

**The F.B. Heron Foundation**

Financial Statements

December 31, 2021 and 2020

## Independent Auditors' Report

**To the Board of Directors  
The F.B. Heron Foundation**

### ***Opinion***

We have audited the accompanying financial statements of The F.B. Heron 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 financial statements referred to above present fairly, in all material respects, the financial position of The F.B. Heron 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The F.B. Heron 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 these 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 F.B. Heron Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

***Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

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 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 F.B. Heron 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 F.B. Heron 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.

*PKF O'Connor Davies, LLP*

August 8, 2022

## The F.B. Heron Foundation

### Statements of Financial Position

	December 31	
	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,172,140	\$ 2,152,868
Investments, net	408,319,891	357,555,260
Prepaid Federal excise taxes	-	7,000
Other assets	<u>1,331,202</u>	<u>944,758</u>
	<u>\$ 412,823,233</u>	<u>\$ 360,659,886</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 659,704	\$ 736,701
Grants payable	575,000	975,000
Federal excise taxes payable	103,000	-
Deferred Federal excise tax	<u>1,568,119</u>	<u>1,071,268</u>
Total Liabilities	2,905,823	2,782,969
Net assets, without donor restrictions	<u>409,917,410</u>	<u>357,876,917</u>
	<u>\$ 412,823,233</u>	<u>\$ 360,659,886</u>

See notes to financial statements

## The F.B. Heron Foundation

### Statements of Activities

	Year Ended	
	December 31	
	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Net return on investments	\$ 66,262,884	\$ 43,047,205
Program service fees (USCII license fee)	77,891	64,601
Current Federal excise tax	<u>(370,000)</u>	<u>(610,000)</u>
Total Revenue	<u>65,970,775</u>	<u>42,501,806</u>
<b>EXPENSES</b>		
Program (including grants of \$9,778,450 and \$9,999,296)	11,726,108	12,281,219
Administrative	1,661,645	2,112,570
Indirect investment	<u>542,529</u>	<u>766,791</u>
Total Expenses	<u>13,930,282</u>	<u>15,160,580</u>
Change in Net Assets	52,040,493	27,341,226
<b>NET ASSETS, WITHOUT DONOR RESTRICTIONS</b>		
Beginning of year	<u>357,876,917</u>	<u>330,535,691</u>
End of year	<u>\$ 409,917,410</u>	<u>\$ 357,876,917</u>

See notes to financial statements

## The F.B. Heron Foundation

### Statements of Functional Expenses Year Ended December 31

	2021						2020					
	Program	Administrative	Indirect Investment	Sub Total	Direct Investment	Total	Program	Administrative	Indirect Investment	Sub Total	Direct Investment	Total
Salary and related costs	\$ 1,526,722	\$ 1,069,656	\$ 241,719	\$ 2,838,097	\$ 217,459	\$ 3,055,556	\$ 1,635,197	\$ 1,288,639	\$ 495,246	\$ 3,419,082	\$ 423,015	\$ 3,842,097
Consulting fees	180,689	275,976	142,292	598,957	42,613	641,570	364,648	314,966	159,364	838,978	20,502	859,480
Occupancy	-	-	-	-	-	-	99,008	78,025	29,986	207,019	25,613	232,632
Investment monitoring and advisory	45,000	-	127,500	172,500	127,500	300,000	14,640	-	41,480	56,120	41,480	97,600
Outsourced functions	-	201,926	-	201,926	-	201,926	-	329,051	-	329,051	-	329,051
Market data	31,739	-	21,159	52,898	162,951	215,849	37,738	-	25,159	62,897	185,794	248,691
Travel, meetings, and conferences	8,352	7,009	30	15,391	91	15,482	9,427	3,662	81	13,170	243	13,413
Office expenses	104,650	39,981	1,833	146,464	1,649	148,113	85,827	12,338	4,742	102,907	4,050	106,957
Legal fees	-	29,131	-	29,131	-	29,131	-	55,743	-	55,743	1,568	57,311
Audit expenses	19,699	13,801	3,119	36,619	2,806	39,425	16,354	12,888	4,953	34,195	4,231	38,426
Equipment expenses	17,025	11,928	2,695	31,648	2,425	34,073	7,387	5,822	2,237	15,446	1,911	17,357
Insurance	13,782	9,656	2,182	25,620	1,963	27,583	11,697	9,218	3,543	24,458	3,026	27,484
Bank fees	-	2,581	-	2,581	-	2,581	-	2,218	-	2,218	-	2,218
Custody fees	-	-	-	-	134,758	134,758	-	-	-	-	91,301	91,301
Asset management	-	-	-	-	619,088	619,088	-	-	-	-	445,015	445,015
Grants, net of refunds	9,778,450	-	-	9,778,450	-	9,778,450	9,999,296	-	-	9,999,296	-	9,999,296
	<u>\$ 11,726,108</u>	<u>\$ 1,661,645</u>	<u>\$ 542,529</u>	<u>\$ 13,930,282</u>	<u>\$ 1,313,303</u>	<u>\$ 15,243,585</u>	<u>\$ 12,281,219</u>	<u>\$ 2,112,570</u>	<u>\$ 766,791</u>	<u>\$ 15,160,580</u>	<u>\$ 1,247,749</u>	<u>\$ 16,408,329</u>

