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# Aurora Public Schools Foundation

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**Financial Report**  
**June 30, 2024**

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## **Independent Auditor's Report**

To the Board of Directors  
Aurora Public Schools Foundation

### ***Opinion***

We have audited the financial statements of Aurora Public Schools Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Report on Prior Year Financial Statements***

The financial statements of Aurora Public Schools Foundation as of June 30, 2023 were audited by other auditors, who expressed an unmodified opinion on those statements on October 31, 2023.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
Aurora Public Schools Foundation

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Plante & Moran, PLLC*

October 10, 2024

## Statement of Financial Position

**June 30, 2024 and 2023**

	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,747,061	\$ 1,189,919
Investments	966,764	831,528
Receivables - Net of allowances:		
Contributions receivable	333,100	273,500
Pass-through contributions receivable	15,000	178,321
Accounts receivable	-	2,909
Other current assets	6,039	2,050
Total current assets	3,067,964	2,478,227
<b>Contribution Receivables</b>	265,000	-
Total assets	<b>\$ 3,332,964</b>	<b>\$ 2,478,227</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 38,075	\$ 19,828
Deferred revenue	56,700	40,000
Pass-through contributions payable	21,500	228,321
Total liabilities	116,275	288,149
<b>Net Assets</b>		
Net assets without donor restrictions	1,128,472	806,183
Net assets with donor restrictions	2,088,217	1,383,895
Total net assets	3,216,689	2,190,078
Total liabilities and net assets	<b>\$ 3,332,964</b>	<b>\$ 2,478,227</b>

## Statement of Activities and Changes in Net Assets

**Years Ended June 30, 2024 and 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>						
Administrative fee income	\$ 18,547	\$ -	\$ 18,547	\$ 5,667	\$ -	\$ 5,667
Contributions	137,489	1,401,408	1,538,897	125,191	1,988,357	2,113,548
Contributed nonfinancial assets	92,171	2,300	94,471	94,809	-	94,809
Special events revenue	338,442	196,789	535,231	297,930	263,700	561,630
Less special events direct expenses	(109,516)	-	(109,516)	(94,748)	-	(94,748)
Net realized and unrealized gains and losses on investments	82,519	86,011	168,530	30,438	47,253	77,691
Net assets released from restrictions	982,186	(982,186)	-	2,183,331	(2,183,331)	-
Total revenue, gains, and other support	1,541,838	704,322	2,246,160	2,642,618	115,979	2,758,597
<b>Expenses</b>						
Program services:						
College and Career Centers	382,214	-	382,214	269,884	-	269,884
Scholarships	119,381	-	119,381	65,420	-	65,420
Special projects	394,629	-	394,629	1,757,100	-	1,757,100
Total program services	896,224	-	896,224	2,092,404	-	2,092,404
Support services:						
Management and general	160,885	-	160,885	151,142	-	151,142
Fundraising	162,440	-	162,440	129,929	-	129,929
Total support services	323,325	-	323,325	281,071	-	281,071
Total expenses	1,219,549	-	1,219,549	2,373,475	-	2,373,475
<b>Increase in Net Assets</b>	322,289	704,322	1,026,611	269,143	115,979	385,122
<b>Net Assets - Beginning of year</b>	806,183	1,383,895	2,190,078	537,040	1,267,916	1,804,956
<b>Net Assets - End of year</b>	<b>\$ 1,128,472</b>	<b>\$ 2,088,217</b>	<b>\$ 3,216,689</b>	<b>\$ 806,183</b>	<b>\$ 1,383,895</b>	<b>\$ 2,190,078</b>

# Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services				Support Services				Total
	College and Career Centers	Scholarships	Special Projects	Total Program Services	Management and General	Fundraising	Special Events Expenses	Total Support Services	
Salaries, taxes and benefits	\$ 286,403	\$ 29,301	\$ 33,893	\$ 349,597	\$ 90,003	\$ 128,985	\$ -	\$ 218,988	\$ 568,585
Scholarships	-	83,300	-	83,300	-	-	-	-	83,300
Administrative fees	11,900	6,647	-	18,547	-	-	-	-	18,547
Professional fees	6,500	-	-	6,500	52,648	12,431	8,844	73,923	80,423
Marketing and promotion	-	-	-	-	2,286	7,100	2,516	11,902	11,902
Supplies	4,313	133	40,645	45,091	-	-	22,221	22,221	67,312
Expendable equipment	45,100	-	-	45,100	-	-	-	-	45,100
Technology	16,522	-	-	16,522	-	-	-	-	16,522
Meals and entertainment	4,693	-	-	4,693	810	228	72,735	73,773	78,466
Transportation	3,563	-	-	3,563	-	-	-	-	3,563
Occupancy	-	-	-	-	6,439	2,146	-	8,585	8,585
Donor directed programs and projects	-	-	319,487	319,487	-	-	-	-	319,487
Other	3,220	-	604	3,824	8,699	11,550	3,200	23,449	27,273
Less special event expenses included with revenue on the statement of activities and changes in net assets	-	-	-	-	-	-	(109,516)	(109,516)	(109,516)
Total functional expenses	<u>\$ 382,214</u>	<u>\$ 119,381</u>	<u>\$ 394,629</u>	<u>\$ 896,224</u>	<u>\$ 160,885</u>	<u>\$ 162,440</u>	<u>\$ -</u>	<u>\$ 323,325</u>	<u>\$ 1,219,549</u>

# Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services				Support Services				Total
	College and Career Centers	Scholarships	Special Projects	Total Program Services	Management and general	Fundraising	Special Events Expenses	Total Support Services	
Salaries, taxes and benefits	\$ 119,544	\$ 15,411	\$ 20,823	\$ 155,778	\$ 81,198	\$ 107,095	\$ -	\$ 188,293	\$ 344,071
Scholarships	-	41,900	-	41,900	-	-	-	-	41,900
Administrative fees	-	5,888	-	5,888	-	-	-	-	5,888
Professional fees	105,150	-	-	105,150	56,274	-	16,470	72,744	177,894
Technology	3,000	-	-	3,000	-	-	-	-	3,000
Marketing and promotion	-	2,084	-	2,084	2,083	7,829	2,301	12,213	14,297
Supplies	1,803	137	67,739	69,679	138	-	11,105	11,243	80,922
Expendable equipment	23,293	-	-	23,293	-	-	-	-	23,293
Meals and entertainment	3,999	-	-	3,999	76	-	60,794	60,870	64,869
Transportation	12,874	-	-	12,874	374	-	-	374	13,248
Occupancy	-	-	-	-	6,543	2,182	-	8,725	8,725
Donor directed programs and projects	-	-	1,668,538	1,668,538	-	-	-	-	1,668,538
Other	221	-	-	221	4,456	12,823	4,078	21,357	21,578
Less special event expenses included with revenue on the statement of activities and changes in net assets	-	-	-	-	-	-	(94,748)	(94,748)	(94,748)
Total functional expenses	<u>\$ 269,884</u>	<u>\$ 65,420</u>	<u>\$ 1,757,100</u>	<u>\$ 2,092,404</u>	<u>\$ 151,142</u>	<u>\$ 129,929</u>	<u>\$ -</u>	<u>\$ 281,071</u>	<u>\$ 2,373,475</u>



## Statement of Cash Flows

**Years Ended June 30, 2024 and 2023**

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Increase in net assets	\$ 1,026,611	\$ 385,122
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Net realized and unrealized gains	(87,683)	(11,500)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts receivable	(158,370)	15,700
Other assets	(3,989)	1,855
Accounts payable	(188,574)	(207,393)
Deferred revenue	16,700	4,000
Net cash and cash equivalents provided by operating activities	604,695	187,784
<b>Cash Flows Used in Investing Activities</b> - Net purchases of investments	(47,553)	(629,625)
<b>Cash Flows Provided by Financing Activities</b> - Proceeds from contributions restricted for long-term investment	-	11,500
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	557,142	(430,341)
<b>Cash and Cash Equivalents</b> - Beginning of year	1,189,919	1,620,260
<b>Cash and Cash Equivalents</b> - End of year	<u><u>\$ 1,747,061</u></u>	<u><u>\$ 1,189,919</u></u>

