To the Board of Trustees
The Gerber Foundation
Fremont, Michigan

We have audited the financial statements of The Gerber Foundation for the year ended December 31, 2020, and have issued our report thereon dated June 28, 2021. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you during a conversation held with management and members of the board of trustees on June 28, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 31, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested. Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

We performed the audit according to the planned scope and timing as previously communicated to management.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Gerber Foundation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. We noted no significant transactions in the financial statements in a different period than when the transaction occurred.
Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management’s estimate of the reasonableness of fair values of certain alternative investments is based on valuations provided by general partner or fund managers. Alternative investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Management is aware that changes in the values of alternative investments could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

We noted no other sensitive estimates affecting the financial statements for the year ended December 31, 2020.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. Footnote 8 with regard to the coronavirus (COVID-19) pandemic and the uncertainty of the financial impact to the Foundation.

The financial statement disclosures are neutral, consistent, and clear.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes the adjusted misstatements of the financial statements. Management has corrected these misstatements. The misstatements detected were not the result of a material weakness or significant deficiency.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated June 28, 2021.
Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to The Gerber Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as The Gerber Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Trustees and management of The Gerber Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

[Signature]

June 28, 2021
Grand Rapids, Michigan
<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
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<td>99920</td>
<td>Market Activity</td>
<td></td>
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<tr>
<td>113</td>
<td>Gerber Foundation - Alternatives</td>
<td></td>
<td></td>
<td>36,654,000.00</td>
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<tr>
<td>113.3</td>
<td>Partnership Basis Adjustment</td>
<td></td>
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<td>4,754,248.00</td>
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<td>117</td>
<td>Fixed Income Fund</td>
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<tr>
<td>118</td>
<td>Equity Fund</td>
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<td></td>
<td>17,105,200.00</td>
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<td>300.1</td>
<td>Partnership Distributions</td>
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<tr>
<td>99910</td>
<td>Beginning Fund Bal. MV</td>
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<td></td>
<td>319,442.00</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>65,126,553.00</td>
<td>319,442.00</td>
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</table>

<table>
<thead>
<tr>
<th>Account</th>
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<td>J.02</td>
<td><strong>Software</strong></td>
<td></td>
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</tr>
<tr>
<td>96645</td>
<td>Depreciation Expense</td>
<td></td>
<td>514.00</td>
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<td>J.03</td>
<td><strong>Accumulated Depr. Fum/Equip</strong></td>
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<td>514.00</td>
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<tr>
<td>141</td>
<td>Accumulated Amortization</td>
<td></td>
<td></td>
<td>13,579.00</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>14,093.00</td>
<td>14,093.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
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<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>K.20</td>
<td><strong>Gerber Foundation - Alternatives</strong></td>
<td></td>
<td>3,247,062.00</td>
<td></td>
</tr>
<tr>
<td>99900</td>
<td><strong>Equity Fund</strong></td>
<td></td>
<td></td>
<td>190,726.00</td>
</tr>
<tr>
<td>99920</td>
<td>Market Activity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>3,437,788.00</td>
<td>3,437,788.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>W/P Ref</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaids</td>
<td></td>
<td></td>
<td>2,075.00</td>
<td>2,075.00</td>
</tr>
</tbody>
</table>

**NET INCOME (LOSS) - after above adjustments are made**

|                |                |         | 6,342,183 |
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITORS' REPORT</td>
<td>1</td>
</tr>
<tr>
<td>FINANCIAL STATEMENTS - MODIFIED CASH BASIS</td>
<td>3</td>
</tr>
<tr>
<td>STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS</td>
<td>4</td>
</tr>
<tr>
<td>STATEMENTS OF REVENUE, EXPENSES, AND OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS</td>
<td>5</td>
</tr>
<tr>
<td>STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS</td>
<td>6</td>
</tr>
<tr>
<td>NOTES TO FINANCIAL STATEMENTS</td>
<td>7</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Gerber Foundation
Fremont, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of The Gerber Foundation, which comprise the statements of assets, liabilities, and net assets – modified cash basis as of December 31, 2020 and 2019, and the related statements of revenues, expenses, and other changes in net assets – modified cash basis and cash flows – modified cash basis for the years then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Gerber Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended on the modified cash basis of accounting as described in Note 1.

Basis of Accounting

Note 1 of the financial statements describes the basis of accounting. The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to that matter.

Emphasis

As described in Note 3 to the financial statements, the financial statements include investments valued at $54,148,830 (66.33% of net assets) at December 31, 2020 whose fair values have been estimated by management in the absence of readily determinable fair values. Management estimates are based on information provided by the fund managers. Our opinion is not modified with respect to that matter.

