in the financial statements. These agency endowment funds had a combined value of \$54,025,035 and \$42,474,554 as of December 31, 2021 and 2020, respectively.

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

12. Liquidity

The Foundation's assets without donor restrictions available within one year of the balance sheet date for general expenditures are as follows:

	Cash and Cash Equivalents	Pledges Receivable	Investment Accounts	Spending Rate Distributions	TOTAL
East Tennessee Foundation					
Non-endowed fund assets excluding donor advised funds	\$ 7,624,000	\$60,000,000	\$207,336,958	\$ 84,563	\$275,045,521
Non-endowed donor advised fund assets	15,509,760	-	29,190,134	-	44,699,894
Endowed funds	-	-	-	6,367,450	6,367,450
Split-interest agreements	-	-	-	84,563	84,563
Supporting Organizations	<u>4,681,492</u>	<u>320,690</u>	<u>9,236,928</u>	<u>5,634,872</u>	<u>19,873,982</u>
	<u>\$27,815,252</u>	<u>\$60,320,690</u>	<u>\$245,764,020</u>	<u>\$12,171,448</u>	<u>\$346,071,410</u>

Foundation management structures its financial assets to be available as general expenditures, liabilities, and other obligations come due and to be able to allocate from its endowment funds sufficient amounts for grantmaking. The Foundation invests excess cash in short-term investments, certificates of deposit, and money market funds.

For its operations, the Foundation defers the use of interest earned in a year until the next year so that a reliable amount can be budgeted. In addition, any annual operating surplus is added to an operating reserve. As of December 31, 2021, the operating reserve was \$517,850. This is a governing board designated fund with the objective of setting at least three to four months of the annual operating budget aside to be drawn upon in the event of an immediate liquidity need. The Foundation also holds two endowment funds totaling \$2,448,438 to specifically provide an annual source of revenue for the Foundations operations.

The Foundation holds assets in non-endowed funds, of which \$45,147,982 is available from donor advised funds and, as such, can be used for grantmaking based on donor recommendations. Endowment funds are restricted for specific purposes and are invested to maintain their value over time while providing an annual spending amount to support grantmaking.

The Foundation's supporting organizations hold non-endowed and endowed assets, depending on each organization's governing documents and designations by its board of directors. Non-endowed assets are generally available for distribution or expenditure, and endowed funds are invested to yield adequate income for board-approved expenditures and grantmaking (See footnote 1. Endowment and Investment Spending Policies on pages 11 - 12).

EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

13. Concentration of Credit Risk

The Clayton Foundation (a supporting organization) has cash deposits and a certificate of deposit at a bank that exceeded FDIC coverage amounts by \$1,789,958 at December 31, 2021. The 4<sup>th</sup> Purpose Foundation (a supporting organization) has cash deposits at a bank that exceeded FDIC coverage amounts by \$1,642,464 at December 31, 2021.

14. Administrative Fees

The Foundation charges most funds and supporting organizations administrative fees to defray the costs required to administer and manage the various funds and supporting organizations of East Tennessee Foundation. The amount of administrative fees paid by funds and supporting organizations to the operating fund for the years ended December 31, 2021 and 2020 totaled \$1,912,356 and \$1,772,988, respectively.

15. Subsidiary Organizations

The 4<sup>th</sup> Purpose Foundation, a supporting organization of East Tennessee Foundation, owns 100% of 4<sup>th</sup> Purpose Realty, LLC. The LLC owns a 24,000 square foot office/warehouse building and 3.35 acres of land in Winston Salem, NC and land and a building in Knoxville, TN.

16. Notes Payable

During the year, the 4<sup>th</sup> Purpose Foundation, a supporting organization of the Foundation, entered into a construction loan with Pinnacle Bank in the amount of \$2,580,000. The note is secured by land and the construction of a building in downtown Knoxville, Tennessee. Interest only payments will be made during the construction period. Once construction is complete, principal and interest payments will commence with a term of fifteen years. No interest payments were made during 2021. As of the date of this report, construction is not complete.

The 4<sup>th</sup> Purpose Foundation also entered into a developer loan agreement with the City of Knoxville, Tennessee in the amount of \$480,000. The loan bears interest at zero percent and is forgivable by 5% per year commencing one year after construction completion provided the borrower satisfies certain terms and conditions of the agreement. At December 31, 2021, \$432,000 has been drawn on this loan.

In the prior year, the Foundation was granted a loan from the Small Business Administration (SBA) through Truist Bank in the amount of \$255,900, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Cares Act, which was enacted March 27, 2020. On February 22, 2021, the Foundation was granted an additional loan under this program in the amount of \$274,042. In accordance to the terms of the PPP, the proceeds of both loans were used for qualifying expenses. On May 20, 2021 and December 17, 2021, respectively, the Foundation was notified by the SBA that the loans were forgiven.

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

16. Notes Payable (Continued)

In the prior year, the Women's Fund of East Tennessee, a supporting organization of the Foundation, was granted a loan from the SBA through Pinnacle Bank in the amount of \$36,617, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Cares Act, which was enacted March 27, 2020. In accordance to the terms of the PPP, the loan was used for qualifying expenses. On June 15, 2021, the Women's Fund was notified by the SBA that the loan was forgiven

17. Operating Leases

The Foundation is currently in a lease agreement beginning April 2015 for a term of fifteen years through March 2030. Rent payments escalate on an annual basis under this lease.

Rental expense for these leases for the years ended December 31, 2021 and 2020 was \$280,833 and \$263,888, respectively.

To be paid in 2022	\$ 264,809
To be paid in 2023	272,833
To be paid in 2024	284,870
To be paid in 2025	296,907
To be paid in 2026	308,943
To be paid in thereafter	<u>1,077,289</u>
 Total	 <u>\$ 2,505,651</u>

18. Component Funds of the Foundation

Donors establish funds at the Foundation to serve a wide variety of charitable purposes. These funds are managed separately for accounting, grantmaking, and reporting purposes; however, fund assets are commingled in investments to achieve economies of scale and wide diversification. As of December 31, 2021, the Foundation held 491 component funds.

**UNRESTRICTED FUNDS**

Unrestricted funds are "opportunity" funds, allowing the Foundation board and staff to make strategic grants when opportunities arise. Unlike most Foundation funds, they are not restricted to a particular county, cause, or nonprofit. Unrestricted funds allow strategic delivery of charitable dollars which provide maximum benefit for East Tennessee.

As of December 31, 2021, the Foundation held the following 8 unrestricted funds:

Anna G. Schmidt and Barbara M. Landauer Endowment Fund  
 Ira O. Johnson Memorial Fund  
 Marilyn L. Frank Opportunity Fund  
 Morton Foundation Unrestricted Fund  
 MTHM Opportunity Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**UNRESTRICTED FUNDS** (Continued)

Natalie Leach Haslam Fund  
 Opportunity Endowment Fund  
 Paul O. Dore, Jr., and Betty B. Dore Unrestricted Fund

**FIELD-OF-INTEREST FUNDS**

Field-of-Interest Funds support a competitive grantmaking process in broad charitable areas such as arts and culture, affordable housing, women and children, education, or youth-at-risk. These funds allow the Foundation flexibility in serving a particular need that matches donors' interests.