**June 30, 2024 and 2023**

**Note 1 - Nature of Business**

Aurora Public Schools Foundation (the "Foundation") was incorporated in 1987 as a nonprofit organization. The Foundation exists to support students, families and the staff of the Joint School District No. 28-J of the Counties of Adams and Arapahoe, Colorado (the "District"). The Foundation has a commitment to cultivate community investment to enrich student opportunity across the District, through the development of partnerships and the leveraging of programs that drive innovation and excellence for the students of the District. The Foundation administers a scholarship program; further, the Foundation supports College and Career Connected learning programs such as College and Career Centers and Work Based Learning expansion, STEM programming, and other special projects.

**Note 2 - Significant Accounting Policies**

***Basis of Presentation***

The financial statements of the Foundation have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

***Cash Equivalents***

The Foundation considers all investments with an original maturity of three months or less when purchased to be cash equivalents. The total amount of bank deposits that exceeded federally insured limits was approximately \$1,705,234 at June 30, 2024.

***Investments***

Investments consist primarily of money market funds, exchange-traded funds, and certificates of deposit. Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return (loss) is reported in the statement of activities and changes in net asset and consists of interest and dividend income, plus realized and unrealized gains and losses, less external and direct internal investment expenses.

***Classification of Net Assets***

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. Net assets with donor restrictions are subject to donor or certain grantor-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.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

***Contributions***

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period the gift is received are both reported as contributions without donor restrictions.

**June 30, 2024 and 2023**

**Note 2 - Significant Accounting Policies (Continued)**

Conditional promises to give are not recognized as revenue until barriers prescribed by the grant agreements/pledge agreements are overcome. As of June 30, 2024, conditional promises to give total \$300,000. The Foundation will recognize \$100,000 of the conditional promise to give in each of the next three fiscal years contingent upon implementing various college and career readiness programs, as specified by the donor.

***Deferred Revenue***

Revenue from the sale of event sponsorships and event tickets are recognized at a point in time as performance obligations are met.

***Revenue and Cost Recognition***

Revenue from contracts with customers is composed of the following:

**Special Events Revenue**

The Foundation hosts an annual fundraising gala and sells tickets to the event. For the years ended June 30, 2024 and 2023, total special events revenue was \$338,442 and \$297,930, respectively. Special events revenue is recognized at a point in time when the event occurs.

**Administrative Fee Income**

The Foundation charges an annual administrative fee for all scholarship funds to support the management of the scholarship application, selection, and award process. Further, on key projects, as identified with the District, the Foundation also charges an administrative fee for the processing and stewardship of contributions designated specifically for district programming. In the latter instance, administrative fee income is recognized at a point in time when the pass-through contributions are recorded or received. For the years ended June 30, 2024 and 2023, total administrative fee income was \$18,547 and \$5,667, respectively.

***Income Taxes***

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Certain costs have been allocated among the program, management and general, and fundraising categories based on the estimates of time expended and direct costs incurred. Costs have been allocated between the various program and support services based on estimates, as determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2 - Significant Accounting Policies (Continued)**

***Reclassification***

The Foundation previously classified certificates of deposit totaling \$192,688 as cash and cash equivalents on the statement of financial position. This amount has been reclassified to investments to conform to the 2024 presentation. There was no impact on the change in net assets as a result of the amounts reclassified.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including October 10, 2024, which is the date the financial statements were available to be issued.

Subsequent to year end, the Foundation received a commitment from Aurora Public Schools District to launch the Excellence in Education Endowment Fund totaling up to \$1.9 million.