June 28, 2021
Grand Rapids, Michigan

BeeneGarter LLP
THE GERBER FOUNDATION

STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS

December 31, 2020 and 2019

<table>
<thead>
<tr>
<th>Assets</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 117,661</td>
<td>$ 277,227</td>
</tr>
<tr>
<td>Investments at fair value</td>
<td>81,517,420</td>
<td>75,002,173</td>
</tr>
<tr>
<td>Office equipment and software</td>
<td>88,848</td>
<td>88,848</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(88,657)</td>
<td>(74,564)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 81,635,272</td>
<td>$ 75,293,684</td>
</tr>
</tbody>
</table>

LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts withheld from employees</td>
<td>$ 2,332</td>
<td>$ 2,927</td>
</tr>
<tr>
<td>Net Assets Without Donor Restrictions</td>
<td>81,632,940</td>
<td>75,290,757</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND NET ASSETS</td>
<td>$ 81,635,272</td>
<td>$ 75,293,684</td>
</tr>
</tbody>
</table>

See accompanying notes
THE GERBER FOUNDATION

STATEMENTS OF REVENUE, EXPENSES, AND OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS

Years Ended December 31, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends on investments</td>
<td>$ 60,082</td>
<td>$ 173,945</td>
</tr>
<tr>
<td>Net gain on investments</td>
<td>9,306,057</td>
<td>9,570,900</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>9,366,139</td>
<td>9,744,845</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>2,980,143</td>
<td>4,012,138</td>
</tr>
<tr>
<td>Support services</td>
<td></td>
<td></td>
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<tr>
<td>Administrative</td>
<td>43,813</td>
<td>137,106</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td>3,023,956</td>
<td>4,149,244</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</strong></td>
<td>6,342,183</td>
<td>5,595,601</td>
</tr>
<tr>
<td>Net Assets Without Donor Restrictions at Beginning of Year</td>
<td>75,290,757</td>
<td>69,695,156</td>
</tr>
<tr>
<td><strong>NET ASSETS WITHOUT DONOR RESTRICTIONS AT END OF YEAR</strong></td>
<td>$ 81,632,940</td>
<td>$ 75,290,757</td>
</tr>
</tbody>
</table>

See accompanying notes
THE GERBER FOUNDATION

STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS

Years Ended December 31, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets without donor restrictions</td>
<td>$ 6,342,183</td>
<td>$ 5,595,601</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets without</td>
<td></td>
<td></td>
</tr>
<tr>
<td>donor restrictions to net cash used by operating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>14,093</td>
<td>13,964</td>
</tr>
<tr>
<td>Realized gain on sale of investments</td>
<td>(3,744,378)</td>
<td>(1,620,290)</td>
</tr>
<tr>
<td>Unrealized gain on investments</td>
<td>(5,778,953)</td>
<td>(8,186,983)</td>
</tr>
<tr>
<td>Changes in operating liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts paid to employees</td>
<td>(595)</td>
<td>(981)</td>
</tr>
<tr>
<td><strong>NET CASH USED BY OPERATING ACTIVITIES</strong></td>
<td>(3,167,650)</td>
<td>(4,198,689)</td>
</tr>
</tbody>
</table>

| **Cash Flows from Investing Activities**               |             |             |
| Proceeds from sale and maturities of investments       | 22,799,013  | 23,564,590  |
| Purchase of investments                                | (19,790,929)| (19,129,286)|
| **NET CASH PROVIDED BY INVESTING ACTIVITIES**          | 3,008,084   | 4,435,304   |

| **NET (DECREASE) INCREASE IN CASH**                    | (159,566)   | 236,615     |
| **Cash at Beginning of Year**                          | 277,227     | 40,612      |
| **CASH AT END OF YEAR**                                | $ 117,661   | $ 277,227   |

| **Supplemental Information**                           |             |             |
| Cash (received) paid for federal income and excise     |             |             |
| taxes                                                 | $ (22,013)  | $ 70,120    |

See accompanying notes
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Gerber Foundation (Foundation) was established in 1952 as an independent private foundation governed by a Board of Trustees who serve without compensation. Income is derived from a diversified portfolio and is used to award grants to qualified applicants in furtherance of the Foundation's mission to enhance the quality of life of infants and young children through nutrition, care and development. Grants from the Foundation are made to organizations recognized as exempt under Section 501(c)(3) of the Internal Revenue Code.