As of December 31, 2021, the Foundation held the following 28 field-of-interest funds:

Affordable Housing Trust Fund  
 Arts Fund for East Tennessee  
 Boyd Youth Education Fund  
 Butterfly Endowment Fund  
 Butterfly Fund  
 Dr. J. G. Hawkins Memorial Fund  
 Economic Development Fund for East Tennessee  
 Frederic and Dorothea King Cady Memorial Trust  
 Harry W. and Carolyn W. Galbraith Memorial Fund  
 Healthy Tennessee Fund  
 Hope in Action Fund  
 Jefferson Health Care Foundation Fund  
 John A. and Helen M. Kapral Fund  
 John D. Ogle Cerebral Palsy Research Fund  
 Katherine Davis Moore and Mary Elizabeth (Betty) Davis Foundation  
 KiMe Fund  
 Kingston Worker Assistance Fund  
 Kuiper K9 Fund  
 Leadership Education Fund  
 Literacy Endowment for East Tennessee  
 Mount Rest Fund  
 Neighbor to Neighbor Disaster Relief Fund  
 Pat Summitt Foundation Fund  
 Respiratory Disease Fund  
 The Honorable Thomas G. and Mrs. Joan B. Hull Charitable Fund  
 Wildlife Preservation Endowment  
 Youth Endowment Foster Care Scholarship Fund  
 Youth Endowment Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**COUNTY AFFILIATE FUNDS**

Affiliate funds are funds that support charitable programs and organizations in a particular city and/or county. The bulk of the fundraising for and grantmaking by these funds is done by each fund's advisory board which consists of individuals who are local to the community served. In essence, each of these funds operates as a small community foundation for the particular county or area they serve, but each is a component fund of the Foundation, thereby facilitating local philanthropy services to the various communities throughout our service region. As of December 31, 2021, the Foundation held 23 funds for the following 22 affiliate funds:

Blount Community Fund  
 Campbell Enhancement Fund  
 Clinch-Powell Community Fund  
 Cocke County Fund  
 Elizabethton/Carter County Community Foundation  
 Fund for Greene County  
     Fund for Greene County Operating Endowment  
     John M. Jones, III Memorial Fund for Greene County  
 Hamblen County Community Fund  
 John D. Grubb and Louise G. Sumner Fund for Monroe County  
 Johnson County Community Foundation  
     Harley H. and Margaret M. Wachs Youth Leadership Fund  
 Kingsport Community Foundation Fund  
 Loudon County Community Fund  
 McMinn Community Fund  
 Norris Area Community Foundation  
 Oak Ridge Fund for Achieving Community Excellence  
 Rogersville/Hawkins County Education Fund  
 Sevier County Community Fund  
 Tellico Community Foundation  
 Unicoi County Fund  
 Union County Community Foundation  
 Washington County Community Foundation

**SCHOLARSHIP AND AWARD FUNDS**

Scholarship funds provide competitive scholarship programs for students to obtain post-secondary education. These funds memorialize a family member, commemorate a graduating class, assist with a particular field of study, benefit students from disadvantaged areas, support students from a particular county, and more.

As of December 31, 2021, the Foundation held the following 84 scholarship and award funds:

Abbie Jane Harper Memorial Scholarship Fund  
 Angie Grubb Scholarship Fund  
 Aunt Betty's Technical Career Scholarship Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**SCHOLARSHIP AND AWARD FUNDS (Continued)**

B & W Y-12 Scholarship Fund  
 Barbara G. Kirkpatrick Memorial Scholarship Fund  
 Brandy Maples Memorial Scholarship Fund  
 Brilla Mallicoat Young Scholarship Fund  
 Brittany Johnson Memorial Fund  
 Butterfly Fund Memorial Scholarship  
 Calvin Howard Agricultural Scholarship Fund  
 Camp 76 Scholarship Fund  
 Candace Mast Veterinary Medicine Scholarship Fund  
 Carrie E. (Wolf) McConnell Memorial Scholarship Fund  
 Cherish the Child Legacy Fund  
 Clarence and Ruby Childress Memorial Scholarship Fund  
 Clark Riley Memorial Scholarship Fund  
 Coach Gary A. Walker "Making a Difference" Wrestling Scholarship Fund  
 Coach Jack Blair Scholarship Fund  
 Colonel Kurt Davis Veteran's Scholarship Fund  
 Craighead Limestone Scholarship Fund  
 Debbie Van Cleave Scholarship Fund  
 Dorsey and Betty King Scholarship Fund  
 Dr. Richard Forrest and Ella Dudney Kelsey Memorial Scholarship Fund  
 E. E. Perry Scholarship Fund  
 Ed Frazier Memorial Scholarship Fund  
 Elizabeth Hope Marlette Memorial Scholarship Fund  
 Ellyn Lancaster Scholarship Fund  
 Elman McCutchen Merritt Scholarship Fund  
 Fielding and Joyce Rolston Golf Scholarship Fund  
 Fielding and Joyce Rolston Post-Secondary Scholarship Fund  
 Fielding and Joyce Rolston Wrestling Scholarship Fund  
 Gail Clay Scholarship Fund  
 Gordon W. and Agnes P. Cobb Scholarship Fund  
 Greene County Scholarship Fund  
 Gregory Weber Computer Science Scholarship Fund  
 Haley Elise Van Pelt Scholarship Fund  
 Harold W. Canfield Memorial Scholarship Fund  
 Howard H. Baker Medical Scholarship Fund  
 Hugh B. Martin Memorial Scholarship Fund  
 Jack F. and Edith Updyke Harmon Scholarship Fund  
 James K. Goldston Cybersecurity Scholarship Fund  
 Joe R. and Kathy K. May Scholarship Fund  
 John D. Grubb and Louise G. Sumner Fund for Monroe County Scholarship Fund  
 John H. and Carol R. Evans Choral Music Scholarship Fund  
 Johnson County Education Growth Scholarship Fund  
 Johnson County Scholarship Fund  
 Josey Baker Memorial Scholarship Fund  
 Karolyn King Carter Scholarship Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**SCHOLARSHIP AND AWARD FUNDS** (Continued)

KBA Scholarship Fund (Knoxville Business Association)  
 KFOA Scholarship Fund (Knoxville Football Officials Association)  
 Knox Central High Class of '50 Alumni Association Scholarship Fund  
 Knox Central High Class of '50 Alumni Association Scholarship Fund #2  
 Lawrence Strader Boy Scouts of America Scholarship Fund  
 Logan Chittum Heck Scholarship Fund  
 Lori Blankenship Scholarship Fund  
 Mary C. & Joe A. Hollingsworth, Sr. Scholarship Fund  
 McMinn County High School Alumni Fund  
 Michael Curtin Renaissance Student Memorial Scholarship Fund  
 Michael David Greene Scholarship Fund  
 Mickey Forrester Memorial Scholarship Fund  
 Miller/Vicars Scholarship Fund  
 Oak Ridge Rotary Club Brad Strum Memorial Scholarship Fund  
 Ollie and Floyd Sloan Scholarship Fund  
 R. G. and Ruth Crossno Scholarship Fund  
 Randall Stout Memorial Scholarship Fund  
 Reuben Louise Cates Mount and the Junior Service League of Maryville Memorial Scholarship Fund  
 Robert L. McClure, Jr. Memorial Scholarship Fund  
 Rotary Club of Oak Ridge College Founder's Scholarship Fund  
 Ruby A. Brown Memorial Scholarship Fund  
 Second Presbyterian Church, Knoxville, 200<sup>th</sup> Anniversary Scholarship Fund  
 Spenser F. Powell Memorial Law Scholarship Fund  
 Stepping-Stone Scholarship Fund  
 Steven L. Coffey Memorial Scholarship Fund  
 Strader Family Fort Scott High School Scholarship Fund  
 Tammy Smith Memorial Scholarship Fund  
 Teen Town "Pride of the Hill" Scholarship Fund  
 Tennessee Judicial Conference Fund  
 Tennessee Sports Hall of Fame Jeff Byrd Memorial Scholarship  
 Thomas Duane Evans Memorial Animal Science Scholarship Fund  
 Topper 4 Life Scholarship Fund  
 Valkyrie-Thor Scholarship in Theatre Arts Fund  
 Vanessa Williams Memorial Scholarship Fund  
 Vera and Lawrence Carson Scholarship Fund

**DESIGNATED ENDOWMENT FUNDS**

Designated funds let donors establish endowment funds for the benefit of their favorite charities. Designated endowments supply an ongoing source of support for East Tennessee's many nonprofit organizations and provide security and stability to enhance the good work of these organizations.

