

FREY FOUNDATION
FINANCIAL REPORT
December 31, 2022 and 2021

FREY FOUNDATION
FINANCIAL STATEMENTS
December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Frey Foundation
Grand Rapids, Michigan

Opinion

We have audited the financial statements of Frey Foundation (the "Foundation"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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, 2022, 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 (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 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Foundation has adopted Accounting Standards Update (ASU) 2016-02 – Leases (Topic 842) for the year ended December 31, 2022. Our opinion is not modified with respect to this matter.

Other Matter

The financial statements of the Foundation for the year ended December 31, 2021, were audited by other auditors, who expressed an unmodified opinion on those statements on May 6, 2022. The audit report issued by the other auditors included an emphasis of matter paragraph that indicated investments valued at \$103,055,524 (60 percent of net assets) as of December 31, 2021, whose fair values have been estimated.

(Continued)

Responsibilities of Management for the Financial Statements

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

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
August 8, 2023

FREY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 2,131,761	\$ 266,824
Investments (Notes 4 and 10)	127,398,390	171,006,591
Accrued income	23,330	951,353
Prepaid expenses	112,192	112,218
Other assets	1,166,678	1,166,678
Furniture, equipment, and leasehold improvements – Less accumulated depreciation and amortization of \$646,279 in 2022 and \$510,243 in 2021	595,552	698,201
Right of use asset (Note 8)	<u>742,079</u>	<u>-</u>
Total assets	<u>\$ 132,169,982</u>	<u>\$ 174,201,865</u>
LIABILITIES AND NET ASSETS LIABILITIES		
Liabilities		
Accounts payable	\$ 28,723	\$ 38,533
Grant payable (Note 5)	1,078,750	1,827,000
Note payable (Note 7)	483,316	576,929
Lease liability (Note 8)	<u>751,124</u>	<u>-</u>
Total liabilities	2,341,913	2,442,462
Net assets		
Without donor restrictions	<u>129,828,069</u>	<u>171,759,403</u>
Total liabilities and net assets	<u>\$ 132,169,982</u>	<u>\$ 174,201,865</u>

See notes to financial statements.

FREY FOUNDATION
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Changes in net assets without donor restrictions		
Investment income (Note 4)	\$ 1,654,253	\$ 2,515,521
Net realized and unrealized (loss) gain on investments	<u>(36,059,476)</u>	<u>19,730,135</u>
Net investment return (loss)	(34,405,223)	22,245,656
Expenses:		
Program:		
Foundation-administered programs (Note 9)	490,000	585,000
Building community	1,054,214	758,500
Children and families	1,137,900	840,000
Community arts	819,500	1,413,000
Environment	574,740	1,140,000
Special initiatives	<u>1,362,510</u>	<u>952,644</u>
Total grants	5,438,864	5,689,144
Program services	<u>933,854</u>	<u>869,217</u>
Total program	6,372,718	6,558,361
Support:		
Management and general	993,385	983,393
Excise and unrelated business income taxes	<u>160,008</u>	<u>400,025</u>
Total support	1,153,393	1,383,418
Total expenses	<u>7,526,111</u>	<u>7,941,779</u>
Change in net assets	(41,931,334)	14,303,877
Net assets - beginning of year	<u>171,759,403</u>	<u>157,455,526</u>
Net assets - end of year	<u>\$ 129,828,069</u>	<u>\$ 171,759,403</u>

See notes to financial statements.

FREY FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2022 and 2021

	Program		Support		Total
	Grants	Other	Management and and General	Other	
<u>December 31, 2022</u>					
Grants approved	\$ 5,438,864	\$ -	\$ -	\$ -	\$ 5,438,864
Compensation and benefits	-	419,371	528,108	-	947,479
Trustee and third generation fees	-	-	177,750	-	177,750
Occupancy	-	109,945	164,484	-	274,429
Legal, accounting, and other professional fees	-	48,172	94,393	-	142,565
Meetings, professional development, and memberships	-	209,051	12,464	-	221,515
Technology	-	100,226	10,828	-	111,054
Supplies and other	-	47,089	5,358	-	52,447
Excise and unrelated business income taxes	-	-	-	160,008	160,008
	<u>\$ 5,438,864</u>	<u>\$ 933,854</u>	<u>\$ 993,385</u>	<u>\$ 160,008</u>	<u>\$ 7,526,111</u>
Total functional expenses					

