



Grand Victoria Foundation

Financial Statements
Years Ended December 31, 2021 and 2020

Grand Victoria Foundation

Financial Statements
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Grand Victoria Foundation

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Independent Auditor's Report

The Board of Directors
Grand Victoria Foundation
Chicago, Illinois

Opinion

We have audited the financial statements of Grand Victoria Foundation (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, the related statements of activities and changes in net assets, 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.

BDO USA, LLP

July 1, 2022

Financial Statements

Grand Victoria Foundation
Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Cash and cash equivalents	\$ 158,026	\$ 273,102
Contribution receivable - Elgin Riverboat Resort (Note 1)	8,983,177	3,243,505
Prepaid expenses	16,990	26,774
Investments (Note 3)	157,812,934	148,400,002
Equipment and leasehold improvements, net of accumulated depreciation of \$650,963 and \$648,035, respectively	13,988	6,917
Right of use asset (Note 6)	148,908	-
Total Assets	\$ 167,134,023	\$ 151,950,300
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 204,743	\$ 165,510
Grants payable	1,795,000	1,692,500
Deferred federal excise tax (Note 4)	554,897	526,180
Lease liability (Note 6)	195,925	-
Deferred rent expense	-	54,228
Total Liabilities	2,750,565	2,438,418
Net Assets		
Net assets without donor restrictions:		
Undesignated	164,383,458	149,351,594
Board-designated grant commitments (Note 5)	-	160,288
Total Net Assets	164,383,458	149,511,882
Total Liabilities and Net Assets	\$ 167,134,023	\$ 151,950,300

See accompanying notes to financial statements.

Grand Victoria Foundation

Statements of Activities and Changes in Net Assets

<i>Year ended December 31,</i>	2021	2020
Revenue		
Contribution from Elgin Riverboat Resort	\$ 8,983,177	\$ 3,243,505
Interest and dividends	3,168,669	3,679,339
Net investment return	9,884,613	229,504
Total Revenue	22,036,459	7,152,348
Expenses		
Program	8,216,700	8,688,491
Management and general	880,543	803,465
Total Expenses	9,097,243	9,491,956
Change in Net Assets, before other items	12,939,216	(2,339,608)
Unrealized Gain on Investments	1,961,077	13,042,308
Deferred Federal Excise Tax Expense	(28,717)	(29,932)
Change in Net Assets	14,871,576	10,672,768
Net Assets, beginning of year	149,511,882	138,839,114
Net Assets, end of year	\$ 164,383,458	\$ 149,511,882

See accompanying notes to financial statements.

Grand Victoria Foundation
Statement of Functional Expenses

Year ended December 31, 2021

	Program	Management and General	Total
Salaries	\$ 874,030	\$ 237,262	\$ 1,111,292
Employee benefits	169,847	53,467	223,314
Payroll taxes	61,971	15,555	77,526
Community outreach	3,764	-	3,764
Current federal excise tax expense	-	180,306	180,306
Depreciation	2,393	536	2,929
Equipment, including service and maintenance	69,382	15,549	84,931
Grant expense	6,580,940	-	6,580,940
Information technology/website	23,897	5,356	29,253
Insurance	14,736	10,848	25,584
Meetings hosted	5,976	-	5,976
Office supplies and expenses	5,487	6,522	12,009
Professional development	15,195	2,859	18,054
Professional fees	211,443	304,561	516,004
Professional memberships	15,258	-	15,258
Rent and utilities	161,402	36,172	197,574
Recruiting	-	11,550	11,550
Travel and entertainment	979	-	979
Total Functional Expenses	\$ 8,216,700	\$ 880,543	\$ 9,097,243

See accompanying notes to financial statements.

