

**COMMUNITY FOUNDATION
OF NORTHWEST MISSISSIPPI**

**AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Community Foundation of Northwest Mississippi

Opinion

We have audited the accompanying financial statements of the Community Foundation of Northwest Mississippi (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows, and functional expenses for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of Northwest Mississippi as of December 31, 2023 and 2022, 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. 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 Community Foundation of Northwest Mississippi 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.

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 Community Foundation of Northwest Mississippi's ability to continue as a going concern within one year after the date that the financial statements are 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 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, including omissions, 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.
- 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 Community Foundation of Northwest Mississippi'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 Community Foundation of Northwest Mississippi'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.



F. O. Givens & Co.
Senatobia, Mississippi
October 17, 2024

Community Foundation of Northwest Mississippi
Statements of Financial Position
Years Ended December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and Cash Equivalents	\$ 14,046,338	\$ 12,116,914
Investments (Note B)	26,822,087	23,641,213
Grants Receivable, current portion	250,000	-
Other Receivable	36,167	-
Beneficial Interest in Lead Trust, current portion (Note I)	236,296	237,644
Right-of-Use Asset, Operating Lease, current portion (Note J)	30,972	-
Digital Assets (Note G)	122,062	146,467
Total current assets	41,543,922	36,142,238
Grants Receivable, less current portion	500,000	-
Beneficial Interest in Lead Trust, less current portion (Note I)	1,328,516	1,523,592
Property and Equipment Net (Note E)	14,401	7,384
Right-of-Use Asset, Operating Lease, less current portion (Note J)	19,675	-
TOTAL ASSETS	\$ 43,406,514	\$ 37,673,214
LIABILITIES		
Current liabilities		
Accounts Payable	\$ 6,198	\$ 32,162
Current portion of Operating Lease Liability	30,972	-
Amounts Held on Behalf of Others	2,216,666	1,966,658
Deferred Revenue, current portion	250,000	-
Total current liabilities	2,503,836	1,998,820
Deferred Revenue, less current portion	500,000	-
Operating Lease Liability, less current portion	19,675	-
TOTAL LIABILITIES	3,023,511	1,998,820
NET ASSETS		
Net Assets without Donor Restrictions	38,818,191	33,913,158
Net Assets with Donor Restrictions	1,564,812	1,761,236
TOTAL NET ASSETS	40,383,003	35,674,394
TOTAL LIABILITIES AND NET ASSETS	\$ 43,406,514	\$ 37,673,214

The notes to the financial statements are an integral part of this statement.

Community Foundation of Northwest Mississippi
Statements of Activities
Years Ended December 31, 2023 and 2022

	2023			2022		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Public Support	\$ 5,910,486	\$ -	\$ 5,910,486	\$ 7,633,425	\$ 2,293,379	\$ 9,926,804
Contributions	133,292	-	133,292	770	-	770
Fundraising	60,000	-	60,000	25,695	-	25,695
Gifts in Kind	359,638	-	359,638	334,551	-	334,551
Administrative Revenue	1,171,524	-	1,171,524	631,811	-	631,811
Interest & Dividend Income	2,880,139	-	2,880,139	(3,963,144)	-	(3,963,144)
Net Unrealized & Realized Gain/(Loss) on Investments	-	53,576	53,576	-	(282,143)	(282,143)
Change in Value of Split-Interest Agreement	258,870	-	258,870	76,703	-	76,703
Miscellaneous Income	250,000	(250,000)	-	250,000	(250,000)	-
Transfers	11,023,949	(196,424)	10,827,525	4,989,811	1,761,236	6,751,047
TOTAL INCOME						
Programs	5,791,144	-	5,791,144	5,880,157	-	5,880,157
Programs Expenses	160,653	-	160,653	149,971	-	149,971
Supporting Services	167,119	-	167,119	154,446	-	154,446
Fundraising	6,118,916	-	6,118,916	6,184,574	-	6,184,574
Administrative						
TOTAL EXPENSES						
CHANGE IN NET ASSETS	4,905,033	(196,424)	4,708,609	(1,194,763)	1,761,236	566,473
NET ASSETS AT BEGINNING OF YEAR	33,913,158	1,761,236	35,674,394	35,107,921	-	35,107,921
NET ASSETS AT END OF YEAR	\$ 38,818,191	\$ 1,564,812	\$ 40,383,003	\$ 33,913,158	\$ 1,761,236	\$ 35,674,394

The notes to the financial statements are an integral part of this statement.