	Program		Support		Total
	Grants	Other	Management and and General	Other	
<u>December 31, 2021</u>					
Grants approved	\$ 5,689,144	\$ -	\$ -	\$ -	\$ 5,689,144
Compensation and benefits	-	399,464	496,446	-	895,910
Trustee and third generation fees	-	-	196,500	-	196,500
Occupancy	-	136,553	164,364	-	300,917
Legal, accounting, and other professional fees	-	41,357	99,751	-	141,108
Meetings, professional development, and memberships	-	162,222	6,403	-	168,625
Technology	-	103,934	10,951	-	114,885
Supplies and other	-	25,687	8,978	-	34,665
Excise and unrelated business income taxes	-	-	-	400,025	400,025
	<u>\$ 5,689,144</u>	<u>\$ 869,217</u>	<u>\$ 983,393</u>	<u>\$ 400,025</u>	<u>\$ 7,941,779</u>
Total functional expenses					

See notes to financial statements.

FREY FOUNDATION
 STATEMENTS OF CASH FLOWS
 Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Increase in net assets	\$ (41,931,334)	\$ 14,303,877
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation and amortization	136,036	140,268
Net unrealized / realized loss on investments	36,059,476	4,259,205
Changes in operating assets and liabilities that (used) provided cash:		
Prepaid expenses	17	(3,189)
Accounts payable and accrued expenses	(9,801)	(82,439)
Accrued income	928,023	(928,435)
Right of use asset	141,332	-
Lease liability	(132,287)	-
Grants payable	<u>(748,250)</u>	<u>146,351</u>
Net cash (used in) / provided by operating activities	(5,556,788)	17,835,638
Cash flows from investing activities		
Purchase of furniture, equipment, and leasehold improvements	(33,386)	(17,866)
Purchases of investments	(47,540,499)	(377,443,653)
Proceeds from sales and maturities of investments	<u>55,089,211</u>	<u>359,758,550</u>
Net cash provided by / (used in) investing activities	7,515,338	(17,702,969)
Cash flows from financing activities		
Payments on debt	<u>(93,613)</u>	<u>(99,409)</u>
Net cash (used in) provided by financing activities	<u>(93,613)</u>	<u>(99,409)</u>
Net increase (decrease) in cash	1,864,937	33,260
Cash - beginning of year	<u>266,824</u>	<u>233,564</u>
Cash - end of year	<u>\$ 2,131,761</u>	<u>\$ 266,824</u>
Supplemental cash flow information - cash paid for		
Excise taxes	\$ 160,008	\$ 400,000
Interest	14,892	17,591
Supplemental cash flow information – non-cash activity		
Right of use asset	833,411	-
Lease liability	833,411	-

See notes to financial statements.

FREY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Frey Foundation (the "Foundation") is a private family foundation that fosters positive change in west and northern Michigan through strong community partnerships and strategic philanthropic investments.

Concentration of Credit Risk: The Foundation maintains its primary cash balances at one bank where deposit accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The maximum amount at risk is the excess of the deposit liabilities reported by the banks over the amounts that would have been covered by federal insurance. As of December 31, 2022 the Foundation had bank balances in excess of this amount. As of December 31, 2021 the Foundation's deposits were fully insured.

Investments: Investments in equity securities, mutual funds, and index funds are stated at current quoted market values. Unrealized gains or losses resulting from changes in the market value of investments and realized gains and losses on the sale of investments are included in the statements of activities. Investments in limited partnerships (private equity and venture capital funds, real estate, hedge funds, and other limited partnerships), which are not readily marketable, are carried at estimated fair values (net asset value) as provided by the various investment managers, adjusted for additional investments into the partnerships or withdrawals from the partnerships. The Foundation reviews and evaluates the values provided by the investment managers and agrees with the valuation methods used and significant assumptions used in determining fair value. Those estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

Other Assets: Other assets are composed of pieces of art for public and private viewing and are recorded at cost.

Furniture, Equipment, and Leasehold Improvements: Expenditures for the purchase of furniture, equipment, and leasehold improvements are capitalized and depreciated over their estimated useful lives (3 to 10 years) on a straight-line basis.

