ASSURANCE DIMENSIONS

Financial Statements and Independent Auditor's Report

The Boys & Girls Clubs of Nassau County Foundation, Inc.

June 30, 2023 and 2022

The Boys & Girls Clubs of Nassau County Foundation, Inc.

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ASSURANCE DIMENSIONS

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees of
The Boys & Girls Clubs of Nassau County Foundation, Inc.:

We have audited the accompanying financial statements of **The Boys & Girls Clubs of Nassau County Foundation, Inc.** (the "Foundation"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows 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 Foundation as of June 30, 2023 and 2022, and the results of its activities and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other 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 U.S. GAAP, 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 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 U.S. 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.

ASSURANCE DIMENSIONS CERTIFIED PUBLIC ACCOUNTANTS & ASSOCIATES
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ASSURANCE DIMENSIONS

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 the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Assurance Dimensions

Jacksonville, Florida
November 9, 2023

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Boys & Girls Clubs of Nassau County Foundation, Inc.

Statements of Financial Position

As of June 30, 2023 and 2022

		2023		2022
Assets				
CURRENT ASSETS				
Cash and cash equivalents	$	1,358,120	$	1,938,555
Restricted cash		218,283		1,003,583
Contributions receivable		231,364		134,300
Investments - endowment		158,000		154,000
Investments - other		1,918,791		661,989
Investments - restricted		800,000		-
Prepaid expenses and other current assets		-		9,879
Total current assets		4,684,558		3,902,306
NON-CURRENT ASSETS				
Contributions receivable, net		182,166		240,532
Investments - endowment		2,872,818		2,649,025
Property and equipment, net		3,918,463		4,032,571
Other assets		4,496		4,496
Total non-current assets		6,977,943		6,926,624
TOTAL ASSETS	$	11,662,501	$	10,828,930
Liabilities and Net Assets				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$	7,538	$	9,167
TOTAL LIABILITIES		7,538		9,167
NET ASSETS				
Without donor restrictions		7,192,332		6,641,906
With donor restrictions		4,462,631		4,177,857
Total net assets		11,654,963		10,819,763
TOTAL LIABILTIES AND NET ASSETS	$	11,662,501	$	10,828,930

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

Boys & Girls Clubs of Nassau County Foundation, Inc.
Statements of Activities
For the Years Ended June 30, 2023 and 2022

	2023			2022
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Total**
Revenues and support:				
Contributions	$ 990,470	$ 209,600	$ 1,200,070	$ 1,968,543
Special events	424,986	-	424,986	375,567
Club dues and fees	302,025	-	302,025	162,129
In-kind contributions	74,670	-	74,670	39,271
Net investment gain (loss)	56,802	414,749	471,551	(492,503)
Total revenue	1,848,953	624,349	2,473,302	2,053,007
Net assets released from restriction	339,575	(339,575)	-	-
Expenses:				
Program services	1,294,096	-	1,294,096	1,196,848
Supporting services:				
Fundraising	251,394	-	251,394	197,003
Administrative	92,612	-	92,612	41,528
Total expenses	1,638,102	-	1,638,102	1,435,379
Change in net assets	550,426	284,774	835,200	617,628
Net assets at the beginning of year	6,641,906	4,177,857	10,819,763	10,202,135
Net assets at the end of year	$ 7,192,332	$ 4,462,631	$ 11,654,963	$ 10,819,763

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

Boys & Girls Clubs of Nassau County Foundation, Inc.