**Community Foundation of Northwest Mississippi
Statements of Cash Flows
Years Ended December 31, 2023 and 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Net Assets	\$ 4,708,609	\$ 566,473
Adjustments to reconcile increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	4,187	2,273
Unrealized (Gain)/Loss on Investments	(2,564,089)	4,056,727
Realized (Gain)/Loss on Investments	(316,050)	(93,583)
(Increase)/Decrease in Operating Assets		
Grants Receivable	(750,000)	800,000
Other Receivable	(36,167)	-
Beneficial Interest in Lead Trust	196,424	(1,761,236)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(25,964)	(12,835)
Agency Funds	250,008	(176,403)
Deferred Revenue	750,000	(1,096,428)
Net Cash Provided/(Used) by Operating Activities	2,216,958	2,284,988
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(11,204)	(5,731)
Management Advisory Fees	(48,564)	(48,034)
(Increase)/Decrease in Investments	(227,766)	(4,811,682)
Net Cash Provided/ (Used) by Investing Activities	(287,534)	(4,865,447)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,929,424	(2,580,459)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,116,914	14,697,373
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 14,046,338	\$ 12,116,914

The notes to the financial statements are an integral part of this statement.

Community Foundation of Northwest Mississippi
 Statements of Functional Expenses
 Years Ended December 31, 2023 and 2022

2023

	Programs	Fundraising	Administrative	Total
Advertising	\$ 104	\$ 35	\$ 35	\$ 174
Bank Charges	3,031	1,010	1,010	5,051
Continuing Education	2,222	741	741	3,704
Depreciation Expense	-	-	4,187	4,187
Dues and Subscriptions	9,210	-	2,277	11,487
Insurance	8,342	2,781	2,781	13,904
Professional Fees	18,196	4,399	4,399	26,994
Miscellaneous	2,584	861	861	4,306
Office Expense	21,543	7,181	7,181	35,905
Technology	20,926	6,975	6,975	34,876
Postage	1,325	349	349	2,023
Grants, Scholarships, & Activities	5,201,185	-	-	5,201,185
Rent and Utilities	22,851	6,342	6,342	35,535
Repairs and Maintenance	8,229	2,622	2,622	13,473
Salaries	337,000	89,833	89,833	516,666
Employee Benefits	53,896	15,287	15,287	84,470
Employee Retirement (IRA)	8,142	2,714	2,714	13,570
Taxes	25,965	6,915	6,915	39,795
Travel and Entertainment	17,255	2,895	2,897	23,047
Management Advisory Fees	29,138	9,713	9,713	48,564
Total Expenses	\$ 5,791,144	\$ 160,653	\$ 167,119	\$ 6,118,916

