

QUINCY PUBLIC SCHOOLS FOUNDATION

QUINCY, ILLINOIS

- A Not for Profit Organization -

FINANCIAL STATEMENTS

Year Ended June 30, 2022 and 2021

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Independent Auditor's Report

To the Board of Trustees of
Quincy Public Schools Foundation

We have audited the accompanying financial statements of Quincy Public Schools Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of June 30, 2022 and 2021, and the related statement of support, revenue, expenses and change in net assets—modified cash basis, statement of functional expenses – modified cash basis and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Quincy Public Schools Foundation as of June 30, 2022 and 2021, and its support, revenue, expenses and change in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note A.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Quincy Public Schools Foundation and to meet our other 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.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management 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 A and for 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.

Auditor's Responsibilities for 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

Danielle M. Fler, Certified Public Accountants

Danielle M. Fler, CPA, P.C.
A Professional Corporation

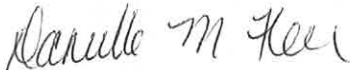
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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 Quincy Public Schools 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 Quincy Public Schools 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.



Danielle M. Fler
Certified Public Accountants

Quincy, Illinois
November 28, 2022

QUINCY PUBLIC SCHOOLS FOUNDATION
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
 June 30, 2022 and June 30, 2021

	June 30, 2022	June 30, 2021
ASSETS		
Cash and cash equivalents	\$ 748 737	553 854
Endowment investments	2 059 193	2 456 715
Restricted cash	123 096	211 536
Restricted investment - Community Foundation of Quincy Area	8 594	9 956
TOTAL ASSETS	\$ <u>2 939 620</u>	<u>3 232 061</u>
LIABILITIES		
Accrued payroll taxes	\$ 3 296	3 053
Paycheck Protection Loan		20 265
	<u>3 296</u>	<u>23 318</u>
NET ASSETS		
Without donor restrictions	705 535	634 335
With donor restrictions	2 230 789	2 574 408
TOTAL NET ASSETS	<u>2 936 324</u>	<u>3 208 743</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>2 939 620</u>	<u>3 232 061</u>

The accompanying notes are an integral part of these financial statements.

QUINCY PUBLIC SCHOOLS FOUNDATION
STATEMENT OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
MODIFIED CASH BASIS
For the year ended June 30, 2022 and June 30, 2021

	Year Ended June 30, 2022			Year Ended June 30, 2021
	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL	
Revenues, gains and other support:				
Donations	\$ 137 449	\$ 280 465	\$ 417 914	\$ 382 912
Administrative fees income			-	31 970
Fundraising event proceeds	116 953		116 953	92 118
Fundraising event proceeds - Gifts in kind	4 000		4 000	11 700
Investment income	14 505	228 783	243 288	87 330
Gain on extinguishment of debt	20 265		20 265	20 150
Other income	34 392		34 392	5 818
Net gain (loss) on long-term investments	(29 717)	(574 133)	(603 850)	479 732
Net assets released from restrictions	272 780	(272 780)	-	-
Net assets reclassified from restrictions	5 954	(5 954)	-	-
Total increase (decrease) in revenues, gains and other support	<u>576 581</u>	<u>(343 619)</u>	<u>232 962</u>	<u>1 111 730</u>
Expenses:				
Program				
Quincy Public Schools Support	369 141		369 141	364 257
Alumni	23 189		23 189	29 042
Fundraising	49 791		49 791	45 409
Management & General	63 260		63 260	78 395
Total Expenses	<u>505 381</u>	<u>-</u>	<u>505 381</u>	<u>517 103</u>
Change in net assets	71 200	(343 619)	(272 419)	594 627
Net assets as of beginning of year	634 335	2 574 408	3 208 743	2 614 116
Net assets as of end of year	<u>\$ 705 535</u>	<u>\$ 2 230 789</u>	<u>\$ 2 936 324</u>	<u>\$ 3 208 743</u>

The accompanying notes are an integral part of these financial statements.

QUINCY PUBLIC SCHOOLS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
MODIFIED CASH BASIS
For the years ended June 30, 2022 and June 30, 2021

	PROGRAM		SUPPORTING SERVICES		Year Ended	Year Ended
	Quincy Public Schools Support	Alumni	Fundraising	Management & General	June 30, 2022	June 30, 2021
					TOTAL	
Grants to Schools	\$ 320 395				\$ 320 395	\$ 306 134
Supporting Expenses	1 583				1 583	-
Office Expenses		\$ 5 062		\$ 7 876	12 938	25 842
Event: Color Run			\$ 13 866		13 866	14 529
Event: Night to Dream Big			8 927		8 927	13 436
Advertising				2 797	2 797	1 069
Bank & Credit Card Fees				2 534	2 534	2 281
Campaign Expenses			876		876	6 619
Insurance				3 198	3 198	3 192
Professional Fees				6 397	6 397	11 633
Payroll, Taxes and Benefits	47 163	18 127	26 122	38 698	130 110	129 187
Training & Education				85	85	510
Miscellaneous				1 675	1 675	2 671
Year ended June 30, 2022	\$ <u>369 141</u>	\$ <u>23 189</u>	\$ <u>49 791</u>	\$ <u>63 260</u>	\$ <u>505 381</u>	\$ <u>517 103</u>
Year ended June 30, 2021	\$ <u>364 257</u>	\$ <u>29 042</u>	\$ <u>45 409</u>	\$ <u>78 395</u>	\$ <u>517 103</u>	

The accompanying notes are an integral part of these financial statements.