Grand Victoria Foundation
Statement of Functional Expenses

Year ended December 31, 2020

	Program	Management and General	Total
Salaries	\$ 679,189	\$ 220,279	\$ 899,468
Employee benefits	126,803	56,366	183,169
Payroll taxes	47,124	14,048	61,172
Community outreach	121	-	121
Current federal excise tax expense	-	85,789	85,789
Depreciation	9,308	2,871	12,179
Equipment, including service and maintenance	65,146	20,095	85,241
Grant expense	7,287,036	-	7,287,036
Information technology/website	16,952	5,229	22,181
Insurance	12,458	11,388	23,846
Meetings hosted	31,439	-	31,439
Office supplies and expenses	2,985	9,646	12,631
Professional development	9,026	1,618	10,644
Professional fees	230,326	277,699	508,025
Professional memberships	19,689	-	19,689
Rent and utilities	147,656	45,547	193,203
Recruiting	-	52,890	52,890
Travel and entertainment	3,233	-	3,233
Total Functional Expenses	\$ 8,688,491	\$ 803,465	\$ 9,491,956

See accompanying notes to financial statements.

Grand Victoria Foundation

Statements of Cash Flows

<i>Year ended December 31,</i>	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 14,871,576	\$ 10,672,768
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Deferred federal excise tax	28,717	29,932
Depreciation	2,929	12,179
Amortization on right of use asset	47,017	-
Gain on investments, net	(11,855,491)	(13,281,812)
Deferred rent expense	(54,228)	(5,238)
Changes in operating assets and liabilities:		
Contribution receivable	(5,739,672)	3,768,530
Prepaid expenses	9,784	4,392
Accounts payable and accrued expenses	39,233	39,489
Grants payable	102,500	(86,936)
Net Cash (Used in) Provided by Operating Activities	(2,547,635)	1,153,304
Cash Flows from Investing Activities		
Purchases of investments	(27,144,521)	(10,413,888)
Proceeds from sales of investments	29,587,080	8,395,154
Purchases of equipment and leasehold improvements	(10,000)	-
Net Cash Provided by (Used in) Investing Activities	2,432,559	(2,018,734)
Decrease in Cash and Cash Equivalents	(115,076)	(865,430)
Cash and Cash Equivalents, beginning of year	273,102	1,138,532
Cash and Cash Equivalents, end of year	\$ 158,026	\$ 273,102
Supplemental Disclosure of Cash Flow Activities		
Cash paid for income taxes	\$ 180,306	\$ 85,789

See accompanying notes to financial statements.

Grand Victoria Foundation

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

Grand Victoria Foundation (the Foundation) is a private charitable foundation sponsored by the Elgin Riverboat Resort, which operates the Grand Victoria Casino. The Foundation primarily supports efforts and projects for the general benefit and welfare of the City of Elgin, and the State of Illinois, with a primary focus on programs related to education, environmental matters, and economic and community development.

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents consists of interest-bearing investments with original maturities of three months or less. These investments are reflected at fair value.

Investment Valuation

Unless otherwise noted below, the investments of the Foundation are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price).

Mutual Funds - Mutual funds represent investments with various investment managers. The fair values of these investments are determined by reference to the fund's underlying assets, which are principally marketable equity and fixed-income securities. Shares held in mutual funds that trade on national securities exchanges are valued at the net asset value (NAV) and are classified within Level 1 of the valuation hierarchy.

Real Estate Investment Trust - Interest in Real Estate Investment Trusts (REITs) are valued on the basis of the Foundation's equity in the net assets of such investments. Values for these investments, which may include investments in both nonmarketable and market-traded securities, are provided by the REIT and may be based on appraisals, market values discounted for concentration of ownership, or other estimates. Because of inherent uncertainty of valuing the investments in such REITs, the Foundation's estimate of fair value may differ significantly from the values that would have been used had a ready market for the investments existed. The financial statements of the Foundations REIT investments are audited annually by an independent public accounting firm. These investments are classified within Level 2 of the valuation hierarchy.

Grand Victoria Foundation

Notes to Financial Statements

Money Market Funds - Money market funds are valued using the amortized cost method, which approximates their fair value. These investments are classified within Level 1 of the valuation hierarchy.

Common Trust Funds - Common Trust Funds are valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV's unit price is quoted on a private market that is not active; however, the unit price is based on underlying investments that are traded on an active market.

