



Community Foundation of the Virgin Islands, Inc.

Financial Statements
Years Ended December 31, 2021 and 2020

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



Community Foundation of the Virgin Islands, Inc.

Financial Statements
Years Ended December 31, 2021 and 2020

Community Foundation of the Virgin Islands, Inc.

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Independent Auditor's Report

Board of Directors
Community Foundation of the Virgin Islands, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community Foundation of the Virgin Islands, Inc. (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit

Miami, Florida
July 26, 2022

BDO USA, LLP
Certified Public Accountants

Financial Statements

Community Foundation of the Virgin Islands, Inc.

Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 3,267,357	\$ 3,958,631
Investments	14,835,179	14,083,200
Unconditional promises to give	-	359,273
Other assets	6,110	9,741
Total Assets	\$ 18,108,646	\$ 18,410,845
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 48,647	\$ 5,401
Paycheck Protection Program loan	-	81,100
Total Liabilities	48,647	86,501
Commitments and Contingencies (Note 7)		
Net Assets		
Without donor restrictions	9,444,673	8,705,564
With donor restrictions	8,615,326	9,618,780
Total Net Assets	18,059,999	18,324,344
Total Liabilities And Net Assets	\$ 18,108,646	\$ 18,410,845

See accompanying notes to the financial statements.

Community Foundation of the Virgin Islands, Inc.

Statements of Activities

<i>December 31,</i>	2021						2020
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	
Revenue and Support							
Grants and contributions	\$ 937,090	\$ 2,076,589	\$ 3,013,679	\$ 668,555	\$ 2,670,005	\$ 3,338,560	
Investment income, net	154,735	1,364,263	1,518,998	1,201,645	547,266	1,748,911	
Paycheck Protection Program forgiveness	176,500	-	176,500	-	-	-	
Net assets released from restrictions	4,444,306	(4,444,306)	-	3,942,404	(3,942,404)	-	
Total Revenue and Support	5,712,631	(1,003,454)	4,709,177	5,812,604	(725,133)	5,087,471	
Functional Expenses							
Program services:							
Education	611,604	-	611,604	642,920	-	642,920	
Community	1,533,608	-	1,533,608	1,193,436	-	1,193,436	
Children, youth and families	841,601	-	841,601	277,960	-	277,960	
Early childhood	61,590	-	61,590	34,454	-	34,454	
Health and human services	535,363	-	535,363	428,556	-	428,556	
Disaster recovery assistance	158,350	-	158,350	1,587,897	-	1,587,897	
Environmental	657,026	-	657,026	196,998	-	196,998	
Supporting services:							
Management and general	498,929	-	498,929	400,438	-	400,438	
Fundraising expenses	75,451	-	75,451	67,192	-	67,192	
Total Functional Expenses	4,973,522	-	4,973,522	4,829,851	-	4,829,851	
Change in Net Assets	739,109	(1,003,454)	(264,345)	982,753	(725,133)	257,620	
Net Assets, beginning of year	8,705,564	9,618,780	18,324,344	7,722,811	10,343,913	18,066,724	
Net Assets, end of year	\$ 9,444,673	\$ 8,615,326	\$ 18,059,999	\$ 8,705,564	\$ 9,618,780	\$ 18,324,344	

See accompanying notes to the financial statements.

Community Foundation of the Virgin Islands, Inc.

Statements of Functional Expenses

<i>December 31, 2021</i>	Program Services											
	Education	Community	Children, Youth and Families	Early Childhood	Health and Human Services	Recovery Assistance	Environmental	Total Program Services	Management and General (includes \$115,442 for CFVI Capacity)	Fundraising Expenses	Total Supporting Services	Total Expenses
Grants, awards and scholarships	\$ 494,153	\$ 1,145,926	\$ 779,726	\$ 44,035	\$ 405,852	\$ 120,723	\$ 639,788	\$ 3,630,203	\$ 42,710	\$ -	\$ 42,710	\$ 3,672,913
Salaries, payroll taxes and fringe benefits	69,257	89,045	56,066	3,298	29,682	36,278	16,490	300,116	240,752	56,066	296,818	596,934
Conferences, workshops and travel	50	2,708	-	-	-	-	-	2,758	56	-	56	2,814
Professional fees and technical assistance	-	181,685	-	1,228	-	-	-	182,913	64,011	-	64,011	246,924
Occupancy	2,576	3,312	2,085	123	1,104	1,349	613	11,162	76,393	2,085	78,478	89,640
Community Initiatives	44,242	100,623	3,724	12,906	94,382	-	-	255,877	-	-	-	255,877
Other	1,326	10,309	-	-	4,343	-	135	16,113	75,007	17,300	92,307	108,420
Total functional expenses	\$ 611,604	\$ 1,533,608	\$ 841,601	\$ 61,590	\$ 535,363	\$ 158,350	\$ 657,026	\$ 4,399,142	\$ 498,929	\$ 75,451	\$ 574,380	\$ 4,973,522

