
Aurora Public Schools Foundation

Financial Report
June 30, 2025

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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, 2025 and 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2025 and 2024 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audits 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 audits 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

September 25, 2025

Statement of Financial Position

June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,859,364	\$ 1,747,061
Investments	3,175,861	966,764
Receivables:		
Contributions receivable	281,250	333,100
Pass-through contributions receivable	-	15,000
Other current assets	1,562	6,039
Total current assets	5,318,037	3,067,964
Contribution Receivables	100,000	265,000
Total assets	\$ 5,418,037	\$ 3,332,964
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 114,817	\$ 38,075
Deferred revenue	52,500	56,700
Pass-through contributions payable	-	21,500
Total liabilities	167,317	116,275
Net Assets		
Without donor restrictions	1,438,720	1,128,472
With donor restrictions	3,812,000	2,088,217
Total net assets	5,250,720	3,216,689
Total liabilities and net assets	\$ 5,418,037	\$ 3,332,964

Statement of Activities and Changes in Net Assets

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Administrative fee income	\$ 15,400	\$ -	\$ 15,400	\$ 18,547	\$ -	\$ 18,547
Contributions	181,228	2,385,266	2,566,494	137,489	1,401,408	1,538,897
Contributed nonfinancial assets	50,165	-	50,165	92,171	2,300	94,471
Special events revenue	296,091	215,409	511,500	338,442	196,789	535,231
Less special events direct expenses	(112,051)	-	(112,051)	(109,516)	-	(109,516)
Net investment return	85,418	214,356	299,774	82,519	86,011	168,530
Net assets released from restrictions	1,091,248	(1,091,248)	-	982,186	(982,186)	-
Total revenue, gains, and other support	1,607,499	1,723,783	3,331,282	1,541,838	704,322	2,246,160
Expenses						
Program services:						
College and Career Centers	530,342	-	530,342	382,214	-	382,214
Scholarships	175,599	-	175,599	119,381	-	119,381
Special projects	226,961	-	226,961	394,629	-	394,629
Innovation grants	18,368	-	18,368	-	-	-
Total program services	951,270	-	951,270	896,224	-	896,224
Support services:						
Management and general	173,076	-	173,076	160,885	-	160,885
Fundraising	172,905	-	172,905	162,440	-	162,440
Total support services	345,981	-	345,981	323,325	-	323,325
Total expenses	1,297,251	-	1,297,251	1,219,549	-	1,219,549
Increase in Net Assets	310,248	1,723,783	2,034,031	322,289	704,322	1,026,611
Net Assets - Beginning of year	1,128,472	2,088,217	3,216,689	806,183	1,383,895	2,190,078
Net Assets - End of year	<u><u>\$ 1,438,720</u></u>	<u><u>\$ 3,812,000</u></u>	<u><u>\$ 5,250,720</u></u>	<u><u>\$ 1,128,472</u></u>	<u><u>\$ 2,088,217</u></u>	<u><u>\$ 3,216,689</u></u>

Statement of Functional Expenses

Year Ended June 30, 2025

	Program Services					Support Services				
	College and Career Centers	Scholarships	Special Projects	Innovation Grants	Total Program Services	Management and General	Fundraising	Special Events Expenses	Total Support Services	Total
Salaries, taxes, and benefits	\$ 383,130	\$ 31,615	\$ 33,349	\$ 11,304	\$ 459,398	\$ 93,569	\$ 137,517	\$ -	\$ 231,086	\$ 690,484
Scholarships	-	134,886	-	-	134,886	-	-	-	-	134,886
Professional fees	86,500	-	-	-	86,500	63,756	12,159	10,625	86,540	173,040
Marketing and promotion	-	-	-	-	-	3,347	6,600	3,303	13,250	13,250
Meals and entertainment	6,484	-	-	-	6,484	627	-	65,793	66,420	72,904
Occupancy	1,192	844	844	285	3,165	2,163	3,287	7,824	13,274	16,439
Donor directed programs and projects	40,000	-	124,034	6,779	170,813	-	-	-	-	170,813
Other	13,036	8,254	68,734	-	90,024	9,614	13,342	24,506	47,462	137,486
Less special event expenses included with revenue on the statement of activities and changes in net assets	-	-	-	-	-	-	-	(112,051)	(112,051)	(112,051)
Total functional expenses	<u>\$ 530,342</u>	<u>\$ 175,599</u>	<u>\$ 226,961</u>	<u>\$ 18,368</u>	<u>\$ 951,270</u>	<u>\$ 173,076</u>	<u>\$ 172,905</u>	<u>\$ -</u>	<u>\$ 345,981</u>	<u>\$ 1,297,251</u>