Right of Use ("ROU") Assets: ROU lease assets represent the Foundation's right to use the underlying assets in a lease agreement for the lease term, and the lease liabilities represent the net present value of the Foundation's obligation to make payments arising from leases. The lease liabilities are based on the present value of fixed lease payments over the lease term, discounted using a risk-free rate for a similar period on the lease commencement date. If the lease includes one or more options to extend the term of the lease, the renewal option is considered in the lease term if it is reasonably certain the Foundation will exercise the options. Operating lease expense is recognized on a straight-line basis over the term of the lease. As permitted by ASC 842, leases with an initial term of twelve months or less ("short-term leases") are not recorded on the accompanying statements of financial position. ROU lease assets are amortized over the shorter of their useful life or the lease term.

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions 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 of trustees and management.

Income Taxes: The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC). However, the Foundation is subject to federal and state unrelated business income tax on certain investments and an excise tax imposed on private foundations, which is assessed on net investment income at a rate of 1.39%.

(Continued)

FREY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Plan: The Foundation has a 401(k) plan that covers substantially all of its employees. The plan obligates the Foundation to contribute 5 percent of base compensation paid regardless of employee participation. In addition, the Foundation matches 3.5 percent above the 5 percent base. Contributions to the plan for the years ended December 31, 2022 and 2021 were \$62,650 and \$66,072, respectively.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties: The Foundation invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet.

Functional Allocation of Expenses: Costs of providing the program and support services have been reported on a functional basis in the statements of activities. Costs have been allocated between the various program and support primarily based on time and effort. Indirect costs, such as occupancy, supplies, and other, are allocated based on the percentage of employees in the related department. All other costs are charged directly to the functional area based on actual purpose. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Recently Adopted Accounting Guidance: In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, "Leases" (Topic 842). Under the standard, an entity is required to recognize lease assets and lease liabilities on the statements of financial position. The Foundation applied this ASU for the year ended December 31, 2022 using the modified retrospective method. The ASU also requires additional disclosure, both quantitative and qualitative, including pertinent information about the leasing arrangement, and the amount, timing, and uncertainty of cash flows arising from leases. The Foundation elected the exemption of short-term leases that are 12 months or less in addition to certain practical expedients permitted under the transition guidance. As a result of implementation, a right-to-use asset and lease liability of \$833,411 were reported as of January 1, 2022. There was no impact on net assets or change in net assets.

Reclassification: Certain prior year balances have been reclassified to conform to current year presentation. The reclassifications had no effect on the change in net assets or total net assets.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2022, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2022. Management has performed their analysis through August 8, 2023, the date the financial statements were available to be issued.

(Continued)

FREY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 3 – LIQUIDITY

The Foundation’s financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,131,761	\$ 266,824
Investments	127,398,390	171,006,591
Accrued interest on investments	<u>23,330</u>	<u>951,353</u>
Total financial assets	129,553,481	172,224,768
Less amounts not available for general expenditure within one year:		
Investments	<u>(96,696,577)</u>	<u>(103,055,524)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 32,856,904</u>	<u>\$ 69,169,244</u>

The Foundation has a goal to maintain financial assets, which consist of cash and liquid investments, on hand to meet its annual distribution requirements of approximately 5 percent plus general operating expenditures. The annual distributions (grants), related expenses, and general expenditures totaled approximately \$7,400,000 and \$9,600,000 at December 31, 2022 and 2021, respectively. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and grant obligations come due. In addition, as part of its liquidity management, the Foundation invests cash in excess of daily requirements in short-term treasury instruments.

NOTE 4 - INVESTMENTS

Investments consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Global equity funds	\$ 78,281,367	\$ 114,651,018
Hedge funds	15,091,547	17,693,349
Fixed-income funds	9,368,720	9,995,339
Money market mutual funds and Investment redemptions in transit	401,034	8,897,122
Limited partnerships	<u>24,255,722</u>	<u>19,769,763</u>
Total	<u>\$ 127,398,390</u>	<u>\$ 171,006,591</u>

Net realized gains on the sale of investments were \$8,315,361 and \$24,421,329 for the years ended December 31, 2022 and 2021, respectively, and are included in the statements of activities.