See accompanying notes to the financial statements.

Community Foundation of the Virgin Islands, Inc.

Statements of Functional Expenses

<i>December 31, 2020</i>	Program Services											
	Education	Community	Children, Youth and Families	Early Childhood	Health and Human Services	Recovery Assistance	Environmental	Total Program Services	Management and General (includes \$54,700 for CFVI Capacity)	Fundraising Expenses	Total Supporting Services	Total Expenses
Grants, awards and scholarships	\$ 551,259	\$ 950,809	\$ 161,482	\$ 225	\$ 371,759	\$ 1,347,553	\$ 171,083	\$ 3,554,170	\$ 54,700	\$ -	\$ 54,700	\$ 3,608,870
Salaries, payroll taxes and fringe benefits	60,794	64,171	111,456	10,132	27,019	54,039	6,755	334,366	168,873	37,152	206,025	540,391
Conferences, workshops and travel	18,943	72,498	-	13,773	17,911	161,596	6,300	291,021	3,201	-	3,201	294,222
Professional fees and technical assistance	8,500	46,575	-	-	505	19,140	2,940	77,660	98,100	-	98,100	175,760
Occupancy	2,382	2,514	4,367	397	1,059	2,117	265	13,101	13,653	1,456	15,109	28,210
Office expenses	357	377	655	60	159	318	40	1,966	14,606	218	14,824	16,790
Printing	-	1,058	-	9,867	-	7,578	-	18,503	1,414	-	1,414	19,917
Insurance	-	-	-	-	-	-	-	-	4,340	-	4,340	4,340
Bank charges	-	-	-	-	-	-	-	-	5,447	-	5,447	5,447
Software and technology	-	-	-	-	-	-	-	-	27,163	-	27,163	27,163
Other	685	55,434	-	-	10,144	(4,444)	9,615	71,434	8,941	28,366	37,307	108,741
Total functional expenses	\$ 642,920	\$ 1,193,436	\$ 277,960	\$ 34,454	\$ 428,556	\$ 1,587,897	\$ 196,998	\$ 4,362,221	\$ 400,438	\$ 67,192	\$ 467,630	\$ 4,829,851

See accompanying notes to the financial statements.

Community Foundation of the Virgin Islands, Inc.

Statements of Cash Flows

December 31,	2021	2020
Cash Flows From Operating Activities		
Change in net assets	\$ (264,345)	\$ 257,620
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Gain on forgiveness of Paycheck Protection Program loan	(81,100)	-
Donated securities	(68,476)	(23,021)
Net realized (gains) losses from investments	(151,967)	185,236
Net unrealized gains from investments	(520,220)	(1,467,659)
Decrease (increase) in operating assets:		
Unconditional promises to give	359,273	122,908
Prepaid expenses, deposits and other assets	3,631	1,305
Decrease in operating liabilities:		
Accounts payable and accrued expenses	43,246	(19,457)
Total Adjustments	(415,613)	(1,200,688)
Net Cash Used In Operating Activities	(679,958)	(943,068)
Cash Flows From Investing Activities		
Purchases of investments	(1,120,097)	(2,807,993)
Proceeds from sale of investments	1,108,781	2,795,486
Net Cash Used In Investing Activities	(11,316)	(12,507)
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	-	81,100
Net Cash Provided By Financing Activities	-	81,100
Net Decrease In Cash and Cash Equivalents	(691,274)	(874,475)
Cash and Cash Equivalents, beginning of year	3,958,631	4,833,106
Cash and Cash Equivalents, end of year	\$ 3,267,357	\$ 3,958,631
Supplemental Disclosure of Non-Cash Financing Transactions:		
Forgiveness of Paycheck Protection Program loan	\$ 176,500	\$ -

See accompanying notes to the financial statements.