As of December 31, 2021, the Foundation held the following 70 designated endowment funds:

Amy Jane Reichert Ladley Memorial Fund



EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**DESIGNATED ENDOWMENT FUNDS (Continued)**

Anne P. Church Charitable Endowment Fund  
 Art Circle Public Library Sustaining Fund  
 Betty C. Hinton Fund  
 Bill and Nell Rice Missionary Fund  
 Blanche P. and Emmet P. Vaughn Memorial Fund  
 Bonnie P. Blackburn Joni and Friends Knoxville Fund  
 Byrd and King Jones Memorial Fund #1  
 Byrd and King Jones Memorial Fund #2  
 CAC Office on Aging Endowment Fund  
 Carter High School Alumni Foundation Fund (endowed) (Knox County)  
 Carter High School Alumni Foundation Fund (non-endowed) (Knox County)  
 Cogger Robertson Memorial KHS Orchestra Fund  
 Community School of the Arts Endowment Fund  
 Condon S. and Betsey R. Bush Memorial Fund  
 David Meriwether Lovett Fund  
 Diane Jablonski Scholarship Endowment Fund  
 Dobyons-Bennett Baseball Foundation of Kingsport Fund (endowed)  
 Dobyons-Bennett Baseball Foundation of Kingsport Fund (non-endowed)  
 East Tennessee Historical Society Endowment Fund  
 East Tennessee Technology Access Center, Inc. Endowment Fund  
 Evelyn W. and Arthur G. Seymour Memorial Fund  
 Florence Crittenton Agency Endowment Fund/Julia Anspach  
 Frank B. and Martha F. Bird Joy of Music Fund  
 Fulton High School Foundation Endowment Fund (Knox County)  
 Fulton High School Foundation Fund (non-endowed) (Knox County)  
 G. Wayne and Margaret S. Solomon Designated Fund  
 GKTA Designated Fund  
 Hayley Kerr Memorial Fund  
 Humane Society Fund  
 Interfaith Health Clinic Fund  
 Jablonski Family Memorial Fund  
 Jason and Eleanor Cox Fund  
 John and Elizabeth Bowen Memorial Fund  
 John H. and Carol R. Evans Fund  
 John L. and Ann B. VandeVate Education Fund  
 Johnny A. Grubb Sports Banquet Endowment  
 Johnson City Public Library Foundation Fund  
 Joseph Delaney Memorial Endowment Fund  
 Knoxville Symphony Society Endowment Fund  
 Lawrence Strader Sons of the Revolution Fund  
 Leadership Knoxville Class of 2019 Legacy Scholarship Fund  
 Marilyn Davis Music Scholarship Fund  
 Marilyn M. Dick Endowment Fund  
 Mark Hulsether McKee Memorial Jazz Endowment Fund  
 Mary H. Bogart Endowment Fund  
 Maryville College Scholarship Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**DESIGNATED ENDOWMENT FUNDS** (Continued)

Mr. and Mrs. Ned S. Williams Designated Fund  
 Nativity Pageant of Knoxville Endowment Fund  
 Nita H. Bowling Humane Society of the Tennessee Valley Fund  
 Oakley and Bruce Moody Fund  
 Oates Family Trust Fund  
 Paul O. Dore, Jr., and Betty B. Dore Community Benefit Fund  
 Paul O. Dore, Jr., and Betty B. Dore Scholarship Fund  
 Presbyterian Women's Fund for the Preschool of Second Presbyterian Church Scholarship  
 Recording for the Blind and Dyslexic Endowment Fund  
 Restoration House of East Tennessee Endowment Fund  
 Robert E. Goldstein Flower Fund  
 Russell O. and Fannye Ford Memorial Fund  
 Second Presbyterian Church Mission Outreach Fund  
 Sharon Olson Social Ministry Fund  
 Stokely Special Arts Endowment Fund  
 Tennessee Homeless Animal Care Fund  
 Tennessee Overhill Heritage Association Endowment Fund  
 Thomas A. and Jean C. Ogle Designated Fund  
 Thomas M. and Murray (Midge) Ayres Knox Area Rescue Ministries Fund  
 Thomas M. and Murray (Midge) Ayres United Way of Greater Knoxville Fund  
 Thomas M. and Murray (Midge) Ayres Webb School of Knoxville Fund  
 Union County Humane Society Endowment Fund  
 Women's Fund of East Tennessee Endowment Fund

**ORGANIZATION FUNDS**

These funds let nonprofit organizations establish endowment funds for their own benefit, supplying them with an ongoing source of support, security and stability.

As of December 31, 2021, the Foundation held the following 112 organization funds:

ADFAC Bow Tie Fund (Aid to Distressed Families of Appalachian Counties)  
 Appalachian RC&D Council Endowment Fund  
 Appalachian Sustainable Development Endowment  
 Arrowmont School of Arts and Crafts Agency Endowment Fund  
 Arrowmont Settlement School of Arts and Crafts Endowment Fund  
 Blount County SMILES Fund  
 Blount Mansion Association Collections Endowment Fund  
 Bob Gonia Scholarship Fund  
 Boys and Girls Club of Elizabethton/Carter County Endowment Fund  
 Boys and Girls Club of the Smoky Mountains Fund  
 Boys and Girls Club of the Tennessee Valley Endowment Fund  
 Campbell County High School Relief Fund  
 Cancer Support Community - East Tennessee, Inc. Endowment Fund  
 CASA Ninth Endowment Fund  
 CASA of the Tennessee Heartland Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**ORGANIZATION FUNDS** (Continued)