Contribution Receivable

Elgin Riverboat Resort has agreed to contribute to the Foundation 12.5% of its annual net operating income (as defined). The contributions are to be made no later than 120 days after the end of Elgin Riverboat Resort's fiscal year (which is also a calendar year) and are without donor restrictions.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful life of the respective asset (three to ten years). Depreciation of leasehold improvements is computed using the straight-line method over the shorter of the useful life of the property being amortized or the term of the lease.

Grants Payable

Grants specifically committed to designated grantees but not yet paid are accrued as grants payable.

Net Assets

The net assets of the Foundation are classified as follows:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent the portion of expendable net assets that are available for operations and those designated for specific purposes by action of the Board of Directors.

Net Assets with Donor Restrictions - Net assets with donor restrictions represent the portion of net assets that are subject to donor-imposed restrictions related to a time restraint or for a specific use. The Foundation has no assets with donor restrictions as of December 31, 2021 and 2020.

Some assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Foundation to expend the income generated by the assets in accordance with the provisions of additional donor restrictions and the release of restrictions, respectively. The Foundation has no assets that are perpetual in nature as of December 31, 2021 and 2020.

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Notes to Financial Statements

Revenue Recognition

The Foundation recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers (Topic 606)*.

Contributions

Contributions are recognized at a point in time when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions. When a 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 and changes in net assets as net assets released from restrictions.

Investment Income

Realized and unrealized gains and losses from changes in market values are reflected in the statements of activities and changes in net assets as net investment return. Investment sales and purchases are recorded on a trade-date basis, which results in both investment receivables and payables on unsettled investment trades. Dividend income is recorded based upon the ex-dividend date, and interest income is recorded as earned on an accrual basis. Income from investment activity is not within the scope of Topic 606.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. However, as a private charitable foundation, it is subject to a federal excise tax based on net investment income. Deferred federal excise tax expense represents taxes provided on the net unrealized appreciation on investments, using a rate of 1.39% for both 2021 and 2020. The Foundation is still open to examination by U.S. tax authorities from tax years 2016 through the most current filing.

The Foundation recognizes any corresponding interest or penalties associated with its income tax position in income tax expense. There were no corresponding interest or penalties incurred for 2021 or 2020.

Fair Value of Financial Instruments

The fair values of cash and cash equivalents, contribution receivables, accounts payable, and accrued expenses approximate carrying amounts because of the immediate or short-term maturity of these instruments.

Accounting Pronouncements Adopted During the Period

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. ASU 2016-02 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating affecting the pattern of expense recognition in the income

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Notes to Financial Statements

statement. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. The Organization adopted the standard as of January 1, 2021.

Recently Issued Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a nonprofit to present contributed nonfinancial assets as a separate line item in the statements of activities and changes in net assets, apart from contributions of cash and other financial assets, and to disclose contributed nonfinancial assets recognized within the statements of activities and changes in net assets disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized to include the following: qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, disclose a description of the programs or other activities in which those assets were used), the Foundation's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, a description of any donor-imposed restrictions associated with the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition, and the principal market used to arrive at a fair value measure if it is a market in which the recipient organization is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and is effective for annual periods beginning after December 15, 2021, and interim periods within annual periods beginning after December 15, 2022; early adoption permitted. Management is currently evaluating the impact of these ASUs on their financial statements.

Subsequent Events

In accordance with ASC 855-10, *Subsequent Events*, the Foundation evaluated subsequent events through July 1, 2022, which is the date the accompanying financial statements were available to be issued. No material subsequent events have occurred through that date which required recognition or disclosure in these financial statements.

2. Concentration of Credit Risk

The Foundation maintains its primarily non-interest-bearing cash in bank deposit accounts that may, at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

3. Investments

The Foundation uses the framework for measuring fair value that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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Notes to Financial Statements

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity of the asset and liability and the reporting entity makes estimates and assumptions relating to the pricing of the asset or liability, including assumptions regarding risk.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There were no changes to valuation methodologies during the years ended December 31, 2021 and 2020.

