

QUINCY PUBLIC SCHOOLS FOUNDATION

QUINCY, ILLINOIS

- A Not for Profit Organization -

FINANCIAL STATEMENTS

Year Ended June 30, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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.

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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. Fleer
Certified Public Accountants

Quincy, Illinois
November 6, 2023

QUINCY PUBLIC SCHOOLS FOUNDATION
 STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
 June 30, 2023 and June 30, 2022

	<u>June 30,</u> 2023	<u>June 30,</u> 2022
ASSETS		
Cash and cash equivalents	\$ 686 267	748 737
Endowment investments	2 284 639	2 059 193
Certificates of deposit, maturity greater than 3 months	120 000	-
Restricted cash	179 943	123 096
Restricted investment - Community Foundation of Quincy Area	8 862	8 594
TOTAL ASSETS	<u>\$ 3 279 711</u>	<u>2 939 620</u>
LIABILITIES		
Accrued payroll taxes	\$ -	3 296
NET ASSETS		
Without donor restrictions	757 615	705 535
With donor restrictions	2 522 096	2 230 789
TOTAL NET ASSETS	<u>3 279 711</u>	<u>2 936 324</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3 279 711</u>	<u>2 939 620</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, 2023 and June 30, 2022

	Year Ended June 30, 2023			Year Ended June 30, 2022
	NET ASSETS WITHOUT DONOR RESTRICTIONS	NET ASSETS WITH DONOR RESTRICTIONS	TOTAL	
Revenues, gains and other support:				
Donations	\$ 126 715	\$ 263 266	\$ 389 981	\$ 417 914
Administrative fees income	13 680	-	13 680	-
Fundraising event proceeds	209 184	-	209 184	116 953
Fundraising event proceeds - In kind donations	24 000	-	24 000	4 000
Investment income, net of fees	(5 032)	61 077	56 045	243 288
Gain on extinguishment of debt	-	-	-	20 265
Other income	972	3 393	4 365	34 392
Net gain (loss) on long-term investments	16 800	182 295	199 095	(603 850)
Net assets released from restrictions	224 250	(224 250)	-	-
Net assets reclassified to restrictions	(5 526)	5 526	-	-
Total increase (decrease) in revenues, gains and other support	<u>605 043</u>	<u>291 307</u>	<u>896 350</u>	<u>232 962</u>
Expenses:				
Program				
Quincy Public Schools Support	288 064	-	288 064	369 141
Alumni	42 864	-	42 864	23 189
Fundraising	121 112	-	121 112	49 791
Management & General	100 923	-	100 923	63 260
Total Expenses	<u>552 963</u>	<u>-</u>	<u>552 963</u>	<u>505 381</u>
Change in net assets	52 080	291 307	343 387	(272 419)
Net assets as of beginning of year	705 535	2 230 789	2 936 324	3 208 743
Net assets as of end of year	<u>\$ 757 615</u>	<u>\$ 2 522 096</u>	<u>\$ 3 279 711</u>	<u>\$ 2 936 324</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, 2023 and June 30, 2022

	PROGRAM		SUPPORTING SERVICES		Year Ended	Year Ended
	Quincy Public Schools Support	Alumni	Fundraising	Management & General	June 30, 2023	June 30, 2022
					TOTAL	
Grants to Schools	\$ 221 789				\$ 221 789	\$ 320 395
Supporting Expenses	13 680	\$ 14 085		\$ 15 791	43 556	1 583
Office Expenses				11 293	11 293	12 938
Event: Color Run			\$ 18 307		18 307	13 866
Event: Night to Dream Big			37 473		37 473	8 927
Advertising and promotion				3 788	3 788	2 797
Bank & Credit Card Fees				4 776	4 776	2 534
Campaign Expenses			20 746		20 746	876
Insurance				3 179	3 179	3 198
Professional Fees				6 804	6 804	6 397
Payroll, Taxes and Benefits	52 595	28 779	44 586	51 193	177 153	130 110
Training & Education				1 185	1 185	85
Miscellaneous				2 914	2 914	1 675
Year ended June 30, 2023	\$ 288 064	\$ 42 864	\$ 121 112	\$ 100 923	\$ 552 963	\$ 505 381
Year ended June 30, 2022	\$ 369 141	\$ 23 189	\$ 49 791	\$ 63 260	\$ 505 381	

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

QUINCY PUBLIC SCHOOLS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and June 30, 2022

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, and the recognition of in kind donations of goods and services.

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 and four interest bearing deposit accounts at Wells Fargo Advisors LLC. The Mercantile accounts bear interest at .3% and the Wells Fargo deposit accounts at .75%. As of June 30, 2023 and 2022 cash consisted of the following:

	<u>6/30/2023</u>	<u>6/30/2022</u>
Checking – Mercantile – Operating	\$ 117 101	\$ 101 702
Checking – Mercantile – Alumni	23 338	64 015
Checking – Mercantile – Temporarily restricted	29 433	32 902
Checking – Mercantile – Dream Big	110 715	461 735
Interest bearing deposit accounts – Wells Fargo:		
Endowment - Investments	38 611	32 986
Endowment - Contributions	149 590	152 031
Designated Distribution	127 172	26 178
Campaign	0	34
Certificates of Deposit, maturity 3 months or less	270 000	
Petty Cash	250	250
	<u>\$ 866 210</u>	<u>\$ 871 833</u>
Certificates of Deposit, maturity greater than 3 months	<u>120 000</u>	<u>0</u>
	<u>\$ 986 210</u>	<u>\$ 871 833</u>