QUINCY PUBLIC SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and June 30, 2021

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Quincy Public Schools Foundation (the “Foundation”) was incorporated as a not-for-profit organization under the laws of Illinois on November 29, 1988. The purpose of the Foundation is to solicit and receive gifts, bequests, and grants to support efforts which will compliment, enhance, and enrich educational programs and opportunities in the Quincy Community School District No. 172. The Foundation is organized solely for educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986.

Basis of Accounting

The Foundation has chosen to maintain its records on the modified cash basis method of accounting. Under this method, revenues and support are recognized when received instead of when earned, and expenses are recognized when paid instead of when the obligations are incurred. Modifications to the cash basis of accounting include investments, which are stated at fair value rather than historical cost.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

Investments

Investments include marketable equity and debt securities. Investments in marketable equity and debt securities are carried at fair value with unrealized and realized gains and losses on investments during the year reported as an increase or decrease in net assets with or without donor restrictions based upon donor-imposed restrictions.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity. The Foundation’s unspent contributions are reported in net assets with donor restrictions if the donor restricted their use. Contributions of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. The restriction expires when the asset is placed in service. When a donor’s restriction is satisfied either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application

for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Donated Services and Facilities

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific assistance programs, campaign solicitations, fundraising events, and various committee assignments.

The Foundation does recognize in kind donations of goods, such as air time for fundraising campaigns. The value of the donation is recorded at fair market value.

The Foundation maintains an office in a building owned by the Quincy Public School District. No rent is charged for the usage of this space and no amount has been reflected in the financial statement for the donated facility.

Income Taxes

The Foundation is exempt from the payment of income taxes under Section 501(c)(3) of the Internal Revenue Code.

Unemployment Compensation

The Foundation has elected not to make any contributions under State unemployment and will be liable for such benefits on a claim by claim basis.

NOTE B – CASH

Cash consists of five interest bearing checking accounts at Mercantile Trust & Savings Bank, four interest bearing deposit accounts at Wells Fargo Advisors LLC, and a PayPal account. The Mercantile accounts bear interest at .14% or .15% and the Wells Fargo deposit accounts at .02%. As of June 30, 2022 and 2021 cash consisted of the following:

	<u>6/30/2022</u>	<u>6/30/2021</u>
Checking – Mercantile – Operating	\$ 101 702	\$ 82 500
Checking – Mercantile – Alumni	64 015	50 327
Checking – Mercantile – Temporarily restricted	32 902	75 054
Checking – Mercantile – Dream Big	461 735	409 289
Interest bearing deposit accounts – Wells Fargo:		
Endowment - Investments	32 986	43 048
Endowment - Contributions	152 031	0
Designated Distribution	26 178	104 938
Campaign	34	34
PayPal	0	0
Petty Cash	250	200
	<u>\$ 871 833</u>	<u>\$ 765 390</u>

Cash deposits did exceed federally insured limits as of June 30, 2022 and June 30, 2021 in the amount of \$ 418 225 and \$ 367 460 respectively, but the organization feels the risk of loss is minimal.

Cash deposits which are restricted for a specific use are described as follows:

	<u>6/30/22</u>	<u>6/30/21</u>
Alumni Program	\$ 64 015	\$ 50 327
Dream Big	0	25 331
Staff Grants	26 178	104 938
Various other small restrictions	<u>32 903</u>	<u>30 940</u>
Total Restricted Cash	<u>\$ 123 096</u>	<u>\$ 211 536</u>

NOTE C – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2022 and 2021 are as follows:

<u>June 30, 2022</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)
Mutual Fund – American Century	\$ 107 073	\$ 107 073
Mutual Fund – BAIRD	202 971	202 971
Mutual Fund – John Hancock Cap Ser Classic Value	82 657	82 657
Mutual Fund – Invesco Development Markets	145 825	145 825
Mutual Fund – Mainstay Mackay	64 910	64 910
Mutual Fund – PIMCO FDS Pac	62 937	62 937
Mutual Fund – PIMCO Commodity Real Return	39 689	39 689
Mutual Fund – T Rower Price Intl	142 899	142 899
Stocks - Various	<u>1 210 232</u>	<u>1 210 232</u>
	<u>\$ 2 059 193</u>	<u>\$ 2 059 193</u>

