

**COMMUNITY FOUNDATION
OF NORTHWEST MISSISSIPPI**

**AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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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, 2024 and 2023, 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, 2024 and 2023, 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
August 6, 2025

Community Foundation of Northwest Mississippi
Statements of Financial Position
Years Ended December 31, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and Cash Equivalents	\$ 9,284,309	\$ 14,046,338
Investments (Note B)	35,798,941	26,822,087
Prepaid Expenses	19,637	-
Grants Receivable, current portion	250,000	250,000
Pledges Receivable	158,000	-
Other Receivable	-	36,167
Beneficial Interest in Lead Trust, current portion (Note I)	238,096	236,296
Right-of-Use Asset, Operating Lease, current portion (Note J)	20,942	30,972
Digital Assets (Note G)	221,731	122,062
Total current assets	45,991,656	41,543,922
Grants Receivable, less current portion	1,400,000	500,000
Beneficial Interest in Lead Trust, less current portion (Note I)	1,208,498	1,328,516
Property and Equipment Net (Note E)	9,096	14,401
Right-of-Use Asset, Operating Lease, less current portion (Note J)	-	19,675
TOTAL ASSETS	\$ 48,609,250	\$ 43,406,514
LIABILITIES		
Current liabilities		
Accounts Payable	\$ 8,633	\$ 6,198
Current portion of Operating Lease Liability	20,942	30,972
Amounts Held on Behalf of Others	2,419,044	2,216,666
Deferred Revenue, current portion	250,000	250,000
Total current liabilities	2,698,619	2,503,836
Deferred Revenue, less current portion	1,400,000	500,000
Operating Lease Liability, less current portion	-	19,675
TOTAL LIABILITIES	4,098,619	3,023,511
NET ASSETS		
Net Assets without Donor Restrictions	43,064,037	38,818,191
Net Assets with Donor Restrictions	1,446,594	1,564,812
TOTAL NET ASSETS	44,510,631	40,383,003
TOTAL LIABILITIES AND NET ASSETS	\$ 48,609,250	\$ 43,406,514

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, 2024 and 2023**

	<u>2024</u>			<u>2023</u>		
	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
Public Support						
Contributions	\$ 6,843,258	\$ -	\$ 6,843,258	\$ 5,910,486	\$ -	\$ 5,910,486
Fundraising	(5,592)	-	(5,592)	133,292	-	133,292
Gifts in Kind	573,299	-	573,299	60,000	-	60,000
Administrative Revenue	551,681	-	551,681	359,638	-	359,638
Interest & Dividend Income	1,358,081	-	1,358,081	1,171,524	-	1,171,524
Net Unrealized & Realized Gain/(Loss) on Investments	2,030,935	-	2,030,935	2,880,139	-	2,880,139
Change in Value of Split-Interest Agreement	-	131,782	131,782	-	53,576	53,576
Miscellaneous Income	50,000	-	50,000	258,870	-	258,870
Transfers	250,000	(250,000)	-	250,000	(250,000)	-
TOTAL INCOME	<u>11,651,662</u>	<u>(118,218)</u>	<u>11,533,444</u>	<u>11,023,949</u>	<u>(196,424)</u>	<u>10,827,525</u>
Programs						
Programs Expenses	7,049,410	-	7,049,410	5,791,144	-	5,791,144
Supporting Services						
Fundraising	173,973	-	173,973	160,653	-	160,653
Administrative	182,433	-	182,433	167,119	-	167,119
TOTAL EXPENSES	<u>7,405,816</u>	<u>-</u>	<u>7,405,816</u>	<u>6,118,916</u>	<u>-</u>	<u>6,118,916</u>
CHANGE IN NET ASSETS	4,245,846	(118,218)	4,127,628	4,905,033	(196,424)	4,708,609
NET ASSETS AT BEGINNING OF YEAR	38,818,191	1,564,812	40,383,003	33,913,158	1,761,236	35,674,394
NET ASSETS AT END OF YEAR	<u><u>\$ 43,064,037</u></u>	<u><u>\$ 1,446,594</u></u>	<u><u>\$ 44,510,631</u></u>	<u><u>\$ 38,818,191</u></u>	<u><u>\$ 1,564,812</u></u>	<u><u>\$ 40,383,003</u></u>

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, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Net Assets	\$ 4,127,628	\$ 4,708,609
Adjustments to reconcile increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	6,411	4,187
Unrealized (Gain)/Loss on Investments	(1,187,891)	(2,564,089)
Realized (Gain)/Loss on Investments	(835,875)	(316,050)
(Increase)/Decrease in Operating Assets		
Prepaid Expenses	(19,637)	-
Grants Receivable	(900,000)	(750,000)
Other Receivable	36,167	(36,167)
Pledge receivable	(158,000)	-
Beneficial Interest in Lead Trust	118,218	196,424
Increase (Decrease) in Operating Liabilities		
Accounts Payable	2,435	(25,964)
Agency Funds	202,378	250,008
Deferred Revenue	900,000	750,000
Net Cash Provided/(Used) by Operating Activities	2,291,834	2,216,958
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(1,106)	(11,204)
Management Advisory Fees	(59,338)	(48,564)
(Increase)/Decrease in Investments	(6,993,419)	(227,766)
Net Cash Provided/ (Used) by Investing Activities	(7,053,863)	(287,534)
Net Increase/(Decrease) in Cash and Cash Equivalents	(4,762,029)	1,929,424
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,046,338	12,116,914
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 9,284,309	\$ 14,046,338