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

1. Organization

Community Foundation of the Virgin Islands, Inc. (the “Foundation”) is a tax exempt publicly supported charitable foundation. The assets of the Foundation are devoted to charitable uses of a public nature benefiting primarily the residents of the U.S. Virgin Islands (“USVI”). The Foundation’s principal source of revenue is charitable contributions. The Foundation’s work focuses on services embracing:

Education - Educational program services provide scholarships to students demonstrating academic excellence and financial need and support a range of projects and programs which enhance and support academic success, schools, educators, and education enrichment.

Community - Community program services support territorial not-for-profits and initiatives engaged principally in improving the lives of residents of the USVI and provide capacity support in areas such as financial management, fund raising, board development and communications.

Children, Youth and Families - Under this program service function, the Foundation supports a range of inhouse programs as well as community-initiated projects aimed at enhancing the lives of children and families. Projects and programs supported endeavor to provide data to advocate on behalf of children, youth and families in the U.S territory, support initiatives to foster the family unit, provide grants in time of crisis, and engage the youth of the USVI in volunteerism.

Early Childhood - The Foundation’s early childhood programs direct efforts to strengthen the quality of early childhood care and enrichment experiences for young children in the USVI.

Environmental - The Foundation’s assistance in meeting the challenges of protecting, conserving, and sustainably managing small island environments and eco-systems.

Health and Human Services - The Foundation’s program services in this field provide support for health-related needs of Virgin Islanders, including financial assistance for medical care to residents with cancer and other life-threatening illnesses, as well as financial support for vulnerable USVI residents and families.

CFVI Capacity - Support provided by donors from named Funds at the Foundation to support the Foundation’s overall operations and programs in the community.

Recovery Assistance - The recovery assistance program services provide assistance to Virgin Islanders impacted by natural disasters, such as Hurricanes Irma and Maria and support efforts to build forward as needs arise in the aftermath of natural disasters.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting. Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions.

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

The two classes of net asset categories are as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's Board. Gifts to donor advised funds are classified as support without restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

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

Cash and Cash Equivalents

The Foundation considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents as of December 31, 2021 and 2020, at the Foundation were \$2,723,140 and \$2,424,733, respectively, held in money market funds deposits with a broker dealer.

Concentrations

Financial instruments that potentially expose the Foundation to certain concentration of credit risk include cash and cash equivalents, investments and unconditional promises to give. Cash and cash equivalents balances are maintained at high-quality financial institutions, and, at times, balances may exceed the amount insured by the Federal Deposit Insurance Corporation ("FDIC"). Beginning January 1, 2013, as per FDIC, all deposit accounts, including checking and savings accounts, money market deposit account and certificates of deposit are standardly insured for up to \$250,000. The standard insurance coverage is per depositor, per insured bank. At December 31, 2021 and 2020, the Foundation's uninsured cash deposits amounted to approximately \$2,723,000 and \$3,200,000, respectively.

Investments

Investments represent marketable equity securities, corporate and U.S. government bonds and notes, certificates of deposit, corporate and mutual funds. These securities are recorded at market value and using quoted market prices. Unrealized gains and losses are reported in the statement of activities.

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

Investment income, net consists primarily of interest and dividends. Interest is recognized on the accrual basis and dividends are recorded as earned at the ex-dividend date. Realized capital gains and losses are determined under the specific identification basis and are recorded in earnings.

The Foundation pools investments for general investment purposes. Investment income is divided among certain internally designated funds based upon an allocation method of computation.

Fair Value of Financial Instruments

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates. The carrying amount of all financial assets and liabilities approximates fair value.

Revenue Recognition

Transfer of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions.

Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Foundation fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for general operations of the Foundation unless specifically restricted by the donor. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a 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 statements of activities as “net assets released from restrictions”. Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

The Foundation uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on experience as well as management’s analysis of specific pledges made, including such factors as prior collection history, type of contribution, and nature of fundraising activity. As of December 31, 2021, the Foundation had no unconditional promises to give. As of December 31, 2020, the Foundation had no allowance for uncollectible accounts.