Cash deposits did exceed federally insured limits as of June 30, 2023 and June 30, 2022 in the amount of \$ 41 613 and \$ 418 225 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>6/30/23</u>	<u>6/30/22</u>
Alumni Program	\$ 23 338	\$ 64 015
Staff Grants	127 172	26 178
Various other small restrictions	<u>29 433</u>	<u>32 903</u>
Total Restricted Cash	<u>\$ 179 943</u>	<u>\$ 123 096</u>

NOTE C – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2023 and 2022 are as follows:

<u>June 30, 2023</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
Mutual Fund – American Century	\$ 115 290	\$ 115 290
Mutual Fund – BAIRD	200 826	200 826
Mutual Fund – Goldman Sachs Community	35 806	35 806
Mutual Fund – Invesco Development Markets	161 333	161 333
Mutual Fund – Mainstay MacKay	69 791	69 791
Mutual Fund – PIMCO FDC Pac	66 774	66 774
Mutual Fund – PIMCO Commodity Real Return	45 847	45 847
Mutual Fund – T Rowe Price	165 225	165 225
Stocks - Various	<u>1 423 747</u>	<u>1 423 747</u>
	<u>\$ 2 284 639</u>	<u>\$ 2 284 639</u>

<u>June 30, 2022</u>	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
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>

As of the date of this audit report, the market value of assets has declined 10% due to economic conditions which have caused a decline in the market.

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, 2023 and June 20, 2022.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Mutual Fund – American Century	4.9%	5.0%
Mutual Fund – BAIRD	8.6%	9.6%
Mutual Fund – Invesco Development Markets	6.9%	6.9%
Mutual Fund – T Rowe Price	7.1%	6.8%
IShares Core S&P	16.2%	11.2%
IShares Emerging Markets	4.7%	7.8%
Goldman Sachs ETF	5.8%	5.6%

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, 2023</u>	<u>June 30, 2022</u>
Quincy Public Schools 5 Pillars	\$ 460 715	\$ 461 735
Endowment for Operations	80 944	69 530
Endowment for Media Center	<u>13 166</u>	<u>11 422</u>
Total Board-designated Net Assets	<u>\$ 554 825</u>	<u>\$ 542 687</u>

Net Assets with Donor Restrictions

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Endowment funds with donor restrictions	\$ 2 440 523	\$ 2 126 433
Community Foundation of the Quincy Area	8 862	8 594
Alumni Program	43 277	63 955
Other donor designated funds	<u>29 434</u>	<u>31 807</u>
	<u>\$ 2 522 096</u>	<u>\$ 2 230 789</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, 2023</u>	<u>June 30, 2022</u>
Support of Quincy Public Schools	\$ 210 570	\$ 108 555
Administrative fee	<u>13 680</u>	<u>0</u>
Total net assets released from restrictions	<u>\$ 224 250</u>	<u>\$ 108 555</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 (\$ 1 645 019) 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, 2023, 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 105 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, 2023, no expenditures were appropriated from underwater endowments during the year. At June 30, 2023, funds with original gift values of \$ 38 831, fair values of \$ 35 946, and deficiencies of \$ 2 885 were reported in the net assets with donor restrictions.

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

	<u>Total Endowment Net Assets</u>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Endowment funds with donor restrictions	\$ 2 439 511	\$ 2 126 438
Endowment funds without donor restrictions	66 390	59 664
Board-designated endowment funds without donor restrictions	<u>94 110</u>	<u>80 953</u>
Total endowment funds	<u>\$ 2 600 011</u>	<u>\$ 2 267 055</u>

Changes in endowment net assets as of June 30, 2023 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, 2021	\$ 2 457 899	\$ 159 578	\$ 2 617 477
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 from (to) 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>
Contributions	121 007		121 007
Investment income	60 207	3 961	64 168
Net appreciation (depreciation)	182 298	9 691	191 989
Amounts appropriated for expenditure	(53 000)		(53 000)
Amounts reclassified to (from) restrictions	<u>2 561</u>	<u>6 231</u>	<u>8 792</u>
Endowment net assets, June 30, 2023	<u>\$ 2 439 511</u>	<u>\$ 160 500</u>	<u>\$ 2 600 011</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, 2023</u>			<u>June 30, 2022</u>		
	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Net</u>
Night/Week to Dream Big	\$ 183 727	\$ 37 473	\$ 146 254	\$ 85 489	\$ 8 927	\$ 76 562
Color Run	49 457	18 307	<u>31 150</u>	35 464	13 866	<u>21 598</u>
			177 404			98 160
Allocated Personnel Costs			(44 586)			(26 122)
Other Fundraising			<u>(20 746)</u>			<u>(876)</u>
Net Fundraising			<u>\$ 112 072</u>			<u>\$ 71 162</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 to be expended during the next fiscal year in the amount of \$ 127 172 and other endowment funds that are not donor-restricted or board designated in the amount of \$ 66 390.

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Financial assets at year-end	\$ 3 279 711	\$ 2 939 620
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted to maintain as an endowment	2 313 730	2 070 643
Board designated to maintain as an endowment	<u>94 110</u>	<u>80 953</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 871 871</u>	<u>\$ 788 024</u>

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

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 – 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, 2023, 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 J – 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, 2023. Federal returns for the tax years June 30, 2020 and thereafter remain subject to examination by the Internal Revenue Service.

NOTE K – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through November 6, 2023, the date which the financial statements were available to be issued.