Cherokee Health Systems Fund  
 Children's Center of the Cumberland Fund  
 Children's Museum of Oak Ridge Agency Endowment Fund  
 CISV Smoky Mountain Development Fund  
 Clinch-Powell RC & D Council Agency Endowment Fund  
 Community Health of East Tennessee Endowment Fund  
 CONTACT Care Line Endowment Fund  
 Dogwood Arts Festival Fund  
 Dr. Alyene Reese Memorial Endowment Fund (Mountain Hope Good Shepherd Clinic)  
 Dream Connection Fund  
 East Tennessee Area Agency on Aging Fund  
 East Tennessee Community Design Center Endowment Fund  
 East Tennessee Economic Development Agency Fund  
 East Tennessee Veterinary Medical Association Fund  
 Emerald Youth Foundation Fund  
 Emory Valley Center Organization Endowment Fund  
 Episcopal School of Knoxville Scholarship Endowment Fund  
 ETRLA Fund (East Tennessee Regional Leadership Association)  
 Foothills Land Conservancy Inc. Fund  
 Fort Kid Playground Endowment Fund  
 Friends of Great Smoky Mountains National Park Endowment Fund  
 Friends of Tennessee Babies Endowment Fund  
 Friends of Betty Anne Jolly Norris Area Community Library  
 Good Samaritan Legacy Fund (Good Samaritan Center of Loudon County)  
 Greene County Heritage Trust Endowment Fund  
 Greeneville Arts Council Endowment Fund  
 Greeneville Greene County History Museum Agency Endowment Fund  
 Headmaster's Scholarship Fund (Episcopal School of Knoxville)  
 Health, Equity and HOPE Fund to benefit Positively Living, Inc.  
 Historic Middlebrook Preservation Trust Fund  
 Historic Rugby Endowment Fund  
 Interfaith Health Clinic Foundation Fund  
 James A. Haslam, II/Leadership Knoxville, Inc. Scholarship Fund  
 James White Fort Endowment Fund  
 Johnson County Center for the Arts Endowment Fund  
 Junior Achievement - Tri-Cities TN/VA Fund  
 Junior Achievement of East Tennessee – Joseph A. Hollingsworth, Jr. Family Endowment Fund  
 Junior Achievement of East Tennessee Endowment Fund  
 Junior League of Kingsport Endowment Fund  
 KCARC Endowment Fund (ARC Knox County)  
 Kermit Tipton Scholarship Endowment Fund  
 King College Fund  
 Kingsport City Schools Education Foundation Fund  
 Knox County Retired Teachers Perpetual Scholarship Fund  
 Knox Heritage Preservation Fund  
 Knoxville Academy of Medicine Alliance Philanthropic Endowment Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**ORGANIZATION FUNDS** (Continued)

Knoxville Area Urban League Fund  
 Knoxville Botanical Gardens and Arboretum Endowment Fund  
 Knoxville Chapter of the American Marketing Association Eagle Endowment Fund  
 Knoxville College Endowment Fund  
 Knoxville Community Recreation Band Advancement Group Fund  
 Knoxville Habitat for Humanity Fund  
 Knoxville Montessori Goddard Scholarship Endowment Fund  
 Knoxville Museum of Art Agency Endowment Fund  
 Knoxville Museum of Art Endowment Fund  
 Knoxville Opera Legacy Fund  
 Knoxville Zoo Fund  
 Legacy Parks Foundation Endowment Fund  
 Legal Aid of East Tennessee Endowment Fund  
 Little Theatre of Greeneville Memorial Endowment Fund  
 Make-A-Wish Foundation East Tennessee Endowment Fund, Established in Memory of Jason  
 Terpenny  
 Martin Trust  
 Maryville City Schools Foundation, Inc. Endowment Fund  
 Metropolitan Drug Commission Endowment Fund  
 Monroe County United Way Endowment Fund  
 Mooresburg Community Association Organization Endowment Fund  
 Newport Theatre Guild Endowment Fund  
 Old Gray Cemetery Endowment Fund  
 Ronald McDonald House Endowment Fund  
 Ronald McDonald House Endowment Fund #2  
 Rose Center and Council for the Arts Endowment Fund  
 Rotary Club of Kingsport Foundation Endowment Fund  
 Rotary Club of Knoxville Foundation Scholarship Fund  
 Sarah Moore Green Foundation, Inc. Endowment Fund  
 SASEF Endowment Trust Fund (Southern Appalachian Science and Engineering Fair)  
 Second Harvest Food Bank Fund  
 Sevier County High School Foundation Endowment Fund  
 Shangri-La Therapeutic Academy of Riding ("STAR") Endowment Fund  
 Smoky Mountain Ani-Meals on Wheels Fund  
 Smoky Mountain Meals on Wheels Fund  
 Smoky Mountain Science Fund  
 Tennessee Geographic Alliance Fund  
 Thrive Endowment Fund  
 United Way of Anderson County Endowment Fund  
 United Way of Greater Kingsport, Inc. Endowment Fund  
 United Way of Greater Knoxville, Inc. Endowment Fund  
 United Way of Greene County Endowment Fund  
 United Way of Loudon County Opportunity Endowment Fund  
 Volunteer Ministry Center, Inc. Endowment Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

18. Component Funds of the Foundation (Continued)

**ORGANIZATION FUNDS** (Continued)

WCJC Animal Shelter FMF Fund  
 WDVX Endowment Fund  
 Webb School of Knoxville Fund  
 Weekend Academy Chattanooga Agency Endowment Fund  
 Weekend Academy Knoxville Agency Endowment Fund  
 Westside Unitarian Universalist Church Endowment Fund at East Tennessee Foundation  
 WordPlayers Fund  
 YMCA of East Tennessee Endowment Fund

**DONOR ADVISED FUNDS**

Donor Advised funds offer donors the most flexibility and involvement in their giving. Many donors choose a donor advised fund over a family foundation because of the administrative ease and lower cost. Donors also enjoy the opportunity to teach philanthropy to their children, both by example and by involving the family in grantmaking. Donors benefit from the Foundation staff's knowledge of the needs and opportunities for giving in East Tennessee. As of December 31, 2021, the Foundation held 158 donor advised funds.

**OPERATING FUNDS**

Operating funds provide an ongoing source of support for the operations of the Foundation.

As of December 31, 2021, the Foundation held the following 3 operating funds:

Fowler Operating Endowment Fund  
 John M. Jones, III Operating Endowment Fund  
 Operating Fund

**CHARITABLE REMAINDER TRUSTS**

Charitable Remainder Trusts provide an income for the donor or a family member while providing an up-front tax deduction for the remainder that will be left to the Foundation. Charitable Lead Trusts provide payments to the Foundation for a period of years with the remainder going back to the donor or family members. Trusts are drawn up by donors' attorneys, but Foundation staff can assist in determining tax savings and the amount of income available to donors. As with other types of gifts, trust assets can establish any type of fund within the Foundation and can be used to benefit the causes specified by the donor. The Foundation was trustee during 2021 for 4 charitable remainder trusts.

**SPECIAL PROJECT FUNDS**

As of December 31, 2021, the Foundation held the following 1 special project funds:

Englewood Water Tower Preservation Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

19. Supporting Foundations

Supporting foundations are separate 501(c)(3) organizations that qualify as public charities because they have a close relationship with other publicly supported section 501(c)(3) organizations. To be categorized as a public charity, supporting organizations are described in Section 509(a)(3) of the Internal Revenue Code, and must have a particular type of structural relationship with the supported organization. The Foundation's supporting organizations, as below listed, are classified as Type 1 supporting organizations, whereby they must be operated, supervised or controlled by the supported organization. To that end, the Foundation's Board of Directors appoints a majority of the board members of each of the supporting organizations.

The Foundation's supporting organizations operate as separate nonprofit entities established by trust or charter; however, these organizations have been consolidated with the Foundation in these financial statements. The Foundation had the following supporting foundations as of December 31, 2021:

The **Clayton Foundation** was created in 2003 by Jim Clayton for the perpetual benefit of present and future generations of Tennesseans. Its mission is to support and build strong, vibrant communities, by enhancing the quality of life through the funding of programs in the areas of youth, education, arts and human services.