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
Technology	16,522	-	-	16,522	-	-	-	-	16,522
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
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 Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Increase in net assets	\$ 2,034,031	\$ 1,026,611
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Net realized and unrealized gains	(214,285)	(87,683)
Contribution of endowment (Note 6)	(1,887,819)	-
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Contributions receivable	231,850	(158,370)
Other assets	4,477	(3,989)
Accounts payable	55,242	(188,574)
Deferred revenue	(4,200)	16,700
Net cash and cash equivalents provided by operating activities	219,296	604,695
Cash Flows Used in Investing Activities - Purchases of investments	(1,994,812)	(47,553)
Cash Flows Provided by Financing Activities - Proceeds from contributions restricted for long-term investment	1,887,819	-
Net Increase in Cash and Cash Equivalents	112,303	557,142
Cash and Cash Equivalents - Beginning of year	1,747,061	1,189,919
Cash and Cash Equivalents - End of year	<u><u>\$ 1,859,364</u></u>	<u><u>\$ 1,747,061</u></u>

June 30, 2025 and 2024

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 administers a scholarship program for college-bound students, as well as an innovation grants program designed to encourage, facilitate, recognize, and reward innovative and creative instructional approaches, as well as enhance student opportunities. 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 \$1,883,000 and \$1,705,000 at June 30, 2025 and 2024, respectively.

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 is reported in the statement of activities and changes in net assets 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. The Foundation has historically received minimal long-term contributions and has not experienced issues with collectibility. Accordingly, no allowance for uncollectible promises receivable has been recorded.

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

June 30, 2025 and 2024

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, 2025 and 2024, conditional promises to give total \$200,000 and \$300,000, respectively. The Foundation will recognize \$100,000 of the conditional promise to give in each of the next two 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, 2025 and 2024, total special events revenue was \$296,091 and \$338,442, 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, 2025 and 2024, total administrative fee income was \$15,400 and \$18,547, 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 require 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.

June 30, 2025 and 2024

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

The financial statements and related disclosures include evaluation of events up through and including September 25, 2025, which is the date the financial statements were available to be issued.

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:

	2025	2024
Cash and cash equivalents	\$ 1,859,364	\$ 1,747,061
Contributions receivable	381,250	613,100
Investments	3,175,861	966,764
Financial assets - At year end	5,416,475	3,326,925
Less those unavailable for general expenditures within one year due to donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	100,000	265,000
Donor-restricted endowment not available for expenditures	2,109,292	111,500
Pass-through contributions receivable	-	15,000
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,207,183	\$ 2,935,425

The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 180 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 \$2,109,292 and \$111,500 at June 30, 2025 and 2024, respectively. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

Note 4 - 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.

June 30, 2025 and 2024

Note 4 - Fair Value Measurements (Continued)

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, 2025 and 2024 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, 2025				
Quoted Prices in				
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
Assets				
Investments:				
Mutual funds	\$ 1,953,495	\$ -	\$ -	\$ 1,953,495
Exchange-traded mutual funds	941,320	-	-	941,320
Total assets	<u>\$ 2,894,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,894,815</u>

Certificates of deposit in the amount of \$281,046, which are held at cost, are not subject to fair value disclosures and, therefore, are not included in the table above at June 30, 2025.

Assets Measured at Fair Value on a Recurring Basis at June 30, 2024				
Quoted Prices in				
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
Assets				
Investments:				
Mutual funds	\$ 371,226	\$ -	\$ -	\$ 371,226
Exchange-traded mutual funds	355,249	-	-	355,249
Total assets	<u>\$ 726,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 726,475</u>

Certificates of deposit in the amount of \$240,289, which are held at cost, are not subject to fair value disclosures and, therefore, are not included in the table above at June 30, 2024.