2022

	Programs	Fundraising	Administrative	Total
Advertising	\$ 321	\$ 107	\$ 107	\$ 535
Bank Charges	3,459	209	209	3,877
Continuing Education	1,514	505	505	2,524
Depreciation Expense	-	-	2,273	2,273
Dues and Subscriptions	8,809	-	2,202	11,011
Insurance	7,630	2,543	2,543	12,716
Professional Fees	20,709	6,903	6,903	34,515
Miscellaneous	2,312	771	771	3,854
Office Expense	16,343	4,774	4,774	25,891
Technology	17,941	7,181	7,181	32,303
Postage	1,210	225	225	1,660
Grants, Scholarships, & Activities	5,332,067	-	-	5,332,067
Rent and Utilities	23,435	5,823	5,823	35,081
Repairs and Maintenance	7,107	2,369	2,369	11,845
Salaries	317,945	83,485	83,485	484,915
Employee Benefits	44,016	14,672	14,672	73,360
Employee Retirement (IRA)	7,333	2,444	2,444	12,221
Taxes	24,486	6,422	6,422	37,330
Travel and Entertainment	14,700	1,931	1,931	18,562
Management Advisory Fees	28,820	9,607	9,607	48,034
Total Expenses	\$ 5,880,157	\$ 149,971	\$ 154,446	\$ 6,184,574

The notes to the financial statements are an integral part of this statement.

**COMMUNITY FOUNDATION OF NORTHWEST MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023 AND 2022**

NOTE A: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Organization

The Community Foundation of Northwest Mississippi, (“the Foundation”) was organized January 7, 2002, as a nonprofit organization. It is dedicated to serving the people of Mississippi’s eleven northwest counties: Bolivar, Coahoma, DeSoto, Leflore, Marshall, Panola, Quitman, Sunflower, Tallahatchie, Tate, and Tunica. The Foundation’s purpose is to provide a flexible, tax-deductible vehicle to meet the needs of donors and philanthropists in Northwest Mississippi and stimulate the establishment of endowed funds that will serve the citizens and non-profit organizations of northwest Mississippi both now and in the future.

Donors contribute to the following fund types:

- Unrestricted Funds- those for which the Foundation has full discretion in making distributions for charitable purposes to meet community needs.
- Donor Advised Funds-unrestricted funds for which the donor has reserved the right to make nonbinding distribution recommendations to the Foundation.
- Field of Interest Funds- those used at the Foundation’s discretion to meet a general field of charitable need specified by the donor.
- Designated Purpose Funds – those used at the Foundation’s discretion to provide support to specific charitable organizations or programs.
- Scholarship Funds – used to provide scholarships for students.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) for the nonprofit industry. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, the Foundation’s net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions*- Net assets that are not subject to donor-imposed stipulations.
- *Net assets with donor restrictions*- Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation or passage of time. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions.

GAAP provides that if a governing body of an organization has the unilateral power to redirect the use of a donor’s contribution to another beneficiary, such contributions must be classified as net assets without donor restrictions. The Foundation’s Board of Directors has that ability (variance power); however, they would intend to exercise this authority only if the stated purpose of the contribution becomes no longer applicable and incapable of fulfillment. Accordingly, the Foundation’s financial statements classify

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substantially all funds, including the principal of endowment funds, as net assets without donor restrictions, but segregate for internal management and endowment record keeping the portion that is held as endowment from the funds that are currently available for grants.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated amounts.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Of the total balance of cash and cash equivalents, \$13,813,078 and \$9,857,819 as of December 31, 2023, and 2022, respectively, were held in money market funds with a reputable broker. They are valued using level 1 inputs in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. These investments are not covered by federal deposit insurance. The remaining balances of cash and cash equivalents may exceed federal deposit insurance limits.

Grants Receivable

Conditional promises to give are recognized when the conditions on which they depend are substantively met. The 2023 Grants Receivable consists of a grant awarded by the Molina Healthcare Charitable Foundation to provide financial support to small organizations in the Delta and beyond to ensure children and their families have access to healthy, fresh food, with a focus on nutritional education and literacy.

Beneficial Interest in Lead Trust

The Foundation has been named a beneficiary of an irrevocable lead trust. The Foundation's interest in this trust is measured at the present value of the estimated future distributions expected to be received.

Donated Assets

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation.

Amounts held for others under agency transactions

If a not-for-profit organization establishes a fund at the Foundation with its own funds and specifies itself as the beneficiary of that fund, the Community Foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as "Amounts held on behalf of others."