The **East Tennessee Supporting Foundation** was created in 1994 to accept gifts of real estate for East Tennessee Foundation.

The **Education Consumers Foundation** was created in 2005 to advance the interests of parent groups, school boards, college trustees, legislative committees and civic organizations by gathering and disseminating information about education policy and practice.

The **4<sup>th</sup> Purpose Foundation** was created in 2019 as a catalyst to make prison a place of transformation.

The **Knoxville Jewish Community Family of Funds (KJCFF)** was created as a supporting organization in 1999 to support and enhance the aims and goals of the Jewish community in East Tennessee and contribute to the quality of life and culture in the U.S. As of December 31, 2021, KJCFF held 83 component funds.

The following is a listing of all KJCFF funds as of December 31, 2021:

**Donor Advised Funds**

KJCFF held 29 donor advised funds as of December 31, 2021.

**B'nai Tzedek Youth Donor Advised Funds**

The B'nai Tzedek program is a youth philanthropy program whereby participating youth direct gifts to their donor advised funds in conjunction with their bar or bat mitzvahs. These gifts are matched by an individual donor and by the youth's congregation. They participate in philanthropy activities and meet as a group to decide on grants. There were 6 B'nai Tzedek funds held on December 31, 2021.

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

19. Supporting Foundations (Continued)

**Knoxville Jewish Community Family of Funds (Continued)**

**Designated Funds**

Rosenthal Environment Fund for the benefit of Heska Amuna Synagogue  
 Debra and Irwin Gordon Fund for the benefit of Knoxville Jewish Alliance  
 Dewey Reich Chesed Shel Emet Fund for the benefit of Knoxville Jewish Alliance  
 Fribourg-Brunschwig Holocaust Memorial Education Fund for the benefit of Knoxville Jewish Alliance

**Unrestricted Fund**

Knoxville Jewish Community Family of Funds Unrestricted Fund

**Organization Endowment Funds**

Funds for the benefit of Heska Amuna Synagogue:

Bradley Sturm Memorial Fund  
 Bryan Merrell Memorial Fund  
 Cohen-Presser Designated Fund  
 Heska Amuna Educational Enrichment Fund  
 Heska Amuna Educators Supplement Fund  
 Heska Amuna Religious School Capital Fund  
 Heska Amuna Sisterhood General Fund  
 Heska Amuna Sisterhood Judaica Shop Fund  
 Heska Amuna Synagogue 2019 Fund  
 Heska Amuna Synagogue Building Assessment Fund  
 Heska Amuna Synagogue Cemetery Fund  
 Monte and Marion Abrams Religious School Fund  
 Sylvia Robinson Memorial Fund  
 Zelda & Miles Siegel Flower Fund

Fund for the benefit of the Jewish Congregation of Oak Ridge:

Frances Sturm Cultural Fund of the Jewish Congregation of Oak Ridge

Funds for the benefit of Knoxville Jewish Alliance:

Abe Collins Cultural Fund Alliance Opportunity Fund  
 Alice Greenberg Fund  
 Allen Rosen Education Fund  
 Alliance Opportunity Fund  
 Arnstein Jewish Community Center Endowment Fund  
 Ben and Pearl Zwick Fund  
 Dr. Bernard S. Rosenblatt Fund  
 David Blumberg Young Leadership Award Fund  
 Gordon Brown Youth Recreation Fund  
 Hannah and Raymond Landsberger Preschool Fund

EAST TENNESSEE FOUNDATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 (Continued)

19. Supporting Foundations (Continued)

**Knoxville Jewish Community Family of Funds (Continued)**

**Organization Endowment Funds**

Herb and Elise Jacobs Fund  
 Israel Partnership 2Gether Fund  
 Jewish Family Service Fund  
 KJA Director's Fund  
 Marilyn and Harvey Liberman Health and Wellness Fund  
 Miles and Zelda Siegel Fund for Knoxville's Jewish Elderly  
 Milton Collins Cultural Fund  
 Sam and Esther Rosen Friendshippers Fund  
 Sam and Millie Gelber Fund for Jewish Immigrants  
 William "Bill" Brody Fund  
 Zelda and Max M. Morrison Cultural Enrichment Fund  
 Zionist Organization Fund

Funds for the benefit of the Stanford Eisenberg Knoxville Jewish Day School:

Harold and Ida Markman Endowment Fund for Education  
 KJDS Fund  
 KJDS Discretionary Fund  
 Lucas and Debbie Richman Endowment Fund for the Arts  
 Preschool at AJCC Capital Fund  
 Sternfels Family Knoxville Jewish Day School Tuition Aid Fund

The **Ted and Drama Russell Family Foundation** was established as a supporting organization in 2014 to provide for the physical, mental, and spiritual needs of the residents of Knox County and the surrounding eight counties. Priorities in grantmaking include hunger and poverty, higher education and vocational training, and education and enrichment programs for children.

The **Trinity Health Foundation of East Tennessee** was created in 2011 through the sale of Mercy Health Partners to a for-profit entity. Assets of the Mercy Health Partners Foundation were retained for charitable purposes, and a new organization was created as a supporting organization of East Tennessee Foundation. Trinity Health Foundation's purpose is to foster, encourage and support efforts to improve the physical, emotional and spiritual health of the people of East Tennessee.

The following is a listing of all Trinity Health Foundation of East Tennessee projects and funds held at December 31, 2021:

Cancer General Fund  
 Heart General Fund  
 Hospice General Fund  
 Seniors General Fund  
 E. Stokely Moore Nursing Fund  
 Foundation General Fund



EAST TENNESSEE FOUNDATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)

19. Supporting Foundations (Continued)

**Trinity Health Foundation of East Tennessee** (Continued)

Don Mirts Cancer Center Fund  
MJ Beasley Nursing Scholarship Fund  
Lynn French Blake, M.D. Lab Endowment Fund  
Lynn & Georgia Blake Endowment Fund  
Dwight & Gloria Kessel Nursing Scholarship Endowment Fund  
Dr. David H. Waller Memorial Fund  
Silver Lamp Nursing Awards Fund

The **Women's Fund of East Tennessee** was established as a supporting organization in 2015 for charitable purposes. Its purpose is to foster, encourage, and support efforts as a catalyst to transform the lives of low-income women and girls in East Tennessee.

20. Subsequent Events

Subsequent events were evaluated through November 23, 2022, which is the date the financial statements were available to be issued.