See notes to financial statements

## The F.B. Heron Foundation

### Statements of Cash Flows

	Year Ended	
	December 31	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 52,040,493	\$ 27,341,226
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized and unrealized gain on investments	(62,719,339)	(38,498,117)
Deferred Federal excise tax	496,851	(39,361)
Writeoff of PRI investment	-	400,000
PRI loan forgiveness	-	2,500,000
Net change in operating assets and liabilities		
Prepaid Federal excise taxes	7,000	120,000
Other assets	(386,444)	(69,668)
Accounts payable and accrued expenses	(76,997)	235,437
Federal excise taxes payable	103,000	-
Grants payable	<u>(400,000)</u>	<u>722,400</u>
Net Cash from Operating Activities	<u>(10,935,436)</u>	<u>(7,288,083)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(63,846,304)	(78,509,643)
Proceeds from investments	<u>75,801,012</u>	<u>87,078,662</u>
Net Cash from Investing Activities	<u>11,954,708</u>	<u>8,569,019</u>
Net Change in Cash and Cash Equivalents	1,019,272	1,280,936
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>2,152,868</u>	<u>871,932</u>
End of year	<u>\$ 3,172,140</u>	<u>\$ 2,152,868</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Federal excise tax paid	\$ 260,000	\$ 490,000

See notes to financial statements

## The F.B. Heron Foundation

Notes to Financial Statements  
December 31, 2021 and 2020

### 1. Organization

The F.B. Heron Foundation (doing business as and referred to herein as “Heron”) is a not-for-profit, charitable corporation formed in December 1991 under the General Corporation Law of the State of Delaware. Heron is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and is classified as a private foundation under Section 509(a) of the Code.

To advance its mission of helping people and communities to help themselves, Heron champions the people, places and enterprises who challenge broken conventions and dare to change. Heron works with a diverse set of grant and investment tools and strategies to help communities address challenges and advance prosperity in both urban and rural places.

### 2. Summary of Significant Accounting Policies

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### *Cash Equivalents*

Cash equivalents include short-term investments with maturities of three months or less at the time of purchase, which are intended to be used for payment of expenses and grants and exclude those amounts used by investment managers for long-term investment strategies.

#### *Fair Value Measurements*

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

Heron follows US GAAP guidance which removes the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value (“NAV”) per share as a practical expedient.



## The F.B. Heron Foundation

Notes to Financial Statements  
December 31, 2021 and 2020

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

#### ***Investments Valuation***

Investments, with the exception of program related investments, are stated at fair value. For insured deposits, fair value is the amount of the deposit.

#### ***Program Related Investments***

Program related investments (PRIs) defined in IRC 4944(c), have a primary purpose of advancing the mission of Heron without a significant purpose for the production of income or the appreciation of property. PRIs are treated as charitable distributions on Internal Revenue Service Form 990-PF, the tax and information return filed by private foundations for minimum-distribution requirement purposes. Heron's PRIs are considered below market rate loans and equities. They are stated at cost, less any valuation allowance for discount or uncollectable amounts.