**Note 3 - Liquidity and Availability of Resources**

The following reflects the Foundation's financial assets as of June 30, 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:

	2024	2023
Cash and cash equivalents	\$ 1,747,061	\$ 1,189,919
Accounts receivable	613,100	454,730
Investments	966,764	831,528
Financial assets - At year end	3,326,925	2,476,177
Less those unavailable for general expenditures within one year due to donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	265,000	-
Donor-restricted endowment not available for expenditures	111,500	111,500
Pass-through contributions receivable	15,000	178,321
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,935,425</u>	<u>\$ 2,186,356</u>

The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments.

The Foundation also realizes there could be unanticipated liquidity needs.

The Foundation's endowment funds consist of donor-restricted endowments net of endowment earnings of \$111,500 at June 30, 2024 and 2023. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

# Notes to Financial Statements

**June 30, 2024 and 2023**

## Note 4 - Investments

The details of the Foundation's investments at June 30 are as follows:

	2024	2023
Money market mutual funds	\$ 371,226	\$ 316,265
Exchange-traded funds	355,249	322,575
Certificates of deposit	240,289	192,688
Total	<u>\$ 966,764</u>	<u>\$ 831,528</u>

## Note 5 - Fair Value Measurements

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

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

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

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

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

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at June 30, 2024 and 2023 and the valuation techniques used by the Foundation to determine those fair values:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
<b>Assets</b>				
Investments:				
Mutual funds	\$ 371,226	\$ -	\$ -	\$ 371,226
Exchange-traded mutual funds	355,249	-	-	355,249
Certificates of deposit	-	240,289	-	240,289
Total assets	<u>\$ 726,475</u>	<u>\$ 240,289</u>	<u>\$ -</u>	<u>\$ 966,764</u>

June 30, 2024 and 2023

**Note 5 - Fair Value Measurements (Continued)**

Assets Measured at Fair Value on a Recurring Basis at June 30, 2023				
	Quoted Prices in			Balance at June 30, 2023
	Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Assets</b>				
Investments:				
Mutual funds	\$ 322,575	\$ -	\$ -	\$ 322,575
Exchange-traded mutual funds	316,265	-	-	316,265
Certificates of deposit	-	192,688	-	192,688
Total assets	<u>\$ 638,840</u>	<u>\$ 192,688</u>	<u>\$ -</u>	<u>\$ 831,528</u>

**Note 6 - Contributions Receivable**

Contributions receivable, which are restricted for a specified purpose, consist of unconditional promises to give. During the year ended June 30, 2024, the contributions receivable balance is \$333,100. The receivables are included as follows:

Amounts due in:	
Less than one year	\$ 333,100
Due after one year	265,000
Total	<u>\$ 598,100</u>

**Note 7 - Donor-restricted Endowments**

The Foundation's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

***Interpretation of Relevant Law***

The Foundation has interpreted the State of Colorado's Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies its donor-restricted endowment fund as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the UPMIFA. Additionally, in accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation

**June 30, 2024 and 2023****Note 7 - Donor-restricted Endowments (Continued)**

- The investment policies of the Foundation

The composition of net assets by type of endowment fund at June 30, 2024 was as follows:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2024
Donor-restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ 111,500
Accumulated investment gains	<u>36,407</u>
Total donor-restricted endowment funds	<u>\$ 147,907</u>

Changes in endowment net assets for the year ended June 30, 2024 were as follows:

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024
Endowment net assets - Beginning of year	\$ 132,342
Investment return	17,837
Appropriation of endowment assets for expenditure	<u>(2,272)</u>
Endowment net assets - End of year	<u>\$ 147,907</u>

**Notes to Financial Statements**

**June 30, 2024 and 2023**

**Note 7 - Donor-restricted Endowments (Continued)**

The composition of net assets by type of endowment fund at June 30, 2023 was as follows:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2023
Donor-restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ 111,500
Accumulated investment gains	20,842
Total donor-restricted endowment funds	<u>\$ 132,342</u>

Changes in endowment net assets for the year ended June 30, 2023 were as follows:

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023
Endowment net assets - Beginning of year	\$ 111,067
Investment return	11,882
Contributions	11,500
Appropriation of endowment assets for expenditure	(2,107)
Endowment net assets - End of year	<u>\$ 132,342</u>

***Underwater Endowment Funds***

The governing body of the Foundation has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of the following:

- a) The original value of initial and subsequent gift amounts donated to the fund
- b) Any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument

As of June 30, 2024 and 2023, there were no funds with deficiencies.