## **SUPPLEMENTARY INFORMATION**

EAST TENNESSEE FOUNDATION  
COMBINING STATEMENT OF FINANCIAL POSITION BY ORGANIZATION AND FUND TYPE

December 31, 2021

	East Tennessee Foundation				
	Fund Types				
	Donor Advised	Charitable Trust	Designated	Field of Interest	Agency Endowments
Assets:					
Cash and cash equivalents	\$ 6,302,153.47	\$ (99,304.30)	\$ 89,459.44	\$ 1,853,897.89	\$ 2,975,835.48
Accounts receivable, net	-	-	-	-	-
Unconditional promises to give	65,700,419.44	-	133,963.00	135,187.03	-
Loans and note receivable, net	-	-	-	228,687.84	-
Investments	69,515,913.54	1,474,058.38	50,358,527.89	47,735,280.63	47,531,461.32
Other assets	-	-	-	-	-
Internal fund balances	-	(28,130.55)	28,130.55	-	-
Property and equipment, net	-	-	-	38,100.00	-
<b>Total assets</b>	<b><u>\$ 141,518,486.45</u></b>	<b><u>\$ 1,346,623.53</u></b>	<b><u>\$ 50,610,080.88</u></b>	<b><u>\$ 49,991,153.39</u></b>	<b><u>\$ 50,507,296.80</u></b>
Liabilities and net assets:					
Liabilities -					
Accounts payable and accrued expenses	\$ (7,000.00)	\$ -	\$ -	\$ 5,000.00	\$ -
Loans/notes payable	-	-	-	-	-
Grants payable	48,106,500.00	-	-	436,500.00	-
Annuity/unitrust liability	-	529,733.00	-	-	-
Liability for amounts held for others	-	-	-	-	50,507,296.80
<b>Total liabilities</b>	<b><u>48,099,500.00</u></b>	<b><u>529,733.00</u></b>	<b><u>-</u></b>	<b><u>441,500.00</u></b>	<b><u>50,507,296.80</u></b>
Net assets -					
Without donor restrictions	87,767,699.01	-	50,476,217.88	49,549,653.39	-
With donor restrictions	5,651,287.44	816,890.53	133,863.00	-	-
<b>Total net assets</b>	<b><u>93,418,986.45</u></b>	<b><u>816,890.53</u></b>	<b><u>50,610,080.88</u></b>	<b><u>49,549,653.39</u></b>	<b><u>-</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 141,518,486.45</u></b>	<b><u>\$ 1,346,623.53</u></b>	<b><u>\$ 50,610,080.88</u></b>	<b><u>\$ 49,991,153.39</u></b>	<b><u>\$ 50,507,296.80</u></b>

(Continued)

EAST TENNESSEE FOUNDATION  
 COMBINING STATEMENT OF FINANCIAL POSITION BY ORGANIZATION AND FUND TYPE  
 (Continued)  
 December 31, 2021

East Tennessee Foundation (Continued)					
Fund Types					
	Special Projects	Scholarships	Unrestricted	Operating	Total
<b>Assets:</b>					
Cash and cash equivalents	\$ (95.20)	\$ 256,828.16	\$ 577,219.48	\$ 392,476.39	\$ 12,348,470.81
Accounts receivable, net	-	-	-	26,442.66	26,442.66
Unconditional promises to give	25.00	32,550.00	89,726.18	200.00	66,092,070.65
Loans and note receivable, net	-	-	-	-	228,687.84
Investments	4,267.22	31,534,424.66	4,245,695.34	2,485,931.54	254,885,560.52
Other assets	-	-	-	2,982.27	2,982.27
Internal fund balances	-	-	-	-	-
Property and equipment, net	-	-	-	30,316.07	68,416.07
<b>Total assets</b>	<b>\$ 4,197.02</b>	<b>\$ 31,823,802.82</b>	<b>\$ 4,912,641.00</b>	<b>\$ 2,938,348.93</b>	<b>\$ 333,652,630.82</b>
<b>Liabilities and net assets:</b>					
<b>Liabilities -</b>					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 38,478.67	\$ 36,478.67
Loans/notes payable	-	-	-	-	-
Grants payable	-	1,169,736.75	-	-	49,712,736.75
Annuity/unitrust liability	-	-	-	-	529,733.00
Liability for amounts held for others	-	-	-	-	50,507,296.80
<b>Total liabilities</b>	<b>-</b>	<b>1,169,736.75</b>	<b>-</b>	<b>38,478.67</b>	<b>100,786,245.22</b>
<b>Net assets -</b>					
Without donor restrictions	4,197.02	30,654,066.07	4,912,641.00	2,899,870.26	226,264,344.63
With donor restrictions	-	-	-	-	6,602,040.97
<b>Total net assets</b>	<b>4,197.02</b>	<b>30,654,066.07</b>	<b>4,912,641.00</b>	<b>2,899,870.26</b>	<b>232,866,385.60</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,197.02</b>	<b>\$ 31,823,802.82</b>	<b>\$ 4,912,641.00</b>	<b>\$ 2,938,348.93</b>	<b>\$ 333,652,630.82</b>

(Continued)

EAST TENNESSEE FOUNDATION  
 COMBINING STATEMENT OF FINANCIAL POSITION BY ORGANIZATION AND FUND TYPE  
 (Continued)  
 December 31, 2021

	Supporting Organizations			
	East Tennessee Supporting Foundation	Clayton Foundation	4th Purpose Foundation	Education Consumers Foundation
Assets:				
Cash and cash equivalents	\$ -	\$ 3,061,789.00	\$ 1,870,640.14	\$ 170,481.09
Accounts receivable, net	-	-	-	-
Unconditional promises to give	-	-	-	-
Loans and note receivable, net	-	-	-	-
Investments	-	157,329,692.45	8,171,755.28	0.13
Other assets	-	-	-	-
Internal fund balances	-	-	-	-
Property and equipment, net	325,000.00	-	3,942,679.13	-
	<u>325,000.00</u>	<u>-</u>	<u>3,942,679.13</u>	<u>-</u>
 Total assets	<u>\$ 325,000.00</u>	<u>\$ 160,391,481.45</u>	<u>\$ 13,985,074.55</u>	<u>\$ 170,481.22</u>
Liabilities and net assets:				
Liabilities -				
Accounts payable and accrued expenses	\$ -	\$ -	\$ 27,153.72	\$ -
Loans/notes payable	-	-	3,012,000.00	-
Grants payable	-	-	-	-
Annuity/unitrust liability	-	-	-	-
Liability for amounts held for others	-	-	-	-
	<u>-</u>	<u>-</u>	<u>3,039,153.72</u>	<u>-</u>
 Total liabilities	<u>-</u>	<u>-</u>	<u>3,039,153.72</u>	<u>-</u>
Net assets -				
Without donor restrictions	325,000.00	160,391,481.45	10,945,920.83	170,481.22
With donor restrictions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total net assets	<u>325,000.00</u>	<u>160,391,481.45</u>	<u>10,945,920.83</u>	<u>170,481.22</u>
 Total liabilities and net assets	<u>\$ 325,000.00</u>	<u>\$ 160,391,481.45</u>	<u>\$ 13,985,074.55</u>	<u>\$ 170,481.22</u>

(Continued)

## EAST TENNESSEE FOUNDATION

## COMBINING STATEMENT OF FINANCIAL POSITION BY ORGANIZATION AND FUND TYPE

(Continued)

December 31, 2021

	Supporting Organizations (Continued)				
	Knoxville Jewish Community Family of Funds				
	Fund Types				
	Donor Advised	Designated	Agency Endowments	Operating	Total
Assets:					
Cash and cash equivalents	\$ 4,618.14	\$ 4,617.51	\$ 35,115.91	\$ 111,881.22	\$ 156,232.78
Accounts receivable, net	-	-	-	-	-
Unconditional promises to give	-	-	-	-	-
Loans and note receivable, net	-	-	-	-	-
Investments	1,886,184.52	130,158.35	3,482,622.48	-	5,498,965.35
Other assets	-	-	-	-	-
Internal fund balances	-	-	-	-	-
Property and equipment, net	-	-	-	-	-
Total assets	<u>\$ 1,890,802.66</u>	<u>\$ 134,775.86</u>	<u>\$ 3,517,738.39</u>	<u>\$ 111,881.22</u>	<u>\$ 5,655,198.13</u>
Liabilities and net assets:					
Liabilities -					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Loans/notes payable	-	-	-	-	-
Grants payable	-	-	-	-	-
Annuity/unitrust liability	-	-	-	-	-
Liability for amounts held for others	-	-	3,517,738.39	-	3,517,738.39
Total liabilities	-	-	3,517,738.39	-	3,517,738.39
Net assets -					
Without donor restrictions	1,890,802.66	134,775.86	-	111,881.22	2,137,459.74
With donor restrictions	-	-	-	-	-
Total net assets	<u>1,890,802.66</u>	<u>134,775.86</u>	<u>-</u>	<u>111,881.22</u>	<u>2,137,459.74</u>
Total liabilities and net assets	<u>\$ 1,890,802.66</u>	<u>\$ 134,775.86</u>	<u>\$ 3,517,738.39</u>	<u>\$ 111,881.22</u>	<u>\$ 5,655,198.13</u>