#### ***Property and Equipment***

Property and equipment are stated at cost. Heron capitalizes property and equipment costing more than \$100,000. There was no capitalized property and equipment at December 31, 2021 and 2020.

#### ***Net Asset Presentation***

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, Heron's net assets are classified as with or without donor restrictions. There were no net assets with donor restrictions at December 31, 2021 and 2020.

#### ***Investment Income Recognition***

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

#### ***Grants***

Once a grant has been approved by the Board of Directors and/or President, and once any conditions imposed on the grantee have been fulfilled, the grant becomes payable and is recorded by Heron.

## The F.B. Heron Foundation

Notes to Financial Statements  
December 31, 2021 and 2020

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

#### ***Concentration of Credit Risk***

Heron maintains cash balances in a checking and money market account that at times during the year that exceed the Federal Deposit Insurance Corporation's insurable limits. This potentially subjects Heron to a concentration of credit risk. Heron has not experienced any losses in such accounts. Heron has a diversified portfolio of investments across multiple asset classes, and routinely assesses the diversification and financial strength of its cash and investment portfolio to limit concentration of credit risk.

#### ***Functional Allocation of Expenses***

The cost of providing various programs and other activities has been summarized on a functional basis on the statements of activities. Accordingly, certain costs have been allocated among the programs and support services benefited. Heron allocates these expenses based on estimates of time and effort per employee which is a reasonable basis that is consistently applied.

#### ***Accounting for Uncertainty in Income Taxes***

Heron recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that Heron had no uncertain tax positions that would require financial statement recognition or disclosure. Heron is no longer subject to examinations by the applicable taxing jurisdictions for years prior to December 31, 2018.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is August 8, 2022.

### 3. Investments

Every investment is evaluated and made in the context of its net contribution and consistency with Heron's mission. Investments include risk-adjusted, market-rate investments, as well as PRIs.

Heron's PRI deposits and loans bear interest at below-market rates from 0% to 6%. Loans are generally payable on March 31 and September 30 of each year and are individually monitored to determine net realizable value based on an evaluation of recovery. Management has reviewed the collectability of all PRI loans and deemed an allowance to be unnecessary at December 31, 2021 and 2020.

## The F.B. Heron Foundation

### Notes to Financial Statements December 31, 2021 and 2020

#### 3. Investments (continued)

PRI equities consist of seven PRIs in LP and LLC interests in community development ventures and real estate funds, one PRI in preferred stock in a regulated community bank and one direct equity investment. PRI equity balances are net of a \$850,000 and \$2,600,000 valuation reserve at December 31, 2021 and 2020.

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

	2021				Total
	(Level 1)	(Level 2)	(Level 3)	(Practical Expedient) *	
At Fair Value					
Common and Preferred Stocks					
Information technology	\$ 89,591,115	\$ -	\$ -	\$ -	\$ 89,591,115
Consumer discretionary	20,297,161	-	-	-	20,297,161
Health care	43,958,080	-	-	-	43,958,080
Other	90,246,832	-	650,000	-	90,896,832
Commingled funds	-	16,796,081	-	-	16,796,081
Ishares MSCI	16,605,312	-	-	-	16,605,312
Fixed-Income Securities					
US agency	-	33,545,707	-	-	33,545,707
Municipals	-	51,180,182	-	-	51,180,182
Corporate	-	3,516,369	-	-	3,516,369
Limited partnership interests	-	-	-	20,626,028	20,626,028
Total at Fair Value	<u>\$ 260,698,500</u>	<u>\$ 105,038,339</u>	<u>\$ 650,000</u>	<u>\$ 20,626,028</u>	<u>387,012,867</u>
Program related investments, at cost (net of \$850,000 valuation reserve)					14,640,097
Invested cash and cash equivalents, at cost					6,666,927
Total Investments					<u>\$ 408,319,891</u>
2020					
	(Level 1)	(Level 2)	(Level 3)	(Practical Expedient) *	Total
At Fair Value					
Common and Preferred Stocks					
Information technology	\$ 69,539,601	\$ -	\$ -	\$ -	\$ 69,539,601
Consumer discretionary	15,484,539	-	-	-	15,484,539
Health care	33,936,603	-	-	-	33,936,603
Other	80,123,702	-	650,000	-	80,773,702
Commingled funds	-	12,982,053	-	-	12,982,053
Ishares MSCI	26,988,280	-	-	-	26,988,280
Fixed-Income Securities					
US agency	-	31,755,620	-	-	31,755,620
Municipals	-	47,671,275	-	-	47,671,275
Corporate	-	4,260,457	-	-	4,260,457
Limited partnership interests	-	-	-	16,931,636	16,931,636
Total at Fair Value	<u>\$ 226,072,725</u>	<u>\$ 96,669,405</u>	<u>\$ 650,000</u>	<u>\$ 16,931,636</u>	<u>340,323,766</u>
Program related investments, at cost (net of \$2,600,000 valuation reserve)					13,585,326
Invested cash and cash equivalents, at cost					3,646,168
Total Investments					<u>\$ 357,555,260</u>