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Investments

Investments consist of equity securities, debt securities, and alternative investments which are carried at fair value if readily determinable and at net asset value per share if not readily determinable.

Investment securities are exposed to several risks, such as interest rate, market, and credit risks. Due to the risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur and those changes could materially affect the amounts reported in the Foundation's financial statements.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment is recorded at estimated fair market value at date of donation, or at cost if purchased. Depreciation is computed using the straight-line method, and is based on the expected useful asset life which will range from 3 to 25 years. There has not been a policy adopted for applying time restriction for donated long lived assets. Depreciation expense for the year ended December 31, 2023 is \$4,187.

Leases

The Foundation, using the guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification 842, Leases ("ASC 842"), determines if an agreement is a lease at the inception of the agreement, and when a lease exists, follows the guidance in ASC 842 to determine whether the lease is an operating or finance lease. The Foundation is party to a certain agreement that is classified as an operating lease. The operating lease to which the Foundation is a party is for office space.

The Foundation has elected not to record short-term leases with initial terms of twelve months or less on its balance sheet. Lease expenses related to those short-term leases are recognized on a straight-line basis over the term of the lease.

The initial assets and corresponding liabilities recorded at commencement of the operating lease are based on the present value of the future minimum lease payments over the lease term. In determining the present value, the Foundation uses the implicit interest rate in the agreement, if provided. If an implicit interest rate is not provided, the Foundation determines the present value of the future minimum lease payments using the risk-free rate for a liability of similar terms based on available information at the lease commencement. Operating lease expense is recognized on a straight-line basis over the lease term with a corresponding reduction to the right-to-use asset and the applicable lease liability.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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NOTES TO FINANCIAL STATEMENTS
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Income Tax Exemption

The Foundation is exempt from Federal income taxes under the provisions of the Internal Revenue Code as an entity described in Section 501(c)(3). The Foundation is also exempt from state income taxes on related income. The Foundation has determined there are no amounts to record as assets or liabilities related to uncertain tax positions

Advertising

The Foundation uses advertising to promote its programs, fundraiser and services to the general public. The cost of advertising is expensed as incurred.

Revenue Recognition

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give cash and other assets to the foundation are reported at fair value at the date the promise is received. Conditional promises to give and indications to give are reported at fair value at the date the gift was deemed unconditional. The gifts are recorded as restricted support if they are received with donor stipulations that limit the use of the assets. When a donor restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donor-restricted contributions and investment income or gains whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statement.

Fair Value Measurements

The Foundation measures fair value of financial instruments using a three-tier hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy inputs are described below:

- Level 1 Quoted prices in active markets for identical assets
- Level 2 Other significant observable inputs (including quoted prices for similar assets, interest rates, and credit risk)
- Level 3 Significant unobservable inputs

Adoption of Recent Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 requires presentation of contributed nonfinancial assets as a separate line in the statement of activities. This new guidance is effective for fiscal years beginning after June 15, 2021. The Foundation adopted the standard on January 1, 2022. The standard did not have a material impact on the consolidated financial

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statements. The Foundation has updated disclosures as necessary (See Note I Gifts in Kind).

The Foundation adopted ASC 842 effective January 1, 2023. Comparative financial information was not adjusted and continues to be reported under the prior lease accounting guidance in ASC 840. The Foundation elected the transition relief package of practical expedients, and as a result, the Foundation did not assess 1) whether existing or expired contracts contain leases, 2) lease classifications for any existing or expired leases, and 3) initial direct costs for existing leases. The Foundation elected the short-term lease practical expedient by establishing an accounting policy to exclude leases with a term of 12 months or less. The Foundation did not separate lease components from non-lease components for our specified asset classes. The Foundation did not elect the practical expedient to use hindsight in determining a lease term and impairment of right-of-use assets at the adoption date. Upon adoption, the Foundation recognized right-to-use assets and corresponding lease liabilities of \$50,647 on its balance sheet based on the present value of future minimum lease payments under operating leases for which the Foundation is the lessee. The adoption of ASC 842 did not have a significant impact on the Foundation's results of operations or cash flows. The adoption of ASC 842 did not result in cumulative effect adjustment to the net assets opening balance.