(Continued)

EAST TENNESSEE FOUNDATION  
 COMBINING STATEMENT OF FINANCIAL POSITION BY ORGANIZATION AND FUND TYPE  
 (Continued)  
 December 31, 2021

Supporting Organizations (Continued)

	Trinity Health Foundation of East Tennessee	Russell Foundation	Women's Fund of East Tennessee	Grand Total
<b>Assets:</b>				
Cash and cash equivalents	\$ 88,543.76	\$ 2,806,411.94	\$ 527,455.75	\$ 21,030,025.27
Accounts receivable, net	-	43,311.27	1,100.00	70,853.93
Unconditional promises to give	840,601.23	-	320,690.34	67,253,362.22
Loans and note receivable, net	-	-	-	228,687.84
Investments	34,057,208.62	94,854,417.84	-	554,797,600.19
Other assets	-	-	330.21	3,312.48
Internal fund balances	-	-	-	-
Property and equipment, net	17,856.13	-	-	4,353,951.33
<b>Total assets</b>	<b><u>\$ 35,004,209.74</u></b>	<b><u>\$ 97,704,141.05</u></b>	<b><u>\$ 849,576.30</u></b>	<b><u>\$ 647,737,793.26</u></b>
<b>Liabilities and net assets:</b>				
<b>Liabilities -</b>				
Accounts payable and accrued expenses	\$ 13,976.19	\$ -	\$ 25,578.30	\$ 103,186.88
Loans/notes payable	-	-	-	3,012,000.00
Grants payable	461,211.00	-	-	50,173,947.75
Annuity/unitrust liability	190,300.45	-	-	720,033.45
Liability for amounts held for others	-	-	-	54,025,035.19
<b>Total liabilities</b>	<b><u>665,487.64</u></b>	<b><u>-</u></b>	<b><u>25,578.30</u></b>	<b><u>108,034,203.27</u></b>
<b>Net assets -</b>				
Without donor restrictions	34,115,520.10	97,704,141.05	823,998.00	532,878,347.02
With donor restrictions	223,202.00	-	-	6,825,242.97
<b>Total net assets</b>	<b><u>34,338,722.10</u></b>	<b><u>97,704,141.05</u></b>	<b><u>823,998.00</u></b>	<b><u>539,703,589.99</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 35,004,209.74</u></b>	<b><u>\$ 97,704,141.05</u></b>	<b><u>\$ 849,576.30</u></b>	<b><u>\$ 647,737,793.26</u></b>

See independent auditor's report.

EAST TENNESSEE FOUNDATION  
COMBINING STATEMENT OF ACTIVITIES BY ORGANIZATION AND FUND TYPE

Year Ended December 31, 2021

	East Tennessee Foundation				
	Fund Types				
	Donor Advised	Charitable Trust	Designated	Field of Interest	Agency Endowments
Revenues, gains and other support:					
Contributions and grants	\$ 5,469,784.34	\$ -	\$ 517,728.68	\$ 2,425,932.01	\$ -
Net investment income	404,842.28	-	304,469.88	335,333.38	-
Net unrealized and realized gain (loss) on investments	7,492,826.93	-	5,106,948.67	6,232,424.55	-
Change in value of split-interest agreements	1,207,522.85	77,112.59	(30,279.00)	-	-
Other revenue	65,784.13	-	-	221,423.62	-
<b>Total revenues, gains and other support</b>	<b>14,640,760.53</b>	<b>77,112.59</b>	<b>5,898,868.23</b>	<b>9,215,113.56</b>	<b>-</b>
Transactions between organizations and fund types:					
Contributions from (grants to) other funds	(1,304,427.21)	(28,130.55)	17,779.11	402,314.11	-
Administrative fee income (expense)	(474,135.35)	-	(177,895.51)	(593,831.34)	-
<b>Total transactions between organizations and fund types</b>	<b>(1,778,562.56)</b>	<b>(28,130.55)</b>	<b>(160,116.40)</b>	<b>(191,517.23)</b>	<b>-</b>
Expenses:					
Grants and contributions	15,416,566.27	-	1,650,913.41	2,114,815.68	-
Other program and supporting services	27,914.40	-	17.75	462,716.68	-
<b>Total expenses</b>	<b>15,444,480.67</b>	<b>-</b>	<b>1,650,931.16</b>	<b>2,577,532.36</b>	<b>-</b>
Change in net assets	(2,582,282.70)	48,982.04	4,087,820.67	6,446,063.97	-
Net assets at beginning of year	96,001,269.15	767,908.49	46,522,260.21	43,103,589.42	-
<b>Net assets at end of year</b>	<b>\$ 93,418,986.45</b>	<b>\$ 816,890.53</b>	<b>\$ 50,610,080.88</b>	<b>\$ 49,549,653.39</b>	<b>\$ -</b>

(Continued)



EAST TENNESSEE FOUNDATION  
 COMBINING STATEMENT OF ACTIVITIES BY ORGANIZATION AND FUND TYPE  
 (Continued)  
 Year Ended December 31, 2021

East Tennessee Foundation (Continued)					
	Fund Types				
	Special Projects	Scholarships	Unrestricted	Operating	Total
Revenues, gains and other support:					
Contributions and grants	\$ 2,975.00	\$ 774,751.70	\$ 209,360.97	\$ 584,149.76	\$ 9,984,682.46
Net investment income	0.01	212,972.18	106,927.86	17,400.33	1,381,945.92
Net unrealized and realized gain (loss) on investments	-	4,099,294.46	408,564.45	341,083.75	23,681,142.81
Change in value of split-interest agreements	-	-	-	-	1,254,356.44
Other revenue	-	10,001.00	29.04	309,119.51	606,357.30
<b>Total revenues, gains and other support</b>	<b>2,975.01</b>	<b>5,097,019.34</b>	<b>724,882.32</b>	<b>1,251,753.35</b>	<b>36,908,484.93</b>
Transactions between organizations and fund types:					
Contributions from (grants to) other funds	100.00	1,271,348.02	428,357.24	(228,651.27)	558,689.45
Administrative fee income (expense)	(500.00)	(270,875.27)	(19,165.61)	1,642,151.07	105,747.99
<b>Total transactions between organizations and fund types</b>	<b>(400.00)</b>	<b>1,000,472.75</b>	<b>409,191.63</b>	<b>1,413,499.80</b>	<b>664,437.44</b>
Expenses:					
Grants and contributions	-	889,743.00	36,770.00	-	20,108,808.36
Other program and supporting services	1,330.71	9,429.59	46,553.22	2,110,715.84	2,658,678.19
<b>Total expenses</b>	<b>1,330.71</b>	<b>899,172.59</b>	<b>83,323.22</b>	<b>2,110,715.84</b>	<b>22,767,486.55</b>
Change in net assets	1,244.30	5,198,319.50	1,050,750.73	554,537.31	14,805,435.82
Net assets at beginning of year	2,952.72	25,455,746.57	3,861,890.27	2,345,332.95	218,060,949.78
<b>Net assets at end of year</b>	<b>\$ 4,197.02</b>	<b>\$ 30,654,066.07</b>	<b>\$ 4,912,641.00</b>	<b>\$ 2,899,870.26</b>	<b>\$ 232,866,385.60</b>