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

## The F.B. Heron Foundation

Notes to Financial Statements  
December 31, 2021 and 2020

### 3. Investments *(continued)*

Net return on investments consists of the following:

	2021	2020
Interest, dividends and partnership earnings	\$ 5,353,699	\$ 5,757,476
Realized gain	22,857,070	40,929,795
Unrealized gain (loss), net of deferred Federal excise tax	39,365,418	(2,392,317)
Direct investment expenses	(1,313,303)	(1,247,749)
	\$ 66,262,884	\$ 43,047,205

The following is a reconciliation of the beginning and ending balances for preferred stock assets (Level 3):

	2021	2020
Beginning balance	\$ 650,000	\$ 500,000
Purchases, issuances and settlements	-	150,000
Ending balance	\$ 650,000	\$ 650,000

The cost of preferred stock was determined by management to be the best indicator of the fair value of this investment.

Information regarding limited partnership interests valued at NAV using the practical expedient and preferred stock valued at cost at December 31, 2021 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership interests	\$ 20,626,028	\$ 2,002,639	*	*

\* Limited partnership interests follow Heron's mission investing strategy. They are illiquid in nature with the partnerships making distributions upon sale of underlying assets. Heron makes multiyear capital commitments into limited partnerships, which reflect the programmatic and funding strategies of Heron at the time. A majority of these were intended to provide access to capital to underserved communities and/or small business owners in the form of equity and debt.

Heron invests across a broad spectrum of investment vehicles, strategies, and asset classes in order to both achieve a financial return, and achieve a social return consistent with Heron's mission to help people and communities help themselves. Investments include a range of opportunities, including risk-adjusted, market-rate investments as well as PRIs.

## The F.B. Heron Foundation

### Notes to Financial Statements December 31, 2021 and 2020

#### 3. Investments (continued)

The following summarizes changes in PRIs for 2021 and 2020:

	2021				2020			
	PRI Loans	PRI Equities	PRI Deposits	Total	PRI Loans	PRI Equities	PRI Deposits	Total
Balance at beginning of year	\$ 4,000,000	\$ 6,585,326	\$ 3,000,000	\$ 13,585,326	\$ 6,500,000	\$ 5,646,689	\$ -	\$ 12,146,689
Additions								
Disbursements	-	315,296	1,650,249	1,965,545	-	942,262	3,000,000	3,942,262
Deductions								
Repayments	(1,151,724)	(9,050)	(1,500,000)	(2,660,774)	-	(3,625)	-	(3,625)
Loan forgiveness	-	-	-	-	(2,500,000)	-	-	(2,500,000)
Writeoffs	-	-	-	-	-	(400,000)	-	(400,000)
	<u>2,848,276</u>	<u>6,891,572</u>	<u>3,150,249</u>	<u>12,890,097</u>	<u>4,000,000</u>	<u>6,185,326</u>	<u>3,000,000</u>	<u>13,185,326</u>
Valuation adjustment	-	1,750,000	-	1,750,000	-	400,000	-	400,000
Balance at end of year	<u>\$ 2,848,276</u>	<u>\$ 8,641,572</u>	<u>\$ 3,150,249</u>	<u>\$ 14,640,097</u>	<u>\$ 4,000,000</u>	<u>\$ 6,585,326</u>	<u>\$ 3,000,000</u>	<u>\$ 13,585,326</u>

There is an additional \$826,091 of unfunded commitments for equity PRI investments.