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, 2024 and 2023

	2024				2023			
	Programs	Fundraising	Administrative	Total	Programs	Fundraising	Administrative	Total
Advertising	\$ 2,662	\$ 554	\$ 554	\$ 3,770	\$ 104	\$ 35	\$ 35	\$ 174
Bank Charges	3,659	380	380	4,419	3,031	1,010	1,010	5,051
Continuing Education	3,657	1,219	1,219	6,095	2,222	741	741	3,704
Depreciation Expense	-	-	6,411	6,411	-	-	4,187	4,187
Dues and Subscriptions	9,832	-	2,458	12,290	9,210	-	2,277	11,487
Insurance	13,454	4,484	4,484	22,422	8,342	2,781	2,781	13,904
Professional Fees	19,692	6,564	6,564	32,820	18,196	4,399	4,399	26,994
Miscellaneous	7,688	2,971	2,563	13,222	2,584	861	861	4,306
Office Expense	20,925	5,859	5,859	32,643	21,543	7,181	7,181	35,905
Technology	21,540	6,800	6,800	35,140	20,926	6,975	6,975	34,876
Postage	892	275	275	1,442	1,325	349	349	2,023
Grants, Scholarships, & Activities	6,401,398	-	-	6,401,398	5,201,185	-	-	5,201,185
Rent and Utilities	31,521	7,896	7,896	47,313	22,851	6,342	6,342	35,535
Repairs and Maintenance	9,144	3,049	3,049	15,242	8,229	2,622	2,622	13,473
Salaries	353,258	94,553	94,553	542,364	337,000	89,833	89,833	516,666
Employee Benefits	52,848	12,849	12,849	78,546	53,896	15,287	15,287	84,470
Employee Retirement (IRA)	9,131	3,043	3,043	15,217	8,142	2,714	2,714	13,570
Taxes	27,220	7,287	7,287	41,794	25,965	6,915	6,915	39,795
Travel and Entertainment	25,287	4,322	4,321	33,930	17,255	2,895	2,897	23,047
Management Advisory Fees	35,602	11,868	11,868	59,338	29,138	9,713	9,713	48,564
Total Expenses	<u>\$ 7,049,410</u>	<u>\$ 173,973</u>	<u>\$ 182,433</u>	<u>\$ 7,405,816</u>	<u>\$ 5,791,144</u>	<u>\$ 160,653</u>	<u>\$ 167,119</u>	<u>\$ 6,118,916</u>

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, 2024 AND 2023**

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, 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 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, \$9,022,350 and \$13,813,078 as of December 31, 2024, and 2023, 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 2024 Grants Receivable consists of two grants:

- (1) the Molina Healthcare Charitable Foundation grant 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.
- (2) the W.K. Kellogg Foundation grant to provide high-demand, sector-based workforce development and training for Sunflower County, Mississippi, residents to increase access to good jobs and improve financial security for children and families.

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

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for the transfer of such assets as a liability. The Foundation refers to such funds as "Amounts held on behalf of others."

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 are 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, 2024, is \$6,411.

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

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Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, fundraisers 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

Effective January 1, 2024, the Foundation adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326)- Measurement of Credit Losses on Financial Instruments*.

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ASU 2016-13 requires a financial asset (including “trade” receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the consolidated statement of activities will reflect the measurement of credit losses for newly-recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. The Foundation adopted ASU 2016-13 as of and for the year ended December 31, 2024 with no material impact on the accompanying financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through August 6, 2025, the date the financial statements were available to be issued.

NOTE B: INVESTMENTS

Investments at December 31 included the following:

	<u>2024</u>	<u>2023</u>
Bonds	\$ 5,708,978	\$ 3,614,736
U.S. Treasury Bills	3,494,722	1,491,015
Equity and fixed income funds	26,252,667	21,376,581
Hedge funds	<u>342,574</u>	<u>339,755</u>
Total investments	<u>\$ 35,798,941</u>	<u>\$ 26,822,087</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 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.

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

	2024	2023
Interest and dividends	\$ 1,358,081	\$ 1,171,524
Net realized gains (losses) on investments	835,875	316,050
Net unrealized gains (losses) on investments	1,195,060	2,564,089
Total investments	\$ 3,389,016	\$ 4,051,663

Investment income is reported net of fees. The fees for 2024 and 2023 were \$59,338 and \$48,564 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.

The following table, set forth by level within the fair value hierarchy, presents the Foundation's investments at fair value as of December 31, 2024:

	2024			Total Assets At Fair Value
	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	
Bonds:				
Corporate Bonds	\$ -	\$ 5,708,978	\$ -	\$ 5,708,978
U.S. Treasury Bills	3,494,722	-	-	3,494,722
Equity and fixed income funds:				
Domestic equity & other	22,443,242	-	-	22,443,242
Fixed income funds	3,809,425	-	-	3,809,425
Subtotal	29,747,389	5,708,978	-	35,456,367
Alternative and other investment funds:				
Multistrategy	-	-	342,574	342,574
Subtotal other	-	-	342,574	342,574
Total investments	\$ 29,747,389	\$ 5,708,978	\$ 342,574	\$ 35,798,941

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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 2024 as follows:

	<u>Net Asset Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Vida Longevity Fund	\$ 342,574	-	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, 2023:

	2023			<u>Total Assets At Fair Value</u>
	<u>Fair Value Measurements Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
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:

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

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

	2024	2023
Level 3 investments beginning	\$ 339,755	\$ 362,324
Unrealized gains (losses)	2,819	(22,569)
Level 3 investments ending	\$ 342,574	\$ 339,755

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.

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.

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

	2024	2023
Board Designated	\$ 6,290,433	\$ 5,806,189
Designated Purpose	4,239,843	3,754,695
Donor Advised	10,553,308	8,620,248
Field of Interest	4,464,674	4,147,163
Scholarship	1,747,906	1,078,867
Total Endowment Funds	\$ 27,296,164	\$ 23,407,162

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

	2024	2023
Endowment Net Assets, Beginning of year	\$ 23,407,162	\$ 19,547,788
Contributions	1,765,580	913,075
Interest and Dividends, Net of Fees	655,690	539,890
Realized Gains/(Losses)	340,141	43,564
Grants, Scholarships & Programs	(430,100)	(358,112)
Administrative Fees	(274,606)	(202,189)
Other Income/(Expense)	197,549	297,151
Unrealized Gains/(Losses)	1,634,748	2,625,995
Change in Endowment Net Assets	3,889,002	3,859,374
Endowment Net Assets, End of Year	\$ 27,296,164	\$ 23,407,162

NOTE E: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2024	2023
Furniture & Equipment	\$ 27,259	\$ 26,153
Total	27,259	26,153
Accumulated Depreciation	(18,163)	(11,752)
Net Property & Equipment	\$ 9,096	\$ 14,401

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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, <u>2024</u>	December 31, <u>2023</u>
Cash and Cash Equivalents	\$ 9,284,309	\$ 14,046,338
Grant Receivable	250,000	250,000
Other Receivable	-	36,167
Pledges Receivable	158,000	-
Beneficial Interest in Lead Trust	238,096	236,296
Investments	<u>35,798,941</u>	<u>26,822,087</u>
Financial Assets Available to Meet General expenditures Within One Year	<u>\$ 45,729,346</u>	<u>\$ 41,390,888</u>

The Foundation had \$45,729,346 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. Upon receipt of the gift, the donor requested the Foundation sell a portion of the Bitcoin and keep a portion. Since then, the Foundation has sold some Bitcoin at the donor's request. In 2024, the Foundation received an additional Bitcoin gift of 1.01 units. As of December 31, 2024, the carrying value of the Foundation's remaining digital assets (comprised solely of Bitcoin) was \$221,731.

NOTE H: GIFTS IN KIND

The Foundation receives various forms of gift-in-kind (GIK) including media, food, use of building space, in-kind services and cryptocurrency. GIK are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. GIK are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. Donated GIK are not sold and are only used for program use. Cryptocurrency is held until the donor advises the Foundation to sell it.

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Donated gifts in kind for the fiscal years ended December 31, 2024 and 2023, included in the financial statements were as follows:

Non-Financial Contributions Category	Valuation	2024	2023
Media	Third-party estimates using billing rates in like circumstances	\$ 34,000	\$ 34,000
Food and non-food items	U.S. wholesale prices of identical or similar products	416,630	5,000
Professional services	Standard industry pricing for similar services	23,000	21,000
Cryptocurrency	Based on market value on date of receipt	99,669	-
Total In-kind Donations		<u>\$ 573,299</u>	<u>\$ 60,000</u>

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, 2022 - 2024.

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, 2024 were as follows:

Year	Amount
2025	\$ 21,200
Total undiscounted operating lease payments	21,200
Less: Imputed Interest	(258)
Present Value of lease liability	<u>\$ 20,942</u>

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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.

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 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 had 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. As of December 31, 2024, all ERC funds have been received.

NOTE L: SIMPLE IRA RETIREMENT PLAN

The Foundation sponsors a Savings Incentive Match Plan for Employees (SIMPLE) IRA plan (the "Plan") which is available to all eligible employees. Employees are allowed to contribute a percentage of their annual wages to the Plan, subject to certain Internal Revenue Service limitations. The Foundation makes a matching contribution equal to the employee's salary reduction contributions, up to 3 percent of a participant's annual compensation. The Foundation's total contributions to the Plan were \$15,217 and \$13,570 in 2024 and 2023.