(Continued)

EAST TENNESSEE FOUNDATION  
 COMBINING STATEMENT OF ACTIVITIES BY ORGANIZATION AND FUND TYPE  
 (Continued)  
 Year Ended December 31, 2021

	Supporting Organizations			
	East Tennessee Supporting Foundation	Clayton Foundation	4th Purpose Foundation	Education Consumers Foundation
Revenues, gains and other support:				
Contributions and grants	\$ -	\$ 50,000.00	\$ 32,926.40	\$ -
Net investment income	-	2,057,490.59	59,510.51	1,325.68
Net unrealized and realized gain (loss) on investments	(356,373.60)	25,331,781.02	981,182.83	7,115.81
Change in value of split-interest agreements	-	-	-	-
Other revenue	-	-	127,144.06	571.03
<b>Total revenues, gains and other support</b>	<b>(356,373.60)</b>	<b>27,439,271.61</b>	<b>1,200,763.80</b>	<b>9,012.52</b>
Transactions between organizations and fund types:				
Contributions from (grants to) other funds	(469,455.89)	(30,000.00)	-	-
Administrative fee income (expense)	-	-	(51,287.64)	(2,481.79)
<b>Total transactions between organizations and fund types</b>	<b>(469,455.89)</b>	<b>(30,000.00)</b>	<b>(51,287.64)</b>	<b>(2,481.79)</b>
Expenses:				
Grants and contributions	-	-	-	-
Other program and supporting services	727.57	5,228.71	507,169.40	80,608.96
<b>Total expenses</b>	<b>727.57</b>	<b>5,228.71</b>	<b>507,169.40</b>	<b>80,608.96</b>
Change in net assets	(826,557.06)	27,404,042.90	642,306.76	(74,078.23)
Net assets at beginning of year	1,151,557.06	132,987,438.55	10,303,614.07	244,559.45
Net assets at end of year	<b>\$ 325,000.00</b>	<b>\$ 160,391,481.45</b>	<b>\$ 10,945,920.83</b>	<b>\$ 170,481.22</b>

(Continued)

EAST TENNESSEE FOUNDATION  
 COMBINING STATEMENT OF ACTIVITIES BY ORGANIZATION AND FUND TYPE  
 (Continued)  
 Year Ended December 31, 2021

	Supporting Organizations (Continued)				
	Knoxville Jewish Community Family of Funds				
	Fund Types				
	Donor Advised	Designated	Agency Endowments	Operating	Total
Revenues, gains and other support:					
Contributions and grants	\$ 494,955.69	\$ 7,676.00	\$ -	\$ -	\$ 502,631.69
Net investment income	12,890.10	903.97	-	-	13,794.07
Net unrealized and realized gain (loss) on investments	216,454.35	15,284.31	-	-	231,738.66
Change in value of split-interest agreements	-	-	-	-	-
Other revenue	165.91	3,000.00	-	-	3,165.91
<b>Total revenues, gains and other support</b>	<b>724,466.05</b>	<b>26,864.28</b>	<b>-</b>	<b>-</b>	<b>751,330.33</b>
Transactions between organizations and fund types:					
Contributions from (grants to) other funds	(1,000.00)	-	-	-	(1,000.00)
Administrative fee income (expense)	(22,599.16)	(1,563.90)	-	22,184.50	(1,978.56)
<b>Total transactions between organizations and fund types</b>	<b>(23,599.16)</b>	<b>(1,563.90)</b>	<b>-</b>	<b>22,184.50</b>	<b>(2,978.56)</b>
Expenses:					
Grants and contributions	81,870.00	-	-	-	81,870.00
Other program and supporting services	-	-	-	6,000.00	6,000.00
<b>Total expenses</b>	<b>81,870.00</b>	<b>-</b>	<b>-</b>	<b>6,000.00</b>	<b>87,870.00</b>
Change in net assets	618,996.89	25,300.38	-	16,184.50	660,481.77
Net assets at beginning of year	1,271,805.77	109,475.48	-	95,696.72	1,476,977.97
<b>Net assets at end of year</b>	<b>\$ 1,890,802.66</b>	<b>\$ 134,775.86</b>	<b>\$ -</b>	<b>\$ 111,881.22</b>	<b>\$ 2,137,459.74</b>

(Continued)

EAST TENNESSEE FOUNDATION  
 COMBINING STATEMENT OF ACTIVITIES BY ORGANIZATION AND FUND TYPE  
 (Continued)  
 Year Ended December 31, 2021

	<u>Supporting Organizations (Continued)</u>			
	<u>Trinity Health Foundation of East Tennessee</u>	<u>Russell Foundation</u>	<u>Women's Fund of East Tennessee</u>	<u>Grand Total</u>
Revenues, gains and other support:				
Contributions and grants	\$ 28,040.08	\$ -	\$ 534,924.79	\$ 11,133,205.42
Net investment income	981,272.30	1,442,473.88	198.05	5,938,011.00
Net unrealized and realized gain (loss) on investments	3,048,080.55	12,813,080.76	-	65,737,748.84
Change in value of split-interest agreements	25,221.54	-	-	1,279,577.98
Other revenue	<u>217,472.17</u>	<u>40.00</u>	<u>32,330.00</u>	<u>987,080.47</u>
 Total revenues, gains and other support	 <u>4,300,086.64</u>	 <u>14,255,594.64</u>	 <u>567,452.84</u>	 <u>85,075,623.71</u>
Transactions between organizations and fund types:				
Contributions from (grants to) other funds	-	(25,000.00)	(33,233.56)	0.00
Administrative fee income (expense)	<u>(50,000.00)</u>	<u>-</u>	<u>-</u>	<u>(0.00)</u>
 Total transactions between organizations and fund types	 <u>(50,000.00)</u>	 <u>(25,000.00)</u>	 <u>(33,233.56)</u>	 <u>0.00</u>
Expenses:				
Grants and contributions	1,253,272.00	2,844,000.00	-	24,287,950.36
Other program and supporting services	<u>188,788.56</u>	<u>21,224.13</u>	<u>245,175.40</u>	<u>3,713,600.92</u>
 Total expenses	 <u>1,442,060.56</u>	 <u>2,865,224.13</u>	 <u>245,175.40</u>	 <u>28,001,551.28</u>
 Change in net assets	 2,808,026.08	 11,365,370.51	 289,043.88	 57,074,072.43
Net assets at beginning of year	<u>31,530,696.02</u>	<u>86,338,770.54</u>	<u>534,954.12</u>	<u>482,629,517.56</u>
Net assets at end of year	<u>\$ 34,338,722.10</u>	<u>\$ 97,704,141.05</u>	<u>\$ 823,998.00</u>	<u>\$ 539,703,589.99</u>

See independent auditor's report.