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

Functional Expense Allocation

Identifiable expenditures made in direct fulfillment of the Foundation's expressed goals are classified as program services. The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Certain common expenses have been allocated among the programs and supporting services based upon management's estimate of the time employees spent working on the program or supporting services.

Income Taxes

The Foundation is a non-profit corporation whose revenue is derived from contributions and other fundraising activities and is not subject to federal or state income taxes. The Foundation is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Foundation must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more-likely-than-not that the position will be sustained. The Foundation does not believe that it has any material uncertain tax positions and accordingly has not recognized any liability for unrecognized tax benefits. The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed the Return of Organization Exempt from Income Tax Form 990 tax returns as required and all other applicable returns in those jurisdictions where it is required. The Foundation believes that it is no longer subject to U.S. Federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2018.

Risks and Uncertainties

Investments are exposed to various risks such as interest rate, credit risk and market fluctuations. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the investments and the amounts reported in the statement of financial position.

The Foundation's investment portfolio has experienced fluctuations in fair value since December 31, 2021. However, because the values of the Foundation's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

The Foundation's unconditional promises to give are due from Foundations and individuals. The Foundation's management reviews the receivable balances as a whole to determine the necessity of its allowance for doubtful accounts.

The Foundation has exposure to potential catastrophic losses in USVI. These catastrophes can be caused by various events, including hurricanes, floods and the incidence and severity of catastrophes are inherently unpredictable. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to certain areas within USVI; however, hurricanes may produce significant damage in large, heavily populated areas.

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

Recent Accounting Pronouncements

Reference Rate Reform

In March 2020, the Financial Accounting Standards Board (“FASB”) issued an ASU (ASU 2020-04) to provide guidance related to recognizing the effects of reference rate reform on financial reporting. The update is effective for all entities as of March 12, 2020 through December 31, 2022. The Foundation is currently evaluating the potential accounting, transition, and disclosure effects the update will have on its financial statements.

Leases

In February 2016, the FASB issued an ASU (ASU 2016-02) which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections. The Foundation is currently evaluating the effect the update will have on its financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Foundation’s presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The Foundation is evaluating the method of adoption it will elect. The update is effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted. The Foundation is currently evaluating the impact of this ASU on its financial statements.

Credit Losses

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326). The main objective of this update is to provide financial statement users with more useful information in decision-making related to expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity. The amendment replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU was subsequently updated by ASU 2019-10, which finalized various effective dates on the implementation of the standard. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those years. The Foundation is currently evaluating the impact on its financial statements of adopting this guidance.

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Foundation is currently evaluating the effect the update will have on its financial statements.

3. Liquidity and Availability of Resources

The Foundation routinely monitors liquidity for grant expenditures, other program service expenses and operations in accordance with its financial policy. The Foundation's financial assets consist principally of cash and investment in marketable equity securities, corporate and government bonds and notes, certificate of deposits and mutual funds which are available for grants, program services and general expenditures. The Foundation's financial policy is to maintain cash and investment in marketable securities that generate a predictable stream of investment income to support fund granting and operating expenses while seeking to maintain the purchasing power of the Foundation's financial assets to meet long term objectives and short-term needs.

The Foundation's principal assets of cash and investments are stated at fair value as disclosed in Note 5 to the financial statements. The Foundation pools investments for general investment purposes. Investment income is allocated amongst certain designated funds. The Foundation utilizes external investment consultants to manage the Foundation's investments in accordance with an investment policy approved by the board of directors. Regularly, the investment committee of the board of directors meets with the investment consultants to review portfolio performance, returns and compliance with the Foundation's investment policy.