<u>June 30, 2021</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)
Unit Investment Trust – SPDRs	\$ 214 040	\$ 214 040
Mutual Fund – Franklin Income Fund	59 845	59 845
Mutual Fund – Dodge & Cox Funds	148 319	148 319
Mutual Fund – Loomis Sayles Investment Trust	109 849	109 849
Mutual Fund – Wells Fargo Asset Allocation	981 778	981 778
Mutual Fund – Wells Fargo Growth Fund	681 036	681 036
Mutual Fund – Wells Fargo Ultra Short Term Income	102 936	102 936
Stocks - Various	108 645	108 645
Mutual Fund – Treasury Money Market Fund	<u>50 267</u>	<u>50 267</u>
	<u>\$ 2 456 715</u>	<u>\$ 2 456 715</u>

Fair values for long-term investments are determined by reference to quoted market prices.

Below are the groups of investments that represent greater than 5% of the total investment portfolio for the year ended June 30, 2022.

Mutual Fund – American Century	5.2%
Mutual Fund – BAIRD	9.7%
Mutual Fund – Invesco Development Markets	7.1%
Mutual Fund – T Rowe Price	6.9%

IShares Core S&P	11.5%
IShares Emerging Markets	8.0%
Goldman Sachs ETF	5.8%

NOTE D – NET ASSETS

Board-designated Net Assets

The governing board of the Foundation has designated net assets without donor restrictions for the following purpose:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Quincy Public Schools 5 Pillars	\$ 461 735	\$ 409 289
Endowment for Operations	69 530	76 598
Endowment for Media Center	11 422	13 939
Total Board-designated Net Assets	<u>\$ 542 687</u>	<u>\$ 499 826</u>

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purpose as of:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Endowment funds with donor restrictions	\$ 2 126 433	\$ 2 457 899
Community Foundation of the Quincy Area	8 595	9 971
Alumni Program	63 955	50 266
Dream Big Campaign	0	25 332
Other donor designated funds	31 806	30 940
	<u>\$ 2 230 789</u>	<u>\$ 2 574 408</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donor. The net assets released during the year ended were for the following purpose:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Support of Quincy Public Schools	\$ 108 555	\$ 108 896
Administrative fee	0	31 970
Total net assets released from restrictions	<u>\$ 108 555</u>	<u>\$ 140 866</u>

NOTE E – ENDOWMENT FUNDS

The Foundation's endowment fund contract states that original principal will remain invested in accordance with the investment policy of the Foundation and is not to be invaded. Only income will be used to underwrite written requests for funding in accordance with the purpose of the contract. The overall investment direction for the Foundation's endowment funds is to maximize the return within an acceptable level of risk. The allocations of the endowment fund assets are to

either the general account, which is invested in money market funds, government securities and certificates of deposit, or long-term investments which include stocks, bonds, stock and bond mutual funds, utility stocks, unit investment trusts, and mortgage-backed securities. The policy also states that bonds purchased for the account should have a quality rating no lower than AA, cash reserves should be invested in interest-bearing securities, free of risk of loss, price fluctuation, and should have constant liquidity. Investments may be chosen from the New York Stock Exchange, American Stock Exchange, regional exchanges, and the National Over-The-Counter market. All assets must have readily ascertainable market value and be easily marketable. The initial funds (\$ 1 519 876) are permanently restricted and cannot be spent, whereas any appreciation from the funds are restricted for the purposes stated in the endowment fund contract.

The Foundation has a spending policy of appropriating for distribution each year 5.5% of its endowment fund's average fair value of the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected investment return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Board-designated Endowment

As of June 30, 2022, the Board of Trustees has designated principal of \$ 50 000 of net assets without donor restrictions as a general endowment fund to support the mission of the Organization and \$ 10 000 as an endowment in memory of Jean Stettner for the Lincoln-Douglas media center. Since those amounts resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions along with the earnings in those funds.

Donor-designated Endowments

The Foundation consists of approximately 95 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by the modified cash basis of accounting, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Trustees of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Foundation retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standards of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of the investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of June 30, 2022, no expenditures were appropriated from underwater endowments during the year. At June 30, 2022, funds with original gifts values of \$ 150 454, fair values of \$ 136 600, and deficiencies of \$ 13 853 were reported in the net assets with donor restrictions. As of June 30, 2022, no expenditures were appropriated from underwater endowments during the year.