Statements of Functional Expenses

For the Years Ended June 30, 2023 and 2022

	2023				2022
		Support Services			
	Program Services	Administrative	Fundraising	Total Expenses	Total
Expenses:					
Club support	$ 870,851	$ -	$ -	$ 870,851	$ 821,818
Special events	-	-	205,148	205,148	152,895
Supplies	19,293	-	-	19,293	9,148
Depreciation	157,640	-	-	157,640	155,843
Repairs and maintenance	93,749	-	-	93,749	111,090
Insurance	62,232	3,275	-	65,507	26,765
Utilities	53,603	-	-	53,603	45,020
Office	6,100	24,400	10,167	40,667	20,568
Professional fees	3,603	32,428	-	36,031	25,820
Travel, meals, and entertainment	16,475	6,337	2,534	25,346	5,675
Contract labor	-	9,466	9,466	18,932	4,411
Telephone	4,691	4,691	4,833	14,215	14,590
Computer software	1,399	6,996	5,597	13,992	10,858
Public awareness	1,317	3,291	8,557	13,165	12,601
Printing	-	-	3,851	3,851	7,959
Bad debt expense	3,000	-	-	3,000	6,000
Bank charges	143	358	929	1,430	3,025
Taxes and licenses	-	851	-	851	311
Postage	-	313	312	625	982
Donations	-	206	-	206	-
Total expenses	$ 1,294,096	$ 92,612	$ 251,394	$ 1,638,102	$ 1,435,379

Boys & Girls Clubs of Nassau County Foundation, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 835,200	$ 617,628
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	157,640	155,843
Realized losses (gains) on sale of investments	166	(148,494)
Unrealized losses (gains) on investments	(358,269)	705,776
Change in:		
Contributions receivable, net	(38,698)	(140,819)
Prepaid expenses and other current assets	9,879	89,121
Accounts payable and accrued expenses	(1,629)	(4,751)
Net cash provided by operating activities	604,289	1,274,304
Cash flows from investing activities:		
Purchases of investments, net	(1,926,492)	(605,799)
Purchases of property and equipment	(43,532)	(8,700)
Net cash used by investing activities	(1,970,024)	(614,499)
Change in cash and cash equivalents	(1,365,735)	659,805
Cash and cash equivalents, beginning of period	2,942,138	2,282,333
Cash and cash equivalents, end of period	$ 1,576,403	$ 2,942,138

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

Note A – Organization and Description of Business

The Boys & Girls Clubs of Nassau County Foundation, Inc. (the "Foundation") was established in 2000 to fund the operations of the Boys & Girls Clubs of Northeast Florida's ("BGCNF") Nassau County, Florida locations. The Foundation completed construction of the Miller Freedom Club in August of 2007 and Roberts Learning and Achievement Center in October 2012. The clubs provide youth development programs, specifically in the following areas: education and career development; health and life skills; character and leadership development; the arts; and sports, fitness and recreation. The Foundation's endowment will fund ongoing maintenance of the clubs as well as support children's programs.

Note B – Significant Accounting Policies

Basis of Accounting

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which involve the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Standards

Effective July 1, 2022, the Foundation adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The Foundation has elected the package of practical expedients permitted in Accounting Standards Codification (ASC) 842. Accordingly, the Foundation accounted for its existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC 842, (b) whether classification of the operating lease would be different in accordance with ASC 842, or (c) whether the unamortized initial direct costs before transition adjustments (as of June 20, 2022) would have met the definition of initial direct costs in ASC 842 at lease commencement. On July 1, 2022, the Foundation did not have any leases that would meet the criteria to be recognized as a right of use asset as a result of the adoption of the new lease accounting guidance.

Recently Issued Accounting Standards Not Yet Adopted

The Foundation periodically reviews new accounting standards issued as ASUs by the FASB. The Foundation carefully considers all new pronouncements that alter previous U.S. GAAP. Other accounting standards that have been issued or proposed by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Note B – Significant Accounting Policies (continued)

Net Assets (continued)

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include time deposits and all highly liquid debt instruments with original maturities of twelve months or less, and money market accounts. There is a cash account and money market account of approximately $1,018,000 and $1,000,000 restricted for the creation of a teen center facility as of June 30, 2023 and 2022.

The Foundation maintains its cash balances at several financial institutions, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents. At times, cash may be in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits. As of June 30, 2023 and 2022 the Foundation had approximately $271,000 and $2,648,000 in cash and cash equivalents in excess of FDIC limits.