Note 5 - Contributions Receivable

Contributions receivable, which are restricted for a specified purpose, consist of unconditional promises to give. During the year ended June 30, 2025, the contributions receivable balance is \$281,250. The receivables are included as follows:

Amounts due in:	
Less than one year	\$ 281,250
One to five years	100,000
Total	<u>\$ 381,250</u>

Note 6 - 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
- The investment policies of the Foundation

The composition of net assets by type of endowment fund at June 30, 2025 was as follows:

	Endowment Net Asset Composition by Type of Fund as of June 30, 2025
Donor-restricted endowment funds:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ 2,109,291
Accumulated investment gains	52,524
	<u>2,161,815</u>
Total donor-restricted endowment funds	<u>\$ 2,161,815</u>

Changes in endowment net assets for the year ended June 30, 2025 were as follows:

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2025
Endowment net assets - Beginning of year	\$ 147,907
Investment return	128,637
Contributions	1,887,819
Appropriation of endowment assets for expenditure	(2,548)
	<u>2,161,815</u>
Endowment net assets - End of year	<u>\$ 2,161,815</u>

June 30, 2025 and 2024

Note 6 - Donor-restricted Endowments (Continued)

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	36,407
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	(2,272)
Endowment net assets - End of year	<u>\$ 147,907</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:

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

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.

Note 6 - 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. Per the endowment spending policy that was adopted by the board of directors on June 24, 2025, the Foundation is authorized to withdraw up to 4 percent of the total market value of the endowment for the Foundation's operating purposes or designated endowment purposes.

Note 7 - Net Assets

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

	2025	2024
Board-designated reserve for operations	\$ 271,389	\$ 270,139
Undesignated net assets	1,167,331	858,333
Total unrestricted net assets	<u>\$ 1,438,720</u>	<u>\$ 1,128,472</u>

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

	2025	2024
Subject to expenditures for a specified purpose:		
Scholarships	\$ 732,282	\$ 613,266
Educator grants and classroom initiatives	2,919	7,026
College and Career Centers	545,287	724,879
Special events - Annual gala	262,409	290,789
Donor directed pass through grants	4,000	-
Special projects	3,288	41,022
Total subject to expenditures for a specified purpose	1,550,185	1,676,982
Subject to the passage of time - General and administrative	100,000	265,000
Subject to the Foundation's spending policy and appropriation:		
Subject to expenditure when a specified event occurs - Scholarships	52,524	34,735
Perpetual in nature	2,109,291	111,500
Total subject to the Foundation's spending policy and appropriation	<u>2,161,815</u>	<u>146,235</u>
Total	<u>\$ 3,812,000</u>	<u>\$ 2,088,217</u>

Notes to Financial Statements

June 30, 2025 and 2024

Note 8 - 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:

	2025	2024
Purpose restrictions:		
Scholarships	\$ 140,589	\$ 87,607
Donor-directed pass through grants	124,034	320,091
Grants	6,779	-
College and Career Centers	503,980	349,285
Board-designated special projects	68,808	40,731
Special events - Annual gala	243,788	169,700
Total purpose restrictions	1,087,978	967,414
Endowment - Scholarships	2,548	2,272
Release of restrictions due to the passage of time	100,000	265,000
Total restrictions released	<u>\$ 1,190,526</u>	<u>\$ 1,234,686</u>

Note 9 - Related Party Transactions

The board of directors of the Foundation contributed \$13,298 and \$14,172 in contributions without restrictions during the years ended June 30, 2025 and 2024, respectively.

Note 10 - 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 Assets	2025	2024	Valuation Techniques and Use
Services	\$ 46,165	\$ 42,879	The Foundation estimated the fair value of services based on the rate charged by the legal and accounting firms in the open market. All services are used in program and supporting services.
Salaries and benefits	-	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. All salaries and benefits are used in program and supporting services.
Supplies and other	4,000	10,885	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. All supplies are used in program and supporting services.
Total	<u>\$ 50,165</u>	<u>\$ 94,471</u>	

Contributed nonfinancial assets were fully utilized by the Foundation during the years ended June 30, 2025 and 2024.

June 30, 2025 and 2024

Note 11 - 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, 2025 and 2024, fundraising expenses were composed of the following:

	<u>2025</u>	<u>2024</u>
Special event direct expenses - Annual gala	\$ 112,051	\$ 109,516
Indirect annual gala and other fundraising expenses	<u>172,905</u>	<u>162,440</u>
Total	<u>\$ 284,956</u>	<u>\$ 271,956</u>