Subsequent Events

The Foundation has evaluated subsequent events through October 17, 2024, the date the financial statements were available to be issued.

NOTE B: INVESTMENTS

Investments at December 31 included the following:

	<u>2023</u>	<u>2022</u>
Bonds	\$ 3,614,736	\$ 3,292,879
U.S. Treasury Bills	1,491,015	1,924,100
Equity and fixed income funds	21,376,581	18,061,910
Hedge funds	<u>339,755</u>	<u>362,324</u>
Total investments	<u>\$ 26,822,087</u>	<u>\$ 23,641,213</u>

The Foundation's investments include interest in alternative investments. These investments consist primarily of interest in hedge funds. The objective of these hedge funds is to deliver positive returns while maintaining a lower degree of risk, as measured by standard deviation of monthly returns, than the broad equity markets in which it is investing. The assets of the hedge funds are allocated to investment funds that pursue absolute return strategies in the global equity markets, with stronger emphasis on developed equity markets of North America, Europe, and Asia. To achieve its absolute return objective, the investment funds will have the ability to maintain both long and/or short positions in their prospective portfolios. The fund managers will use their discretion in selecting, among other investments, individual stocks, indices, options, and other

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derivatives, both long and short. The Foundation has chosen to invest in alternative investments because they can generate returns that match or exceed publicly traded securities, they carry lower correlations than equity classes relative to one another, and they can have a profound impact on the portfolio's diversification and total return.

There is no public market for alternative investments, and the shares are transferable or redeemable only at the discretion of the funds' investment managers. A determination of net asset value per share is made on a monthly basis, and this net asset value is considered to be the fair value for these investments.

Investment income (loss) for the years ended December 31st was as follows:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 1,171,524	\$ 631,811
Net realized gains (losses) on investments	316,050	93,583
Net unrealized gains (losses) on investments	<u>2,564,089</u>	<u>(4,056,727)</u>
Total investments	<u>\$ 4,051,663</u>	<u>\$ (3,331,333)</u>

Investment income is reported net of fees. The fees for 2023 and 2022 were \$48,564 and \$48,034 respectively.

NOTE C: FAIR VALUE MEASUREMENTS

Quoted market prices are used to determine the fair value of investments in publicly traded equity securities. Equity and fixed income funds are valued using quotes from pricing vendors based on recent trading activity and other observable market data. Bonds and Certificates of deposits are valued primarily by custodians based on pricing models that incorporate available trade, bid, and other market information. The fair value of alternative investments is based on the net asset value per share as a practical expedient.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair value. Furthermore, while the Foundation believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The following table, set forth by level within the fair value hierarchy, presents the Foundation's investments at fair value as of December 31, 2023:

	2023			Total Assets At Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Bonds:				
Corporate Bonds	\$ -	\$ 3,614,736	\$ -	\$ 3,614,736
U.S. Treasury Bills	1,491,015	-	-	1,491,015
Equity and fixed income funds:				
Domestic equity & other	19,032,581	-	-	19,032,581
Fixed income funds	2,344,000	-	-	2,344,000
Subtotal	<u>22,867,596</u>	<u>3,614,736</u>	<u>-</u>	<u>26,482,332</u>
Alternative and other investment funds:				
Multistrategy	-	-	339,755	339,755
Subtotal other	-	-	339,755	339,755
Total investments	<u>\$ 22,867,596</u>	<u>\$ 3,614,736</u>	<u>\$ 339,755</u>	<u>\$ 26,822,087</u>

The Foundation uses NAV to determine the fair value of all underlying investments that do not have readily determinable market value. Net asset value was used in 2023 as follows:

	Net Asset Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Vida Longevity Fund	\$ 339,755	-	Quarterly	180 days 2 yr. lock

The following table, set forth by level within the fair value hierarchy, presents the Foundation's investments at fair value as of December 31, 2022:

	2022			Total Assets At Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Bonds:				
Corporate Bonds	\$ -	\$ 3,292,880	\$ -	\$ 3,292,880
U.S. Treasury Bills	1,924,100	-	-	1,924,100
Equity and fixed income funds:				
Domestic equity & other	16,073,077	-	-	16,073,077
Fixed income funds	1,988,832	-	-	1,988,832
Subtotal	<u>19,986,009</u>	<u>3,292,880</u>	<u>-</u>	<u>23,278,889</u>
Alternative and other investment funds:				
Multistrategy	-	-	362,324	362,324
Subtotal other	-	-	362,324	362,324
Total investments	<u>\$ 19,986,009</u>	<u>\$ 3,292,880</u>	<u>\$ 362,324</u>	<u>\$ 23,641,213</u>

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The Foundation uses NAV to determine the fair value of all underlying investments that do not have readily determinable market value. Net asset value was used in 2022 as follows:

	<u>Net Asset Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Vida Longevity Fund	\$ 362,324	-	Quarterly	180 days 2 yr. lock

Information regarding the changes in the fair value of the Foundation's Level 3 investments for the years ended December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Level 3 investments beginning	\$ 362,324	\$ 369,586
Unrealized gains (losses)	<u>(22,569)</u>	<u>(7,262)</u>
Level 3 investments ending	<u>\$ 339,755</u>	<u>\$ 362,324</u>

NOTE D: ENDOWED FUNDS

The Foundation follows the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and its own governing documents. The Board of Directors has recognized that the majority of the Foundation's contributions are subject to the terms of specific agreements with the Foundation and its Financial Policies and Investment Guidelines. Under the terms of the Bylaws and Financial Policies and Investment Guidelines, the Board of Directors has the ability to distribute so much of the original principal of any trust or separate gift, devise, bequest, or fund as the Board in its sole discretion shall determine. As a result of the ability to distribute corpus, all contributions are classified as unrestricted.

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 those endowment assets. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return 8%; enough to make an annual distribution, pay management fees, and maintain its purchasing power. Actual returns in any given year may vary from this amount.

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 and current yield. The Foundation targets a diversified asset allocation that places an emphasis on equity-based investments to achieve its long-term objectives within prudent risk parameters.

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The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds for grant making and administration. The current spending policy is to distribute an amount at least equal to 4.5% to 5% of an annual average daily balance of the fair value of the endowment funds. Over the long term, the Foundation expects its current spending policy to allow its endowment assets to grow at an average rate of 3% to 3.5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through new gifts and investment return.

A summary of endowment net assets by type of fund as of December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Board Designated	\$ 5,806,189	\$ 5,144,881
Designated Purpose	3,754,695	3,266,450
Donor Advised	8,620,248	6,709,642
Field of Interest	4,147,163	3,517,568
Scholarship	1,078,867	909,247
Total Endowment Funds	<u>\$ 23,407,162</u>	<u>\$ 19,547,788</u>

A summary of changes in endowment net assets as of December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Endowment Net Assets, Beginning of year	\$ 19,547,788	\$ 22,378,258
Contributions	913,075	988,808
Interest and Dividends, Net of Fees	539,890	374,275
Realized Gains/(Losses)	43,564	117,408
Grants, Scholarships & Programs	(358,112)	(348,779)
Administrative Fees	(202,189)	(208,679)
Other Income/(Expense)	297,151	12,320
Unrealized Gains/(Losses)	<u>2,625,995</u>	<u>(3,765,823)</u>
Change in Endowment Net Assets	3,859,374	(2,830,470)
Endowment Net Assets, End of Year	<u>\$ 23,407,162</u>	<u>\$ 19,547,788</u>