PRI loan principal repayments at December 31, 2021 are projected as follows:

2022	\$ -
2023	1,000,000
2024	500,000
2025	348,276
2026	-
Thereafter	<u>1,000,000</u>
	<u>\$ 2,848,276</u>

In response to the COVID-19 pandemic, Heron's Board agreed in April 2020 to forgive the outstanding principal and interest on certain PRI loans and release the borrowers from related obligations (\$1,500,000 to the Community Reinvestment Fund with an original repayment date of 2022, and \$1,000,000 to Costal Enterprises, Inc. with original repayment dates of \$250,000 in 2023 and \$750,000 in 2024) to enable the borrowers to provide immediate charitable responses consistent with their missions in communities. Those funds are now subject to letter agreements, which ensure the funds will continue to be used for charitable purposes.

PRI equity investments will be redeemed over the next ten years depending on investment performance and activity.

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

## The F.B. Heron Foundation

Notes to Financial Statements  
December 31, 2021 and 2020

### 4. Grants Payable

The following summarizes changes in grants payable for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	\$ 975,000	\$ 252,600
Grants authorized	9,779,700	9,999,296
Grants paid	<u>(10,179,700)</u>	<u>(9,276,896)</u>
Balance at end of year	<u>\$ 575,000</u>	<u>\$ 975,000</u>

There are an additional \$3,080,000 of conditional grant payments at December 31, 2021 which will become payable once the appropriate conditions have been met.

### 5. Federal Excise Tax

As a private foundation, Heron is normally subject to a Federal excise tax equal to 1.39% of its net investment income.

Heron records a liability for deferred Federal excise taxes using the current excise tax rate for the next year. That rate was 1.39% for 2021 and 2020. For 2021 and 2020, the deferred excise tax provision (benefit) amounted to \$496,851 and \$(39,361).

For Federal excise tax purposes, realized gains and losses from the sale of securities are determined on the specific-identification basis. Net realized gain or loss is based on Heron's allocated share, and, upon sale, average cost is used.

### 6. Lease Commitment

Heron currently has no office space lease commitment, having terminated its lease at 100 Broadway in May 2018. Heron subsequently entered into a membership agreement with WeWork in January 2018 for use of office space and other related services at 135 W. 41<sup>st</sup> Street, which was subsequently renewed in 2019 and early 2020. That membership agreement expired on September 30, 2020 and was not renewed.

Rent expense for 2021 and 2020, was \$0 and \$232,632.

### 7. Retirement Plans

Heron sponsors a defined contribution retirement plan under IRC Section 401(a). Under the current plan, Heron contributes 12% of the basic compensation for all eligible employees subject to IRS and ERISA limitations. Heron also sponsors a 401(k) savings plan. Eligible participants, as defined, may make voluntary contributions into the savings plan. Heron is obligated to match 50% of participant contributions, not to exceed 3% of base compensation. For 2021 and 2020, retirement and savings plan expense was \$317,884 and \$338,451.

## The F.B. Heron Foundation

Notes to Financial Statements  
December 31, 2021 and 2020

### 8. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and cash equivalents	\$ 3,172,140	\$ 2,152,868
Interest receivable	726,606	760,587
Investments	<u>408,319,891</u>	<u>357,555,260</u>
Total Financial Assets	412,218,637	360,468,715
Less:		
Contractual or donor imposed restriction amounts		
Funds held for long term investment	<u>35,916,125</u>	<u>31,166,962</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 376,302,512</u>	<u>\$ 329,301,753</u>

Heron monitors its cash needs and availability on a regular basis, meeting weekly to review forecasted cash needs for investment capital calls, regular operations and grant making. Regular operating expenses are approved annually during the annual budget process and monitored closely throughout the year. Grants are generally approved on a monthly basis. Following grant approvals, Heron reviews its cash forecasts and liquidates investments as needed. The majority of its investments are liquid and easily accessible and do not require more than 3 days' notice.

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