(Continued)

FREY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 4 – INVESTMENTS (Continued)

At December 31, 2022 and 2021, total investment income consisted of the following:

	<u>2022</u>	<u>2021</u>
Investment income (loss):		
Interest income	\$ 7,125	\$ 41,836
Dividend income	1,925,967	3,771,022
Other investment (loss) income	4,087	(53,604)
Investment expenses:		
Investment management fees	(4,754)	(995,229)
Investment consultant	(250,000)	(220,000)
Contract and professional fees	(21,000)	(21,000)
Other investment expenses	(7,172)	(4,214)
Custodial fees	-	(3,290)
	<u> </u>	<u> </u>
Total	<u>\$ 1,654,253</u>	<u>\$ 2,515,521</u>

NOTE 5 - GRANTS PAYABLE

As of December 31, 2022, the Board of Trustees has authorized certain grants to be paid in future periods. Total commitments are payable as follows:

<u>Years Ending</u>	<u>Amount</u>
2023	\$ 351,750
2024	679,000
2025	<u>48,000</u>
Total	<u>\$ 1,078,750</u>

The Board of Trustees has also approved various grants subject to conditions to be met by the grantees. These conditional grants are excluded from grants payable and grant expense until the conditions are met. Short- and long-term conditional grants totaled \$455,000 and \$540,000, respectively, at December 31, 2022 and \$920,000 and \$1,330,000, respectively, at December 31, 2021.

NOTE 6 - DISTRIBUTION REQUIREMENTS

Certain Internal Revenue Service (IRS) provisions require that the Foundation make cash distributions (defined as grants and related grant-making expenses) in prescribed minimum amounts each year based upon the operations of the preceding year. The Foundation distributed amounts exceeding the minimum requirements in 2022 and 2021. The Foundation is required to distribute approximately \$7,125,000 in 2023 to meet the minimum requirements.

(Continued)

FREY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 - LONG-TERM DEBT

Long-term debt at December 31 is as follows:

	<u>2022</u>	<u>2021</u>
Note payable to a bank in monthly installments of \$9,750, including interest at 2.75 percent. The note is due on April 30, 2027	\$ <u>483,316</u>	\$ <u>576,929</u>

The balance of the above debt matures as follows:

<u>Years Ending</u>	<u>Amount</u>
2023	\$ 105,267
2024	107,951
2025	110,957
2026	114,047
2027	<u>45,094</u>
Total	<u>\$ 483,316</u>

Interest expense for 2022 and 2021 was \$14,892 and \$17,591, respectively.

NOTE 8 - LEASES

The Foundation leases its office space under a lease agreement that was amended in 2020 and expires in December 2025 with an option to extend the lease for an additional 5 year term through December 2030. The lease agreement requires monthly payments exclusive of inflation adjustments, as required by the agreement. The Foundation also leases office equipment under lease agreements that expire at various dates in 2023 and 2024. Lease expense for 2022 and 2021 was \$94,332 and \$88,812, respectively.

The Foundation has recognized a right of use asset of \$742,079, and a lease liability of \$751,124 on the statement of financial position as of December 31, 2022. The Foundation utilized a risk-free rate (U.S. Treasury) for a similar period at the lease inception of 0.36% to determine the net present value of the applicable lease liability.

Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2023	\$ 87,419
2024	89,604
2025	91,844
2026	94,140
2027	96,494
2028	98,906
2029	101,379
2030	<u>103,913</u>
	763,699
Present value discount	<u>(12,575)</u>
Total	<u>\$ 751,124</u>

(Continued)

NOTE 9 - FOUNDATION-ADMINISTERED PROGRAMS

From time to time, the Foundation initiates projects that are managed internally and are 100 percent charitable in nature. Through such projects, the Foundation defines grant-making focus areas, publishes reports on social issues related to grant-making areas, and supports civic problem-solving initiatives with government, business, and nonprofit sectors. Grants disbursed for these projects totaled \$490,000 and \$585,000 for the years ended December 31, 2022 and 2021, respectively. Costs associated with the projects, including expenditures for outside consultants, as well as other related fees that are directly related to the projects, were \$21,281 and \$4,292 for 2022 and 2021, respectively, and were recorded within program services on the statements of activities.