Contributions Receivable, Net

Contributions, including unconditional promises to give due in future periods, are recognized as revenues in the period made or received. Conditional promises to give, which depend upon specified future and uncertain events, are recognized as revenue when the conditions upon which they depend are substantially met. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activity. It is the Foundation's policy to charge off uncollectible accounts when management determines the receivable will not be collected. Management determined that no allowance for uncollectible contributions was necessary as of June 30, 2023 and 2022.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Investments

Investments are carried at fair value. Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in the statements of activities. Income from investments is reflected net of related expenses.

Fair Value Measurement

The Foundation categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access.

Note B – Significant Accounting Policies (continued)

Fair Value Measurement (continued)

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset's 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Exchange traded funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its 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.

Property and Equipment, Net

Acquisitions of property and equipment in excess of $500 are capitalized at cost, if purchased, or at the approximate fair value at the date of gift, if donated. Assets are depreciated on a straight-line basis over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in administration expenses.

The Foundation periodically reviews property and equipment for indicators of potential impairment. If this review indicates that the carrying amount of these assets may not be recoverable, the Foundation estimates the future cash flows expected to result from the operations of the asset and its eventual disposition. If the sum of these future cash flows (undiscounted and without interest charges) is less than the carrying amounts of the asset, the Foundation records an impairment loss based on the fair value of the asset. No impairments were deemed to exist at June 30, 2023 and 2022.

Leases

For any new or modified lease, the Foundation at the inception of the contract, determines whether a contract is or contains a lease. The Foundation records right-of-use assets and lease obligations for its operating leases, which are initially recognized based on the discounted future lease payments over the term of the lease. The Foundation calculates operating lease liabilities with the implicit interest rate in the contract. When that is not available, the Foundation uses the risk-free discount rate, using a comparable period with the lease term.

The lease term is defined as the non-cancelable period of the lease plus any options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise the option. All lease and non-lease components are combined for all leases. The non-lease components are variable payments, which are primarily composed of common area maintenance and real estate taxes that are passed on from the lessor in proportion to the space leased. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Note B – Significant Accounting Policies (continued)

Contributions

The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations (i.e. capital campaign, endowment, etc.) that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services

The Foundation received a substantial amount of services donated by unpaid volunteer officers and committees for the purposes of carrying out its functions. U.S. GAAP allows recognition of donated services only if (a) the services create or enhance non-financial assets or (b) the services would have been purchased if not provided by contribution, requires specialized skills, and are provided by individuals possessing those skills. No amounts have been reflected for these donated services because they do not meet the criteria for inclusion in the financial statements. However, when professional services (i.e. legal, accounting, etc.) are provided, in-kind values are recorded as contributions.

Revenue Recognition – Contracts with Students

All revenues from exchange transactions are recorded in accordance with Accounting Standards Codification 606, which is recognized when: (i) a contract with a customer has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Foundation has satisfied the applicable performance obligation at a point in time or over time.

The Foundation has determined that the memberships provided are comprised of a single performance obligation identified in the contracts with students. Performance obligations are satisfied over the course of the school year or program upon the completion of services. The Foundation charges an annual membership fee of $30 per member each year. Terms and conditions vary by contract for the after-school programs and summer academy, but terms generally include the requirement of a standard monthly membership fee of $100 per student for the after-school programs and a standard weekly membership fee of $40 per student for the summer academy program. Students may also receive a reduced rate or a scholarship for the after-school programs and summer academy on a case by case basis. All revenues are earned in the United States.

Functional Allocation of Expenses

Expenses that can be identified with a specific function are charged directly to that function, whereas costs common to multiple functions have been allocated.

These functions are defined as follows:

Program Services – The costs related to providing services related to the Foundation's mission.

Administrative – Activities that provide governance, oversight, business and financial management, financial recordkeeping, budgeting, legal, and other services.

Fundraising – Activities include publicizing and conducting fundraising campaigns, maintaining donor lists, conducting fundraising events, and any other activities that solicit contributions from corporations, foundations, individuals and others. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years

Note B – Significant Accounting Policies (continued)

Income Tax Status

The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

The Foundation evaluates its tax positions for any uncertainties based on the technical merits of the positions taken. The Foundation recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be upheld on examination by taxing authorities. The Foundation has analyzed the tax positions taken and has concluded that as of June 30, 2023 there were no uncertain tax positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements.

Management is required to analyze all open tax years, as defined by the statute of limitations, for all major jurisdictions, including federal and certain state taxing authorities. With few exceptions, at June 30, 2023, the Foundation is no longer subject to U.S. federal, state or local income tax examinations by taxing authorities for years before 2021. As of and for the year ended June 30, 2023, the Foundation did not have a liability for any unrecognized taxes. The Foundation has no examinations in progress and is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax liabilities will significantly change in the next twelve months.

Note C – Contributions Receivable, Net

Contributions receivable are comprised of unconditional promises to give as follows as of June 30, 2023 and 2022:

	2023	2022
Pledges for contributions to operations	$ 413,530	$ 374,832
Total contributions receivable	$ 413,530	$ 374,832
Due in less than one year	$ 231,364	$ 134,300
Due in one to five years	217,300	255,124
Total contributions receivable	448,664	389,424
Less: discount to present value	(35,134)	(14,592)
Contributions receivable, net	$ 413,530	$ 374,832

Note D – Investments

Investments are summarized as follows as of June 30, 2023:

	Fair Value	Cost	Unrealized Gain (Loss)
Exchange-traded funds	$ 3,520,190	$ 2,961,216	$ 558,974
Cash	2,229,419	2,229,419	-
Total investments	$ 5,749,609	$ 5,190,635	$ 558,974

Investments are summarized as follows as of June 30, 2022:

	Fair Value	Cost	Unrealized Gain (Loss)
Exchange-traded funds	$ 2,877,893	$ 2,794,879	$ 83,014
Cash	587,121	587,121	-
Total investments	$ 3,465,014	$ 3,382,000	$ 83,014

Note E – Fair Value Measurements

The following is a summary of the levels within the fair value hierarchy for the Foundation's investments as of June 30, 2023 and 2022:

	Fair Value Measurements at Reporting Date Using:	
	Assets Measured at Fair Value 06/30/2023	(Level 1) Quoted Prices in Active Markets
Exchange-traded funds	$ 3,520,190	$ 3,520,190
Total investments at fair value	$ 3,520,190	$ 3,520,190

	Fair Value Measurements at Reporting Date Using:	
	Assets Measured at Fair Value 06/30/2022	(Level 1) Quoted Prices in Active Markets
Exchange-traded funds	$ 2,877,893	$ 2,877,893
Total investments at fair value	$ 2,877,893	$ 2,877,893

Note F – Property and Equipment, Net

The components of property and equipment as of June 30, 2023 and 2022 are as follows:

	2023	2022	Years
Buildings and building improvements	$ 5,512,046	$ 5,469,669	5 - 39
Furniture and equipment	60,419	59,264	5 - 7
Land	386,979	386,979	N/A
Total property and equipment	5,959,44	5,915,912	
Less: accumulated depreciation	(2,040,981)	(1,883,341)	
Total property and equipment, net	$ 3,918,463	$ 4,032,571	

Depreciation expense for the years ended June 30, 2023 and 2022 was approximately $158,000 and $156,000, respectively.

Note G – Commitments and Contingencies

Operating Lease

On October 28, 2011, the Foundation entered into a 99-year lease agreement with the Nassau County School Board for the use of land to construct the Roberts Club. The rent is $1 per year with the Foundation responsible for insurance, utilities, and maintenance costs.

In October 23, 2021, the Foundation entered into a new agreement to lease property with monthly payments of $2,000 and maturity date on May 2024. The following is a schedule by year of the future minimum lease payments required under the operating lease that has an initial or remaining non-cancelable lease term in excess of one year as of June 30, 2023:

Year-Ended	Amount
2024	$ 20,000

Total rent expense for the years ended on June 30, 2023 and 2022 is $12,000 and $0, respectively.