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NOTE E: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Furniture & Equipment	\$ 26,153	\$ 17,605
Total	26,153	17,605
Accumulated Depreciation	(11,752)	(10,221)
Net Property & Equipment	\$ 14,401	\$ 7,384

NOTE F: AVAILABILITY AND LIQUIDITY

The Foundation's financial assets available within one year of the balance sheet date for general expenditure were as follows:

	December 31, 2023	December 31, 2022
Cash and Cash Equivalents	\$ 14,046,338	\$ 12,116,914
Grant Receivable	250,000	-
Other Receivable	36,167	-
Beneficial Interest in Lead Trust	236,296	237,644
Investments	26,822,087	23,641,213
Financial Assets Available to Meet General expenditures Within One Year	\$ 41,390,888	\$ 35,995,771

The Foundation had \$41,390,888 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. Contributions made without donor restrictions are expendable for general operating as well as to support the goals and objectives of The Foundation as needed.

NOTE G: DIGITAL ASSETS – Bitcoin

During 2021, the Foundation received a gift of Bitcoin valued at \$296,431. Upon receipt of the gift, the donor requested the Foundation sell a portion of the Bitcoin and keep a portion. During 2023, the Foundation sold .5 of the Bitcoin. As of December 31, 2023, the carrying value of the Foundation's remaining digital assets (comprised solely of Bitcoin) was \$122,062.

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NOTE H: GIFTS IN KIND

The Foundation receives various forms of gift-in-kind (GIK) including media, use of building space and in-kind services. GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. Donated GIK are not sold and are only used for program use. The Foundation received gifts in kind of \$60,000 and \$25,695 as of December 31, 2023, and 2022, respectively.

NOTE I: CHARITABLE LEAD TRUST

The Foundation is the beneficiary of a charitable lead trust. Under the terms of the agreement, the Foundation is to receive annual payments of \$250,000 for 10 years. The Foundation recognized \$2,293,379 in contributions in connection with the charitable lead trust on the statement of activities for the year ended December 31, 2022. This represented the present value of the contributions expected to be received. The Foundation received \$250,000 per year from the trust for the years ended December 31, 2023, and 2022.

NOTE J: OPERATING LEASE

In September 2023 the Foundation entered into a two-year, non-cancelable operating lease agreement for office space beginning September 1, 2023. Lease payments are payable in monthly installments. The lease is presented as a right-of-use operating lease asset and liability on the statement of financial position. Operating lease cost is recognized on a straight-line basis over the lease term.

The future maturities of obligations under the non-cancelable lease at December 31, 2023 were as follows:

Year	Amount
2024	\$ 31,800
2025	21,200
Total undiscounted operating lease payments	53,000
Less: Imputed Interest	(2,353)
Present Value of lease liability	\$ 50,647

NOTE K: REFUNDABLE TAX CREDITS – EMPLOYER RETENTION CREDIT

In 2023, the Foundation qualified for \$134,837 of refundable tax credits in accordance with the Employer Retention Credit (ERC) program, authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended by subsequent legislative changes.

In accordance with the ERC program, an organization is eligible for an ERC if, due to the COVID-19 pandemic, there has been significant decline in gross receipts in the current year as compared to 2019 gross receipts, or a full or partial shutdown based on a governmental order. The ERC is computed based on a percentage of qualified wages (including qualified health insurance expenses) incurred during the year, with a maximum annual credit per employee.

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The Foundation's policy is to account for the ERC as a grant using guidance similar to a conditional contribution found in ASC Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*. In accordance with ASC Subtopic 958-605, the ERC is recognized and recorded as income in the statement of income when the conditions required by the ERC are substantially met.

In 2023, the Foundation has presented \$134,837 of grant income in the miscellaneous income section of the statement of income. In the current assets section of the December 31, 2023 balance sheet, the Foundation has an ERC receivable in the amount of \$36,167, reflective of that portion of the ERC that had not yet been received as of December 31, 2023.