NOTE 10 - FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at December 31, 2022 and 2021 and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

FREY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 10 - FAIR VALUE MEASUREMENTS (Continued)

<u>Assets Measured at Fair Value on a Recurring Basis at December 31, 2022</u>					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	At Net Asset Value (Not Leveled)	Balance at December 31, 2022
Global equity funds:					
Large cap equity	\$ 14,164,873	\$ -	\$ -	\$ 16,647,207	\$ 30,812,079
Small/mid cap equity	3,101,314	-	-	6,470,069	9,571,384
International developed	-	-	-	27,474,687	27,474,687
Emerging markets	3,665,872	-	-	6,757,345	10,423,217
Core fixed income	9,368,720	-	-	-	9,368,720
Money market mutual funds	401,034	-	-	-	401,034
Limited partnerships – private equity	-	-	-	16,040,100	16,040,100
Limited partnerships – private credit	-	-	-	8,215,622	8,215,622
Hedge funds	-	-	-	15,091,547	15,091,547
Total	<u>\$ 30,701,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,696,577</u>	<u>\$ 127,398,390</u>

<u>Assets Measured at Fair Value on a Recurring Basis at December 31, 2021</u>					
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	At Net Asset Value (Not Leveled)	Balance at December 31, 2021
Global equity funds:					
Large cap equity	\$ 40,132,330	\$ -	\$ -	\$ 11,519,818	\$ 51,652,148
Small/mid cap equity	4,402,063	-	-	9,134,617	13,536,680
International developed	-	-	-	35,215,412	35,215,412
Emerging markets	4,524,213	-	-	9,722,565	14,246,778
Core fixed income	9,995,339	-	-	-	9,995,339
Money market mutual funds	8,897,122	-	-	-	8,897,122
Limited partnerships – private equity	-	-	-	15,257,539	15,257,539
Limited partnerships - private credit	-	-	-	4,512,224	4,512,224
Hedge funds	-	-	-	17,693,349	17,693,349
Total	<u>\$ 67,951,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,055,524</u>	<u>\$ 171,006,591</u>

Investments in Entities that Calculate Net Asset Value per Share

The Foundation holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

(Continued)

FREY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 10 - FAIR VALUE MEASUREMENTS (Continued)

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Investments Held at December 31, 2022			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Private equity limited partnerships	\$ 16,040,100	\$ 5,816,000	Not eligible	Not eligible
Private credit limited partnerships	8,215,621	7,462,000	Not eligible	Not eligible
Global equities – fund of funds and limited partnerships	57,349,308	-	Monthly - Annually	30 to 120 days
Hedged equity funds	<u>15,091,548</u>	<u>-</u>	Quarterly - 24 months	45 to 90 days
Total	<u>\$ 96,696,577</u>	<u>\$ 13,278,000</u>		

	Investments Held at December 31, 2021			
	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Private equity limited partnerships	\$ 15,257,539	\$ 7,757,000	Not eligible	Not eligible
Private credit limited partnerships	4,512,224	9,499,000	Not eligible	Not eligible
Global equities - fund of funds and limited partnerships	65,592,412	-	Monthly - Annually	30 to 120 days
Hedged equity funds	<u>17,693,349</u>	<u>-</u>	Quarterly - 24 months	45 to 90 days
Total	<u>\$ 103,055,524</u>	<u>\$ 17,256,000</u>		

Private equity - Private equity includes strategies such as buyout, growth equity, venture capital, secondaries, and natural resources that invest capital through limited partnerships that call capital at the manager's discretion and return capital over approximately 10+ year periods.

Private credit - Private credit includes strategies such as distressed debt and private credit lending that seek to achieve returns meaningfully above liquid fixed income in exchange for limited liquidity throughout a fund's life. These strategies may also include hard asset lending, securitized credit, and real estate-backed debt.

Global equities - Global equities include funds holding common stock domiciled in both the U.S. and internationally across all market capitalizations and global sectors.

Hedge funds - Hedge funds include long/short hedged managers that seek to own equities long and borrow them short in order to generate outsized returns and/or mitigate equity market volatility. This category will include managers that can also invest across both public and private markets.