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Fair values of assets measured on a recurring basis were as follows:

December 31, 2021

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Large Blend fund	\$ 50,290,606	\$ 50,290,606	\$ -	\$ -
Foreign Large Blend fund	30,659,659	30,659,659	-	-
Intermediate - Term Bond funds	44,326,262	44,326,262	-	-
Bank Loan fund	14,077,387	14,077,387	-	-
Real Estate Investment Trust	15,892,040	-	15,892,040	-
Money market fund:				
Government portfolio fund	2,566,980	2,566,980	-	-
Total, in the fair value hierarchy	\$ 157,812,934	\$ 141,920,894	\$ 15,892,040	\$ -

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Notes to Financial Statements

December 31, 2020

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Large Blend fund	\$ 51,934,593	\$ 51,934,593	\$ -	\$ -
Foreign Large Blend fund	32,555,450	32,555,450	-	-
Intermediate - Term Bond funds	36,250,548	36,250,548	-	-
Bank Loan fund	13,496,156	13,496,156	-	-
Money market fund:				
Government portfolio fund	2,189,879	2,189,879	-	-
Total, in the fair value hierarchy	136,426,626	\$ 136,426,625	\$ -	\$ -
Common trust funds:				
Government/credit index strategy*	11,973,376			
	\$ 148,400,002			

* The investments, which are measured at fair value using the NAV per share (or its equivalent practical expedient), have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the statements of financial position. There were no unfunded commitments, or liquidity or redemption restrictions related to these investments.

Investments consist of the following:

December 31,	2021		2020	
	Cost	Market Value	Cost	Market Value
Mutual funds:				
Large Blend fund	\$ 19,262,724	\$ 50,290,606	\$ 22,695,475	\$ 51,934,593
Foreign Large Blend fund	23,946,827	30,659,659	26,084,458	32,555,450
Intermediate - Term Bond funds	44,255,892	44,326,262	37,737,995	36,250,548
Bank Loan fund	14,515,787	14,077,387	14,058,392	13,496,156
Real Estate fund	14,643,003	15,892,040	-	-
	116,624,233	155,245,954	100,576,320	134,236,747
Money market fund:				
Government portfolio fund	2,566,980	2,566,980	2,189,878	2,189,879
Common trust funds:				
Government/credit index strategy	-	-	10,894,627	11,973,376
	\$ 119,191,213	\$ 157,812,934	\$ 113,660,825	\$ 148,400,002

Grand Victoria Foundation

Notes to Financial Statements

4. Federal Excise Taxes

The Foundation accounts for federal excise taxes in accordance with U.S. GAAP, where deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Differences in the valuation of investments for excise tax and financial reporting purposes, due primarily to unrealized gains and losses on investments, result in deferred excise tax assets or liabilities. Using an estimated rate of 1.39%, the deferred excise tax liability at December 31, 2021 and 2020 was \$554,897 and \$526,180, respectively.

5. Net Assets

Net Assets Without Donor Restrictions

Net assets without donor restrictions consists of the following:

<i>December 31,</i>	2021	2020
Undesignated	\$ 164,383,458	\$ 149,351,594
Board-designated grant commitments	-	160,288
Total Net Assets	\$ 164,383,458	\$ 149,511,882

As of December 31, 2021 there was no contingent grants and as of 2020, the Foundation approved \$160,288, of grants for which the contingencies in the grants had not been met and, therefore, the liability and expenditures have not been recognized in the financial statements. Upon satisfaction of the contingencies by the recipients, the Foundation will make the grant payments and will recognize the expenditures. These contingent grants are considered by the Foundation to be without donor restriction Board-designated grant commitments.

6. Lease Commitments

The Foundation occupies its Chicago office under a lease that expires June 30, 2023. The Foundation also has an office lease for the Elgin location that expires September 30, 2023. The leases provide for monthly base rents ranging from \$3,157 to \$7,315.

The Foundation determines if an arrangement is a lease at inception of the arrangement. To the extent that it can be determined that an arrangement represents a lease, it is classified as either an operating lease or a finance lease. The Foundation does not currently have any finance leases. For leases with terms greater than 12 months, the Foundation records the related right-of-use assets and right-of-use obligations at the present value of lease payments over the term. The Foundation uses the risk-free treasury rate to discount the lease payments at lease commencement. ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease.

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Notes to Financial Statements

Lease expense for operating leases is recognized on a straight-line basis over the lease term. Lease expense for the for the years ended December 31, 2021 and 2020 was \$191,529 and \$185,940, respectively, and is included in rent and utilities expenses in the statement of functional expenses.

December 31, 2021

ROU assets	\$	909,122
Less: accumulated amortization		(760,214)
Total ROU Assets	\$	148,908

Operating lease obligations related to ROU assets are summarized below:

December 31, 2021

Total operating lease liabilities	\$	909,122
Reduction of lease liabilities		(713,197)
Operating Lease Liabilities	\$	195,925

Other information:

December 31, 2021

Weighted average remaining lease term (in years)	1.5
Weighted average discount rate	1%

Approximate future minimum rental payments at December 31, 2021, under the non-cancelable leases are as follows:

Year ending December 31,

2022	\$	124,671
2023		72,254
Total Future Minimum Lease Payments		196,925
Less: imputed interest		(1,000)
Present Value of Operating Lease Obligations	\$	195,925

7. 401(k) Profit-Sharing Plan

The Foundation has a 401(k) Profit-Sharing Plan that allows employees to contribute up to 100% of their annual compensation to the plan, subject to IRS limitations. The Foundation matches participant deferrals at a rate of 50% of up to 4% of the employees' annual compensation, a net potential employer match of 2% of annual compensation. The Foundation also makes a discretionary contribution to employees based on salary and length of service. For the years ended December 31, 2021 and 2020, the discretionary contribution 8% of each eligible employee's annual compensation. The Foundation's matching contributions were approximately \$16,400 and \$11,300, respectively, for the years ended December 31, 2021 and 2020 and its discretionary contribution approximated \$87,700 and \$54,600, respectively. The discretionary contribution is included in accounts payable and accrued expenses on the statements of financial position.

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Notes to Financial Statements

8. Liquidity and Availability of Resources

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

<i>December 31,</i>	2021	2020
Cash and cash equivalents	\$ 158,026	\$ 273,102
Contribution receivable - Elgin Riverboat Resort	8,983,177	3,243,505
Investments	157,812,934	148,400,002
Total Financial Assets Available Within One Year	166,954,137	151,916,609
Less: amounts unavailable for general expenditures within one year due to:		
Board-designated grant commitments	-	(160,288)
Total Amounts Unavailable for General Expenditures Within One Year	-	(160,288)
Total Financial Assets Available to Management for General Expenditures Within One Year	\$ 166,954,137	\$ 151,756,321

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Investments are included in the table above, as these assets are available to be used should the Foundation deem necessary; however, the investments are not expected to be used within one year.

9. Risks and Uncertainties

COVID-19 and CARES Act

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

For the year ended December 31, 2020, the Foundation has experienced an unfavorable financial impact as a result of the COVID-19 outbreak, due largely to the significant decrease in contribution revenue from the Elgin Riverboat Resort in fiscal year 2020. The contribution decreased as a result of the state mandate requiring the casino to be closed during certain periods from March 2020 to mid-January 2021, and certain budgeted grant expenses were used to grant rapid response funds to organizations impacted by the pandemic. For the year ended December 31, 2021, the state mandate was lifted and the Foundation's contribution from the casino increased. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic may have on the Foundation's industry, financial condition, liquidity, and future results that the pandemic may have on the Foundation's industry, financial condition, liquidity, and future results of operations. Although the Foundation cannot estimate the length or gravity of the COVID-19 outbreak at this time, the Foundation continues to actively monitor any impacts that the COVID-19 outbreak may have on its business.