The Foundation's financial assets available within one year of the statements of financial position date for general expenditures as of December 31 are as follows:

<i>December 31,</i>	2021	2020
Cash and cash equivalents	\$ 3,267,357	\$ 3,958,631
Investments	14,835,179	14,083,200
Unconditional promises to give	-	359,273
Total financial assets	18,102,536	18,401,104
Less amounts not available to be used within one year or without board approval:		
Net assets with donor restrictions	8,615,326	9,618,780
Total financial assets available to management for general expenditures within one year	\$ 9,487,210	\$ 8,782,324

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

4. Investments

Investment securities as of December 31, 2021 and 2020, consist of the following:

<i>December 31,</i>	2021	2020
Mutual funds	\$ 12,049,702	\$ 11,038,924
Common stock	1,702,537	1,227,077
Preferred stock	483,460	714,631
Corporate bonds	599,480	1,102,568
Total	\$ 14,835,179	\$ 14,083,200

The Foundation has adopted an investment and spending policy for non-endowed and endowed assets that attempts to give long-term stability to its investments by protecting principal and ensuring its growth in order to sustain its purchasing power against the rate of inflation over time. The policy is also designed to ensure predictable cash flows in order to provide predictable outflows of expenditures for the Foundation's program services. The spending limit determines the annual amount made available from investment earnings from existing funds and new gifts. The annual spending limit is independent of the investment income earned and thus may be more or less than the income earned by interest, dividends and capital appreciation in any one year. The spending policy will be monitored to assure that all endowment funds maintain or increase the real value of the endowment principal over the long term.

Investment income, net of fees, is comprised of the following for the years ended December 31, 2021 and 2020:

<i>December 31,</i>	2021	2020
Interest and dividend income	\$ 846,811	\$ 466,488
Realized gains (losses)	151,967	(185,236)
Unrealized gains	520,220	1,467,659
	\$ 1,518,998	\$ 1,748,911

5. Fair Value Measurements

The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Foundation at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present assets that are measured at fair value on a recurring basis as of December 31, 2021 and 2020:

Description	12/31/2021	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Mutual funds	\$ 12,049,702	\$ 12,049,702	\$ -	\$ -
Common stock	1,702,537	1,702,537	-	-
Preferred stock	483,460	483,460	-	-
Corporate bonds	599,480	-	599,480	-
Total investments	\$ 14,835,179	\$ 14,235,699	\$ 599,480	\$ -

Description	12/31/2020	Fair Value Measurements at Reporting Date Using:		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Mutual funds	\$ 11,038,924	\$ 11,038,924	\$ -	\$ -
Common stock	1,227,077	1,227,077	-	-
Preferred stock	714,631	714,631	-	-
Corporate bonds	1,102,568	-	1,102,568	-
Total investments	\$ 14,083,200	\$ 12,980,632	\$ 1,102,568	\$ -

Investment securities classified as available-for-sale are the only financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. No financial liabilities are recognized or disclosed at fair value by the Foundation in the financial statements on a recurring basis.

As of December 31, 2021 and 2020, the Foundation did not have any nonfinancial asset or liability recognized or disclosed at fair value in the financial statements on a nonrecurring basis. The Foundation's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer.

There were no transfers into or out of Level 1, Level 2 or Level 3 for the years ended on December 31, 2021 and 2020.

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The following methods and assumptions were used by the Foundation in estimating fair values of financial instruments:

Common Stocks, Mutual Funds and Preferred Stocks - The majority of the values for these securities are obtained from third-party pricing service providers that use a pricing methodology based on observable market inputs and quoted prices in active markets for identical instruments. These investments are classified as Level 1.

Government Bonds and Notes, Corporate Bonds and Notes - The fair value of these securities is obtained from third party pricing service providers that use a pricing methodology based on an active exchange market and quoted market prices for similar securities are classified as Level 2.

6. Net Assets

As of December 31, 2021 and 2020, net asset balances with donor restrictions consisted of the following:

<i>December 31,</i>	2021	2020
Children's Trust of the Virgin Islands	\$ 212,337	\$ 212,337
Judith A. Towle Environmental Studies	70,000	70,000
Scholarships	996,010	974,811
Programs	1,872,905	1,790,804
Grants	213,004	876,480
Field of Interest	3,812,467	3,719,993
Agency	115,917	91,391
Fiscal Sponsorship	844,931	494,497
Recovery Assistance	452,067	1,312,404
Other	25,688	76,063
Total net assets with donor restrictions	\$ 8,615,326	\$ 9,618,780

As of December 31, 2021 and 2020, net assets without donor restrictions consisted of the following:

<i>December 31,</i>	2021	2020
Net assets without donor restrictions	\$ 4,325,747	\$ 3,904,359
Donor advised funds	5,118,926	4,801,205
Total	\$ 9,444,673	\$ 8,705,564

Community Foundation of the Virgin Islands, Inc.