Endowment net asset composition by type of fund is as follows:

	<u>Total Endowment Net Assets</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Endowment funds with donor restrictions	\$ 2 126 438	\$ 2 457 899
Endowment funds without donor restrictions	59 664	69 041
Board-designated endowment funds without donor restrictions	<u>80 953</u>	<u>90 537</u>
Total endowment funds	<u>\$ 2 267 055</u>	<u>\$ 2 617 477</u>

Changes in endowment net assets as of June 30, 2021 and 2022 are as follows:

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total Endowment Net Assets</u>
Endowment net assets, July 1, 2020	\$ 1 936 530	\$ 120 477	\$ 2 057 007
Contributions	59 655		59 655
Investment income	79 716	4 256	83 972
Net appreciation (depreciation)	451 377	28 355	479 732
Amounts appropriated for expenditure	(72 428)		(72 428)
Amounts reclassified to restrictions	<u>3 049</u>	<u>6 490</u>	<u>9 539</u>
Endowment net assets, June 30, 2021	<u>\$ 2 457 899</u>	<u>\$ 159 578</u>	<u>\$ 2 617 477</u>
Contributions	92 551		92 551
Investment income	228 628	15 130	243 758
Net appreciation (depreciation)	(573 083)	(35 283)	(608 366)
Amounts appropriated for expenditure	(69 288)		(69 288)
Amounts reclassified to (from) restrictions	<u>(10 269)</u>	<u>1 192</u>	<u>(9 077)</u>
Endowment net assets, June 30, 2022	<u>\$ 2 126 438</u>	<u>\$ 140 617</u>	<u>\$ 2 267 055</u>

NOTE F- FUNDRAISING

The Organization held two events during the fiscal year to raise funds to be used towards the mission of the Foundation. Below is a summary of the revenue and direct expenses of the events. For financial statement presentation purposes, the amounts below were considered fundraising expenses.

	<u>June 30, 2022</u>			<u>June 30, 2021</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Week to Dream Big	\$ 85 489	\$ 8 927	\$ 76 562	\$ 74 176	\$ 13 436	\$ 60 740
Color Run	35 464	13 866	21 598	32 520	14 529	17 991
Other			<u>0</u>			<u>0</u>
			98 160			78 731
Allocated Personnel Costs			(26 122)			(17 444)
Other Fundraising			<u>(876)</u>			<u>(0)</u>
Net Fundraising			<u>\$ 71 162</u>			<u>\$ 61 287</u>

NOTE G- LIQUIDITY

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Donor-restricted amounts that are available for use within one year for general purposes include the amount appropriated from the endowment during the next fiscal year in the amount of \$ 55 790 and other endowment funds that are not donor-restricted or board designated in the amount of \$ 59 666.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Financial assets at year-end	\$ 2 939 620	\$ 3 232 061
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted to maintain as an endowment	2 070 643	2 399 395
Board designated to maintain as an endowment	<u>80 953</u>	<u>90 537</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 788 024</u>	<u>\$ 742 129</u>

Generally, all financial resources other than endowed assets are maintained in interest bearing checking accounts.

NOTE H – EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Support, Revenues, Expenses and Changes in Net Assets – Modified Cash Basis. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated are personnel costs based on estimates of time and effort. Directly identifiable expenses are charged directly to programs and supporting services.

NOTE I – PAYCHECK PROTECTION LOAN

On January 25, 2021, the Foundation received a loan under the Paycheck Protection Program in the amount of \$ 20 265. Under the provisions of the program, the principal balance of the note will be reduced by an amount equal to the amount of principal that is forgiven as provided in Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act of 2020, as amended. The Foundation met all requirements for forgiveness and the note was forgiven on July 23, 2021. This amount is reflected as Gain on Extinguishment of Debt in the Statement of Support, Revenues, Expenses and Changes in Net Assets – Modified Cash Basis

NOTE J – RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the period ended June 30, 2022, the Foundation managed its risks as follows:

Employee Health Insurance: The Foundation purchases health insurance for its employees from a commercial insurance carrier. There have been no claims resulting from these risks that have exceeded the liability coverage during the past three years.

Liability Insurance: The Foundation purchases liability insurance for risks related to torts, theft, or damage to property; and errors and omissions of directors and officers from a commercial insurance carrier. There have been no claims resulting from these risks that have exceeded the liability coverage during the past three years.

Workers Compensation: The Foundation purchases liability insurance for worker's compensation from a commercial insurance carrier. There have been no claims resulting from these risks that have exceeded the liability coverage during the past three years.

NOTE K – UNCERTAIN TAX POSITIONS

The Foundation is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the

financial statements. The Organization has evaluated the effect of the U.S. GAAP guidance on Accounting for Uncertainty in Income Taxes. Management believes the Organization continues to satisfy the requirements of a tax-exempt organization, and, therefore, had no uncertain income tax positions at June 30, 2022. Federal returns for the tax years June 30, 2019 and thereafter remain subject to examination by the Internal Revenue Service.

NOTE L – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through November 28, 2022, the date which the financial statements were available to be issued.