Basis of Accounting

The Foundation's financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Under the modified cash basis of accounting, revenues are recognized when collected rather than when earned, and expenditures generally are recognized when paid rather than when incurred. Accrued expenses and grant commitments are not recorded in the financial statements. Purchased assets with estimated useful lives of more than one year are capitalized and depreciated or amortized over the assets' estimated useful lives.

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Foundation has no net assets with donor restrictions.

Cash

The Foundation maintains its cash at one financial institution. The operating cash account is maintained at a bank that is insured by the Federal Deposit Insurance Corporation (FDIC). From time to time during the year, the Foundation may have cash on deposit in excess of the respective insured limits.

Investments

The Foundation utilizes one financial institution to account for all investments. Actual investments are maintained by various respective investment firms. The accounts at each investment firm are insured up to $500,000 each, by the Securities Investor Protection Corporation. Up to $100,000 of this coverage may be applied toward un-invested cash (see Note 3). Realized and unrealized gains and losses and other investment earnings are included in the statement of revenue, expenses, and other changes in net assets-modified cash basis.
Derivative Accounting for Hedge Funds

The Foundation has investments with several hedge funds that seek higher returns than fixed income funds, have similar volatility, and also have a low correlation with traditional equity and fixed income assets.

The investment objectives of this fund are two-fold. The primary objective is to generate over a full market cycle returns higher than the “market” as represented by a style index or mix of indexes reflective of the Foundation’s return objectives and risk tolerance. The secondary objectives are to produce a real return goal of inflation plus 5%, to have the dollar weighted average return exceed a long-term return of 8%, and to outpace the style index return and real return market, each measured on a compound average annual return basis after the deduction of investment management fees and annualized over a three to five year rolling time period and a full market cycle. There is no assurance that these objectives will be achieved.

Fair Value Measurements

Fair value measurement accounting standards establish a common definition of fair value, provide a framework for measuring fair value based on inputs used to value the Foundation’s investments, and require disclosure about such fair value measurements. Fair value is the price 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 (exit price). In determining fair value, various valuation approaches are used. A hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- **Level 1**: unadjusted quoted prices in active markets for identical assets or liabilities.
- **Level 2**: other significant inputs including quoted prices of similar assets or liabilities, interest rates, credit risk, etc.
- **Level 3**: significant unobservable inputs which may include the Foundation’s own assumptions in determining fair value.
Office Equipment and Software

Office equipment and computer software is stated at cost, if purchased, or at fair value on date of acquisition, if donated. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Revenue and Investment Income

The Foundation recognizes revenue and investment income as follows:

- Revenues are reported as increases in net assets without donor restrictions when collected unless use of the related assets is limited by donor-imposed restrictions.

- Investment income, including gains and losses on investments and other assets or liabilities, are reported as increases or decreases in net assets without donor restrictions when collected unless their use is restricted by explicit donor stipulations.

Income Taxes

The Internal Revenue Service has determined the Foundation is a tax-exempt private foundation as defined by Section 501(c)(3) of the Internal Revenue Code (IRC), but is subject to a federal excise tax on net investment income, including realized gains as defined in the IRC.

The IRC requires that certain minimum distributions be made in accordance with a specified formula. According to this formula, the Foundation must distribute currently for charitable purposes 5% of the average fair value of its nonoperating assets in each tax year. Failure to distribute the required amount by the last day of the following year may result in excise taxes on the Foundation’s undistributed income within the tax year or within the next succeeding tax year.

As permitted, management intends to distribute sufficient amounts to cover IRC required distributions in the subsequent tax year.

In addition, the Foundation files a 990-T form to report certain taxable investment activity.

Tax positions taken are assessed for uncertainty and a provision may be recorded if a tax position is not likely to be sustained upon examination.
THE GERBER FOUNDATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

Functional Expenses

The Gerber Foundation is required by U.S. generally accepted accounting principles to report expenses on a functional basis by program. The expenses are reported functionally in Note 7. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

Management has evaluated significant events or transactions occurring subsequent to December 31, 2020 for potential recognition or disclosure in these financial statements. The evaluation was performed through June 28, 2021, the date the financial statements were available for issuance.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The Foundation utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in market values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

NOTE 2 - LIQUIDITY

Financial assets available for general expenditure, which is, without donor or other restrictions limiting their use, within one year of the statement of assets, liabilities, and net assets – modified cash basis date are comprised of the following as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$117,661</td>
<td>$277,227</td>
</tr>
<tr>
<td>Cash equivalents at investment companies</td>
<td>1,972,998</td>
<td>649,341</td>
</tr>
<tr>
<td>Assets readily convertible to cash within 30 days</td>
<td>25,395,592</td>
<td>30,021,455</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$27,486,251</strong></td>
<td><strong>$30,948,023</strong></td>
</tr>
</tbody>
</table>
As part of the Foundation’s liquidity management plan, certain funds are invested according to a board approved liquidity policy which provides that certain assets within the portfolio with daily or monthly liquidity will be maintained equivalent to an amount that would sufficiently cover commitments for at least five years.