Notes to Financial Statements

7. Commitments and Contingencies

Operating Leases

The Foundation's premises are leased with terms expiring through February 2027. Total rent and other lease expense for the years ended December 31, 2021 and 2020, amounted to \$9,000 per year.

Future minimum lease payment under existing operating leases at December 31, 2021 is \$ 1,500.

8. Defined Contribution Plan

The Foundation has a defined contribution plan that covers all eligible employees who have earned \$5,000 during any two preceding years and is reasonably expected to earn at least \$5,000 in the current year. The Foundation matches 100% of the participants' contributions up to 3%. Contributions charged to expense on the statements of activities for the years ended December 31, 2021 and 2020, amounted to \$9,827 and \$7,712, respectively.

9. Endowment

The Foundation's endowment consists of two funds established primarily to provide funding for child advocacy, children and families and support for environmental activities and studies. As required by U.S. GAAP, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Foundation has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the UPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

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As of December 31, 2021, endowment net assets consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gifts in perpetuity	\$ -	\$ 282,337	\$ 282,337
Accumulated gain	-	252,325	252,325
Endowment net assets, ending	\$ -	\$ 534,662	\$ 534,662

As of December 31, 2020, endowment net assets consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gifts in perpetuity	\$ -	\$ 282,337	\$ 282,337
Accumulated gain	-	214,874	214,874
Endowment net assets, ending	\$ -	\$ 497,211	\$ 497,211

Changes in endowment net assets for the year ended December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ -	\$ 497,211	\$ 497,211
Investment returns	-	14,361	14,361
Net appreciation	-	29,917	29,917
Contributions	-	6,173	6,173
Appropriated for expenditures	-	(13,000)	(13,000)
Change in endowment, net assets	-	37,451	37,451
Endowment net assets, ending	\$ -	\$ 534,662	\$ 534,662

Changes in endowment net assets for the year ended December 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	\$ -	\$ 451,032	\$ 451,032
Investment returns	-	8,298	8,298
Net appreciation	-	43,304	43,304
Contributions	-	3,477	3,477
Appropriated for expenditures	-	(8,900)	(8,900)
Change in endowment, net assets	-	46,179	46,179
Endowment net assets, ending	\$ -	\$ 497,211	\$ 497,211

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10. Paycheck Protection Program Loan

On May 1, 2020, the Foundation received a loan of approximately \$81,000 under the Paycheck Protection Program (“PPP”) authorized by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) that was signed into law on March 27, 2020. The application for these funds requires the Foundation to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Foundation. This certification further requires the Foundation to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business.

The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Foundation having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria. The loan began accruing interest at a rate of 1.00% on the effective date. Principal payments were due in equal monthly installments commencing May 1, 2021. The loan was set to mature on May 1, 2022, at which time all unpaid principal and accrued interest was due.

Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the Foundation retains employees during a specified period. The proceeds of approximately \$81,000 from the loan were initially recognized as a financial liability in accordance with FASB ASC 470 and were included within the caption “Paycheck Protection Program loan” on the accompanying statements of financial position as of December 31, 2020. The Foundation was granted forgiveness during the year ended December 31, 2021 for the loan of approximately \$81,000 and all conditions of the loan were explicitly waived. The proceeds of approximately \$81,000 have been recognized as income within the caption “paycheck protection program loan forgiveness” on the accompanying statements of activities.

On March 30, 2021, the Foundation received a second PPP loan of approximately \$95,000. The loan began accruing interest at a rate of 1.00% on the effective date. On August 5, 2021, the Foundation was granted forgiveness for the loan of approximately \$95,000 and all conditions of the loan were explicitly waived. The proceeds of approximately \$95,000 have been recognized as income within the caption “paycheck protection program loan forgiveness” on the accompanying statements of activities.

11. Subsequent Events

The Foundation has evaluated subsequent events through July 26, 2022, which is the date the financial statements were available to be issued. No material events have come to the attention of management that require recognition or disclosure in the financial statements.