Note H – Net Assets with Donor Restrictions

Net assets with donor restrictions were composed of the following as of June 30, 2023 and 2022:

	2023	2022
Contributions receivable, net	$ 413,530	$ 374,832
Investments (Endowment)	3,030,818	2,803,025
Restricted cash	218,283	1,000,000
Restricted investments	800,000	-
	$ 4,462,631	$ 4,177,857

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows during the years ended June 30, 2023 and 2022:

	2023	2022
Contributions receivable, net	$ 184,287	$ 237,948
Endowment investments	155,288	145,213
	$ 339,575	$ 383,161

Endowment Investments

The Foundation utilizes a "total return" approach regarding the usage of the endowment investments. Typically, only interest and dividend income are considered available for Foundation operations. The "total return" approach allows the Foundation to convert a fixed percentage of the value of the endowment assets to operations on an annual basis. The Foundation has determined that 5% is the maximum that should be withdrawn in a given year; however, the Foundation has the option of converting a lower amount if no additional funds are needed for operations.

The Foundation is also permitted to borrow against a portion of the endowment investments for extraordinary purposes. These loans are temporary and interest-free, and cannot exceed 25% of the value of the Suzanne Marie Desnoyers Endowment Fund ("Desnoyers Endowment") established and funded by Mr. Albert H. Desnoyers at the time the loan is made. No further loans may be made while any outstanding loan balances are equal to or exceed 25% of the current value of the Desnoyers Endowment. If any loans are outstanding, the annual distribution shall be determined based upon the principal value of the Desnoyers Endowment, net of any outstanding loans. There were no loans outstanding from the Desnoyers Endowment assets as of and for the years ended June 30, 2023 and 2022. The maximum amount the Foundation could borrow at June 30, 2023 and 2022 was approximately $735,000 and $681,000.

A reconciliation of the Foundation's endowment funds are as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Endowment assets at beginning of year	$ 2,803,025	$ 3,416,497
Interest and dividends	49,969	47,946
Net realized gain on investments	2,276	146,182
Net unrealized gain (loss) on investments	336.812	(655,569)
Investment fees	(5,976)	(6,818)
Distributions	(155,288)	(145,213)
Total endowment assets at end of year	$ 3,030,818	$ 2,803,025

The distributions to the Foundation's operating fund are consistent with the Foundation's "Endowment Investment and Spending Policy."

Note I – Donated Goods

Donated goods consist primarily of donated gala gifts which were part of a fundraising event. These items are recognized at fair value. The estimated fair market value of donated gifts included in the financial statements for the years ended June 30, 2023 and 2022 is as follows:

	2023	2022
Donated gifts	$ 74,670	$ 39,271

Note J – Liquidity and Availability of Financial Assets

Management has budgeted approximately $1,841,000 of operating expenses to be paid within one year of the balance sheet date. The Foundation has the following financial assets available within one year of the balance sheet date for general expenditures:

	2023	2022
Cash and cash equivalents	$ 1,358,120	$ 1,938,555
Contributions receivable	231,364	134,300
Investments - endowment	158,000	154,000
Investments - other	1,918,791	661,989
Total	$ 3,666,275	$ 2,888,844

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments can be withdrawn for operational purposes as mentioned in Note H. The amount included in the table above is an estimate of the funds to be released in 2024. The Foundation may also take a loan against the endowment assets in accordance with the guidance also mentioned in Note H.

As part of the Foundation's liquidity management, it 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 the short-term investments that are mentioned in the table above and are reported in the statement of financial position as of June 30, 2023. The Foundation's funds are invested conservatively with the primary objective of preservation of capital (including diversification of risk of institutional failure) and liquidity in order to provide sufficient cash to meet obligations in a timely manner. The Foundation relies on annual donor contributions to meet its operating needs.

Note K – Subsequent Events

Subsequent events have been evaluated through November 9, 2023, which is the date the financial statements were available to be issued.