The Foundation requires cash and cash equivalent balances to support a minimum of three months of grant and general office costs.

**NOTE 3 - INVESTMENTS**

Investments consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Unrealized Gain (Loss)</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,972,998</td>
<td>$</td>
</tr>
<tr>
<td>Alternative investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited liability corporations</td>
<td>3,634,675</td>
<td>(389,565)</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>35,995,110</td>
<td>14,908,610</td>
</tr>
<tr>
<td>Equity securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>World index funds</td>
<td>12,156,417</td>
<td>6,877,931</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>6,293,663</td>
<td>67,581</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$60,052,863</strong></td>
<td><strong>$21,464,557</strong></td>
</tr>
</tbody>
</table>

Net gain on investments consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realized gains</td>
<td>$3,744,378</td>
<td>$1,620,290</td>
</tr>
<tr>
<td>Unrealized gains</td>
<td>5,778,953</td>
<td>8,186,983</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(217,274)</td>
<td>(236,373)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,306,057</strong></td>
<td><strong>$9,570,900</strong></td>
</tr>
</tbody>
</table>
The Foundation invests in certain alternative investments which include investments in hedge funds. Market values represent the Foundation's pro rata interest in the net assets of each alternative investment as of December 31, 2020 and 2019, as provided by the fund managers. Market values as of December 31, 2020 and 2019 may be based on audited financial information or on financial data supplied by the general partner or manager of the funds. Management reviews monthly valuations provided by the general partner or manager of the funds and assesses the reasonableness of the fair values provided at the interim dates and included in the financial statements.

The tables that follow set forth information about the level within the fair value hierarchy at which the Foundation's investments are measured at December 31, 2020 and 2019:

<table>
<thead>
<tr>
<th></th>
<th>2020 - Based on</th>
<th>2019 - Based on</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td></td>
<td>Quoted Prices in Active Markets</td>
<td>Other Observable Inputs</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,972,998</td>
<td>$ -</td>
</tr>
<tr>
<td>Alternative investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited liability corporations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Limited partnerships</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>World index funds</td>
<td>-</td>
<td>19,034,348</td>
</tr>
<tr>
<td>Fixed income funds</td>
<td>6,361,244</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$8,334,242</td>
<td>$19,034,348</td>
</tr>
</tbody>
</table>

**BeeneGarter**
THE GERBER FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020 and 2019

Following is a reconciliation of activity for assets measured at fair value based on significant unobservable (Level 3) information:

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning year</td>
<td>$44,331,377</td>
<td>$36,585,543</td>
</tr>
<tr>
<td>Realized gains included in change in net assets</td>
<td>3,077,764</td>
<td>1,499,184</td>
</tr>
<tr>
<td>Unrealized gains included in change in net assets</td>
<td>5,512,663</td>
<td>6,334,022</td>
</tr>
<tr>
<td>Purchases</td>
<td>11,833,695</td>
<td>11,610,018</td>
</tr>
<tr>
<td>Sales</td>
<td>(10,606,669)</td>
<td>(11,697,390)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$54,148,830</td>
<td>$44,331,377</td>
</tr>
</tbody>
</table>

NOTE 4 - COMMITMENTS FOR GRANTS

As of December 31, 2020, trustees of the Foundation have authorized the payment of grants in future periods as follows:

Year ending December 31:

2021 $ 2,392,797
2022 2,268,963
2023 1,237,548
2024 324,000

$ 6,223,308
NOTE 5 - LEASE

The Foundation leases office space in Fremont, Michigan under an operating lease agreement from an unrelated party that expires on December 31, 2022. The agreement calls for monthly payments of $1,125. Total lease expense for this office space was $15,294 in 2020 and $18,000 in 2019.

Future minimum lease payments under this non-cancelable lease are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$13,500</td>
</tr>
<tr>
<td>2022</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$13,500</td>
</tr>
<tr>
<td></td>
<td>$27,000</td>
</tr>
</tbody>
</table>

NOTE 6 - RETIREMENT SAVINGS PLAN

The Foundation maintains a retirement savings plan under Internal Revenue Code Section 401(k) for eligible employees which allows for deferrals up to the maximum allowed under the Internal Revenue Code. The Foundation can make matching contributions at the discretion of the Board of Directors. Employer matching contributions which vest immediately, were $17,645 and $18,289 in 2020 and 2019, respectively.