***Return Objectives and Risk Parameters***

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to reduce risk and fluctuation within returns while maximizing returns needed to meet the needs of the Foundation.



**June 30, 2024 and 2023**

**Note 7 - Donor-restricted Endowments (Continued)**

***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

***Spending Policy***

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the original donated value of the endowment.

The Foundation appropriates expenditures, as needed, in accordance with the purpose restrictions as outlined by the donors.

**Note 8 - Net Assets**

Net assets without donor restrictions consist of the following as of June 30:

	2024	2023
Board-designated reserve for operations	\$ 270,139	\$ 230,407
Undesignated net assets	858,333	575,776
Total unrestricted net assets	<u>\$ 1,128,472</u>	<u>\$ 806,183</u>

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2024	2023
Subject to expenditures for a specified purpose:		
Scholarships	\$ 613,266	\$ 530,395
Educator grants and classroom initiatives	48,048	32,883
College and Career Centers	974,879	397,075
Special events - Annual gala	290,789	263,700
Total subject to expenditures for a specified purpose	1,926,982	1,224,053
Subject to the passage of time - General and administrative	15,000	27,500
Subject to the Foundation's spending policy and appropriation:		
Subject to expenditure when a specified event occurs -		
Scholarships	34,735	20,842
Perpetual in nature	111,500	111,500
Total subject to the Foundation's spending policy and appropriation	<u>146,235</u>	<u>132,342</u>
Total	<u>\$ 2,088,217</u>	<u>\$ 1,383,895</u>

June 30, 2024 and 2023

**Note 9 - Release of Restrictions**

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, or the occurrence of the passage of time of other events specified by donors, as follows:

	2024	2023
Purpose restrictions:		
Scholarships	\$ 87,607	\$ 86,405
Donor-directed pass through grants	320,091	1,622,536
College and Career Centers	349,285	249,964
Board-designated special projects	40,731	57,794
Special events - Annual gala	169,700	164,525
Total purpose restrictions	967,414	2,181,224
Endowment - Scholarships	2,272	2,107
Release of restrictions due to the passage of time	12,500	-
Total restrictions released	<u>\$ 982,186</u>	<u>\$ 2,183,331</u>

**Note 10 - Related Party Transactions**

The board of directors of the Foundation contributed \$14,172 and \$14,153 in contributions without restrictions during the years ended June 30, 2024 and 2023, respectively.

**Note 11 - Contributed Nonfinancial Assets**

Contributed nonfinancial assets recognized within the statement of activities and changes in net assets consisted of the following for the years ended June 30:

Contributed Nonfinancial Asset	2024	2023	Valuation Techniques and Inputs
Services	\$ 42,879	\$ 35,374	The Foundation estimated the fair value of services based on the rate charged by the legal and accounting firms in the open market.
Salaries and benefits	40,707	40,707	The Foundation estimated the fair value of the salaries and benefits based on the regular salary of the individual performing the respective job.
Supplies and other	10,885	18,728	The Foundation estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.
Total	<u>\$ 94,471</u>	<u>\$ 94,809</u>	

**Notes to Financial Statements**

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**June 30, 2024 and 2023****Note 12 - Fundraising Expenses**

Fundraising expenses are incurred to persuade potential donors to make contributions to the Foundation and are expensed as incurred. For the years ended June 30, 2024 and 2023, fundraising expenses were composed of the following:

	<u>2024</u>	<u>2023</u>
Special event direct expenses - Annual gala	\$ 109,516	\$ 94,748
Indirect annual gala and other fundraising expenses	<u>162,440</u>	<u>129,929</u>
Total	<u>\$ 271,956</u>	<u>\$ 224,677</u>