NOTE 7 - FUNCTIONAL EXPENSE

Certain categories of expenses are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis consistently applied including, but not limited to, usage or space and estimates of time and effort.
Expenses have been allocated for the Foundation as follows for the years ended December 31:

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Administrative</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$ 91,529</td>
<td>$ 16,152</td>
<td>$107,681</td>
</tr>
<tr>
<td>Employee fringe benefits</td>
<td>14,998</td>
<td>2,647</td>
<td>17,645</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>6,882</td>
<td>1,232</td>
<td>8,114</td>
</tr>
<tr>
<td>Grants and scholarships paid</td>
<td>2,788,181</td>
<td>-</td>
<td>2,788,181</td>
</tr>
<tr>
<td>Contracted services</td>
<td>6,185</td>
<td>-</td>
<td>6,185</td>
</tr>
<tr>
<td>Office expenses</td>
<td>7,442</td>
<td>1,313</td>
<td>8,755</td>
</tr>
<tr>
<td>Occupancy</td>
<td>13,000</td>
<td>2,294</td>
<td>15,294</td>
</tr>
<tr>
<td>Travel</td>
<td>986</td>
<td>-</td>
<td>986</td>
</tr>
<tr>
<td>Conferences</td>
<td>956</td>
<td>-</td>
<td>956</td>
</tr>
<tr>
<td>Accounting and professional</td>
<td>-</td>
<td>40,110</td>
<td>40,110</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>16,678</td>
<td>-</td>
<td>16,678</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>14,016</td>
<td>77</td>
<td>14,093</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>8,020</td>
<td>-</td>
<td>8,020</td>
</tr>
<tr>
<td>Insurance</td>
<td>10,111</td>
<td>1,784</td>
<td>11,895</td>
</tr>
<tr>
<td>Taxes refunded</td>
<td>-</td>
<td>(22,013)</td>
<td>(22,013)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,059</td>
<td>217</td>
<td>1,276</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,980,143</td>
<td>$43,813</td>
<td>$3,023,956</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Administrative</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>$86,535</td>
<td>$15,271</td>
<td>$101,806</td>
</tr>
<tr>
<td>Employee fringe benefits</td>
<td>15,546</td>
<td>2,743</td>
<td>18,289</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>6,797</td>
<td>1,199</td>
<td>7,996</td>
</tr>
<tr>
<td>Grants and scholarships paid</td>
<td>3,800,114</td>
<td>-</td>
<td>3,800,114</td>
</tr>
<tr>
<td>Contracted services</td>
<td>6,255</td>
<td>695</td>
<td>6,950</td>
</tr>
<tr>
<td>Office expenses</td>
<td>10,700</td>
<td>1,888</td>
<td>12,588</td>
</tr>
<tr>
<td>Occupancy</td>
<td>15,300</td>
<td>2,700</td>
<td>18,000</td>
</tr>
<tr>
<td>Travel</td>
<td>19,239</td>
<td>-</td>
<td>19,239</td>
</tr>
<tr>
<td>Conferences</td>
<td>2,720</td>
<td>-</td>
<td>2,720</td>
</tr>
<tr>
<td>Accounting and professional</td>
<td>-</td>
<td>40,622</td>
<td>40,622</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>17,629</td>
<td>-</td>
<td>17,629</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,853</td>
<td>111</td>
<td>13,964</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>5,348</td>
<td>-</td>
<td>5,348</td>
</tr>
<tr>
<td>Insurance</td>
<td>9,061</td>
<td>1,599</td>
<td>10,660</td>
</tr>
<tr>
<td>Taxes</td>
<td>-</td>
<td>70,120</td>
<td>70,120</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>3,041</td>
<td>158</td>
<td>3,199</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,012,138</td>
<td>$137,106</td>
<td>$4,149,244</td>
</tr>
</tbody>
</table>
NOTE 8 - RISKS AND UNCERTAINTIES

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S and globally. On March 23, 2020, the Governor of the State of Michigan issued an Executive Order to “stay in place and suspend nonessential activities”. The stay-in-place order was lifted on June 1, 2020. The circumstances surrounding this widespread outbreak of COVID-19 are unknown at this time but management does not anticipate significant disruptions to the Foundation’s operations. At this time, given the uncertainty of the lasting effect of this outbreak, the financial impact to the Foundation cannot be determined.

NOTE 9 - RECLASSIFICATIONS

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation.