

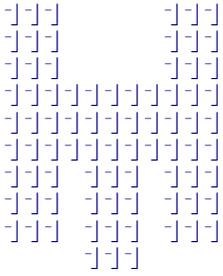
**WEST PALM BEACH
LIBRARY FOUNDATION, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For The Year Ended September 30, 2021
(with comparable totals for 2020)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
West Palm Beach
Library Foundation, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of West Palm Beach Library Foundation, Inc., (a not-for-profit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year 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 West Palm Beach Library Foundation, Inc. as of September 30, 2021, 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 of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under these 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 West Palm Beach Library Foundation, Inc. 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 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 the Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the West Palm Beach Library Foundation, Inc.'s September 30, 2020 financial statements, and we expressed an unmodified audit opinion in our report dated May 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
May 19, 2022

**WEST PALM BEACH
LIBRARY FOUNDATION, INC.**

STATEMENT OF FINANCIAL POSITION

As of September 30, 2021

(with comparable totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
ASSETS				
Cash and cash equivalents	\$ 182,893	\$ 82,000	\$ 264,893	\$ 98,020
Grants and pledges receivable	33,333	82,000	115,333	76,000
Prepaid expenses	27,506	-	27,506	7,756
Investments	788,703	5,294,216	6,082,919	5,470,045
Total assets	<u>\$ 1,032,435</u>	<u>\$ 5,458,216</u>	<u>\$ 6,490,651</u>	<u>\$ 5,651,821</u>
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accruals	\$ 3,776	\$ -	\$ 3,776	\$ 94
Deferred revenue	152,400	-	152,400	26,350
Total liabilities	<u>156,176</u>	<u>-</u>	<u>156,176</u>	<u>26,444</u>
Net Assets:				
Without donor restrictions:				
Designated	788,703	-	788,703	903,186
Undesignated	87,556	-	87,556	58,872
With donor restrictions	-	5,458,216	5,458,216	4,663,319
Total net assets	<u>876,259</u>	<u>5,458,216</u>	<u>6,334,475</u>	<u>5,625,377</u>
Total liabilities and net assets	<u>\$ 1,032,435</u>	<u>\$ 5,458,216</u>	<u>\$ 6,490,651</u>	<u>\$ 5,651,821</u>

See accompanying notes to financial statements.

**WEST PALM BEACH
LIBRARY FOUNDATION, INC.**

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

(with comparable totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
Support and revenue:				
Grants	\$ 44,763	\$ 164,000	\$ 208,763	\$ 67,300
Contributions - general	67,110	-	67,110	58,032
Contributions - Naming opportunities	-	-	-	100,000
Contributions - In-kind	510	-	510	-
Dividend and interest income, net	35,327	51,737	87,064	109,938
Special event	-	-	-	67,253
Other	9,445	-	9,445	8,108
Net realized and change in unrealized gain on investments	186,142	902,890	1,089,032	255,168
Total support and revenue	343,297	1,118,627	1,461,924	665,799
Net assets released from restrictions	323,730	(323,730)	-	-
	667,027	794,897	1,461,924	665,799
Expenses:				
Program expenses	427,951	-	427,951	334,608
Management and general	206,503	-	206,503	108,651
Fundraising	118,372	-	118,372	74,168
Total expenses	752,826	-	752,826	517,427
Change in net assets	(85,799)	794,897	709,098	148,372
Net assets, beginning of year	962,058	4,663,319	5,625,377	5,477,005
Net assets, end of year	\$ 876,259	\$ 5,458,216	\$ 6,334,475	\$ 5,625,377

See accompanying notes to financial statements.

**WEST PALM BEACH
LIBRARY FOUNDATION, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2021

(with comparable totals for 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from grants	\$ 169,430	\$ 67,300
Cash received from contributions and pledges	67,110	216,393
Cash received from other	9,445	8,000
Dividends and interest received, net	87,064	109,938
Cash paid to suppliers and employees	<u>(642,334)</u>	<u>(501,084)</u>
Net cash used in operating activities	<u>(309,285)</u>	<u>(99,453)</u>
Cash flows from investing activities:		
Net proceeds from sale of investments	<u>476,158</u>	<u>146,978</u>
Net cash provided by investing activities	<u>476,158</u>	<u>146,978</u>
Change in cash and cash equivalents	166,873	47,525
Cash and cash equivalents, beginning of year	<u>98,020</u>	<u>50,495</u>
Cash and cash equivalents, end of year	<u><u>\$ 264,893</u></u>	<u><u>\$ 98,020</u></u>

See accompanying notes to financial statements.

WEST PALM BEACH
LIBRARY FOUNDATION, INC.

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2021

(with comparable totals for 2020)

	<u>2021</u>	<u>2020</u>
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	\$ 709,098	\$ 148,372
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and change in unrealized gain on investments	(1,089,032)	(255,168)
Donated securities	-	-
(Increase) decrease in certain assets:		
Grants and pledges receivable	(39,333)	(9,000)
Prepaid expenses	(19,750)	(4,630)
Increase (decrease) in certain liabilities:		
Accounts payable and accruals	3,682	(5,377)
Deferred revenue	<u>126,050</u>	<u>26,350</u>
Net cash used in operating activities	<u>\$ (309,285)</u>	<u>\$ (99,453)</u>

See accompanying notes to financial statements.

**WEST PALM BEACH
LIBRARY FOUNDATION, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2021

(with comparable totals for 2020)

	Program Expenses	Management and General	Fundraising	2021 Totals	2020 Totals
Personnel costs:					
Salaries	\$ 79,436	\$ 81,843	\$ 79,436	\$ 240,715	\$ 145,672
Payroll taxes	6,120	6,306	6,120	18,546	10,240
Payroll service fees	1,766	1,820	1,766	5,352	3,925
Employee benefits	10,263	10,575	10,263	31,101	21,916
	97,585	100,544	97,585	295,714	181,753
Advertising	-	21,780	13,768	35,548	29,765
Board and committee meeting	-	492	-	492	628
Grant expense	330,366	-	-	330,366	274,630
License and permit	-	423	-	423	361
Membership dues	-	1,702	-	1,702	1,575
Merchant fees	-	1,517	-	1,517	922
Insurance	-	3,531	-	3,531	2,571
Postage and mailing	-	2,187	-	2,187	592
Printing and copying	-	6,032	269	6,301	4,782
Professional fees	-	20,114	5,250	25,364	14,150
Staff development	-	3,259	-	3,259	630
Supplies	-	24,229	-	24,229	4,908
Website	-	20,693	1,500	22,193	160
	<u>\$ 427,951</u>	<u>\$ 206,503</u>	<u>\$ 118,372</u>	<u>\$ 752,826</u>	<u>\$ 517,427</u>

See accompanying notes to financial statements.

For the Year Ended September 30, 2021

1. Organization and Summary of Significant Accounting Policies

Organization

West Palm Beach Library Foundation, Inc. (the Foundation) is a not-for-profit corporation located in West Palm Beach, Florida established in 2001 in accordance with the laws of the State of Florida. By raising private dollars that stretch public dollars, the Foundation helps expand and diversify the West Palm Beach Library's (Library) collections, cultural, educational and art programs.

Financial Statements Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth under FASB Accounting Standards Codification (FASB ASC) 958-205 *Not-for-Profit Entities, Presentation of Financial Statements*. Accordingly, the net assets of the Foundation are reported in each of the following classes:

Net assets without donor restrictions: are those currently available for use in the current operations of the Foundation under the direction of the Board.

Net assets with donor restrictions: are those 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.

Basis of Accounting

The financial statements of the Foundation are prepared using the accrual basis of accounting whereas revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to accounting principles generally accepted in the United States of America.

Estimates

Management uses estimates and assumptions in preparing financial statements in conformity with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Fair Value of Financial Instruments

The Foundation follows FASB ASC 820-10 "*Fair Value Measurements and Disclosures*," which provides a common definition of fair value, establishes a framework to measure fair value within accounting principles generally accepted in the United States of America, and expands the disclosures about fair value measurements. The standard does not create any new fair value measurements. Instead, it applies under existing accounting pronouncements that require or permit fair value measurements.

For the Year Ended September 30, 2021

1. Organization and Summary of Significant Accounting Policies, continued

Fair Value of Financial Instruments, continued

For assets and liabilities measured at fair value on a recurring basis, entities should disclose information that allows financial statement users to assess (1) the inputs used to develop such measurements, such as Level 1 (i.e., quoted price in an active market for an identical asset or liability), Level 2 (i.e., quoted price for similar assets or liabilities in active markets), or Level 3 (i.e., unobservable inputs); and (2) the effect on changes in net assets of recurring measurements that use significant unobservable (Level 3) inputs.

Under FASB ASC 820-10, there are three general valuation techniques that may be used to measure fair value. There have been no changes in the methodology used as of September 30, 2021. The three approaches are as follows:

Market – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades, or other sources.

Cost – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

Income – Uses valuation techniques to convert future income amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Cash and Cash Equivalents

The Foundation considers highly liquid investments and investments with original maturities of three months or less to be cash and cash equivalents, except for such similar investments that are held and remain classified within the investment portfolio.

Grants and Pledges Receivable

Grants and Pledges received are recorded as net assets with donor or without donor restrictions depending on the existence or nature of any donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purpose are reported as net assets with donor restrictions. When net asset with donor restrictions expires, the net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Unconditional promises to give are recorded at their net realized value. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

For the Year Ended September 30, 2021

1. Organization and Summary of Significant Accounting Policies, continued

Investments

Investments are comprised of publicly-traded mutual funds, common stocks, corporate bonds, and money market funds. The funds are invested for long-term investment return. Under FASB ASC 958-320, *Investments – Debt and Equity Securities*, investments in marketable securities with readily-determinable fair values are reported at their fair values in the Statement of Financial Position, with the amount of unrealized gains or losses on investments not previously recognized shown in the Statement of Activities.

The Foundation presents dividend and interest income net of related investment management fees, which totaled \$40,548 for the year ended September 30, 2021.

Support and Revenues

In accordance with FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, contributions received, including unconditional promises, are recognized as support when the donor's commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or with restrictions by the donor for specific purposes are reported as support with donor restrictions that increase that net asset class. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. Program service fees are recognized as revenue in the period in which the related services commence.

Contributions

The Foundation recognizes contributions received as income in the period received. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions support and increase the respective class of net assets. Contribution income that is limited to specific uses by donor restriction is reported as an increase in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Advertising

Advertising costs are expensed when incurred and are included within management and general, and fundraising categories in the Statement of Functional Expenses. Total expenditures for advertising costs for the year ended September 30, 2021 was approximately \$35,548.

Expense Allocation

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

For the Year Ended September 30, 2021

1. Organization and Summary of Significant Accounting Policies, continued

Income Taxes

The Foundation is a Florida not-for-profit corporation, other than a private foundation, pursuant to Internal Revenue Code Section 501(c)(3) and, as such, is not required to pay income taxes on its exempt function income.

The Foundation evaluates its uncertain tax positions in accordance with FASB ASC 740, "Income Taxes," which states that management's determination of the taxable status of an entity, including its status as a tax-exempt entity, is a tax position subject to the standards required for accounting for uncertainty in income taxes. Management does not believe that the Foundation has any significant uncertain tax positions that would be material to the financial statements. Furthermore, there is no Federal or State open-year tax return under audit.

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended September 30, 2020, from which the summarized information was derived. Certain 2020 amounts may have been reclassified to conform to 2021 classifications. Such reclassifications would have had no effect on the change in net assets as previously reported.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). ASU 2016-02 replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their statement of financial position as liabilities, with corresponding "right-of-use" assets. The standard is effective for annual reporting periods in fiscal years that begin after December 15, 2021. Management is currently evaluating the standard and does not anticipate it will have a material impact on the Foundation's financial statements.

Recently Adopted Accounting Pronouncements

As of October 1, 2020, the Foundation adopted the provisions of Financial Accounting Standards Board (FASB) ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

For the Year Ended September 30, 2021

2. Liquidity and Availability of Resources

Financial assets available for general expenditure within one year, that is, without donor restrictions or other restrictions limiting their use comprise the following:

Cash and cash equivalents	\$ 264,893
Grants and pledges receivable	115,333
Investments	<u>788,703</u>
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 1,168,929</u>

The Foundation is substantially supported by contributions without donor and with donor restrictions. A donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Some of the Foundation's net assets with donor restrictions are available for general expenditure within one year of September 30, 2021 because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Foundation in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

3. Concentration of Credit Risk

The Foundation uses an FDIC insured financial institutions to maintain its cash, which at times may exceed FDIC insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on such cash. As of September 30, 2021 the Foundation had \$110,700 in uninsured deposits held in banks.

The Foundation invests in various securities and mutual funds which are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the Foundation's account balances and the amounts reported in the Statement of Financial Position.

4. Grants and Pledges Receivable

Grants and pledges receivable are recorded for unconditional promises to fund programs for the subsequent year. The total of unconditional promises to give as of September 30, 2021, is \$115,333.

Management believes that grants and pledges receivable are fully collectible and, therefore, no allowance for uncollectible receivables was considered necessary. No discount is recorded for receivables due in more than one year as the amount of such discount is considered immaterial.

For the Year Ended September 30, 2021

5. Fair Value Measurements

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.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets measured at fair value on a recurring basis as of September 30, 2021:

	Assets at Fair Value as of September 30, 2021			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash equivalents	\$ 339,531	\$ -	\$ -	\$ 339,531
Fixed income securities	4,236,010	-	-	4,236,010
Equity securities	1,192,450	-	-	1,192,450
Alternatives	<u>314,928</u>	<u>-</u>	<u>-</u>	<u>314,928</u>
	<u>\$ 6,082,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,082,919</u>

6. Net Assets with Donor Restrictions

As of September 30, 2021, net assets with donor restrictions consisted of:

Subject to use and time restrictions	\$ 164,000
Subject to endowment spending policy and appropriations:	
Mandel Foundation Endowment revenue	1,294,216
Perpetual in nature:	
Mandel Foundation Endowment	<u>4,000,000</u>
Total net assets with donor restrictions	<u>\$ 5,458,216</u>

7. Endowment

The Foundation's endowment consists of a grant established for the development of the West Palm Beach Library Foundation as well as to fund library programs. The endowment consists of both donor-restricted funds to be held for a specific purpose or in perpetuity, and funds designated by the Board of Directors to function as endowments. FASB ASC 958, *Not-for-Profit Entities*, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and Board-designated endowment funds), whether or not the organization is subject to UPMIFA.

For the Year Ended September 30, 2021

7. Endowment, *continued*

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), which became effective July 1, 2012, and provides a) consistent investment and spending standards to all forms of charitable funds, b) strengthens the concept of prudent investing, c) abandons historic dollar value as a floor for expenditures and provides more flexibility to the organization in making decisions about whether to expend any portion of an endowment fund, and d) provides a process for the release or modification of restrictions on a gift instrument. The adoption by the Foundation of the provisions of the new law did not have a significant change in its management and investment policies of endowments.

As a result of this standard, the Foundation classifies net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) income realized and unrealized by the perpetual endowment that is not appropriated during the year.

The Foundation has adopted conservative investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments, while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation utilizes the services of a financial advisor who provides input into the investment strategy policy.

The Foundation's annual appropriations are determined at the discretion of the Board of Directors unless specific instructions are provided by the endowment donors.

In 2018, the Board of Director adopted a spending policy to annually make available 5% of a rolling three-year average of the Mandel Foundation Endowment assets. In accordance with the spending policy, the first one hundred thousand dollars of annual appropriations shall be given as a grant or contribution to the Mandel Public Library of West Palm Beach. The remainder of the Endowment's annual appropriation, if any, is to be divided evenly between the Mandel Public Library of West Palm Beach and the Foundation. The Foundation's portion of the annual appropriation is available for operations, at the discretion of the Board of Directors, in accordance with the endowment policies and procedures.

Endowment net assets by type as of September 30, 2021, consists of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ 5,294,216	\$ 5,294,216
Board-designated endowment funds	<u>788,703</u>	<u>-</u>	<u>788,703</u>
Endowment net assets, ending	<u>\$ 788,703</u>	<u>\$ 5,294,216</u>	<u>\$ 6,082,919</u>

For the Year Ended September 30, 2021

7. Endowment, continued

Changes in endowment net assets for the year ended September 30, 2021, consists of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 903,186	\$ 4,566,859	\$ 5,470,045
Investment return:			
Investment income	40,493	87,107	127,600
Investment expenses	(5,178)	(35,370)	(40,548)
Net appreciation	<u>186,142</u>	<u>902,890</u>	<u>1,089,032</u>
Total investment return	<u>221,457</u>	<u>954,627</u>	<u>1,176,084</u>
Appropriations	<u>(335,940)</u>	<u>(227,270)</u>	<u>(563,210)</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 788,703</u>	<u>\$ 5,294,216</u>	<u>\$ 6,082,919</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor requires the Foundation to retain as a fund of perpetual duration. There were no such funds as of September 30, 2021 below the level required by donors.

8. Subsequent Events

The Foundation has evaluated subsequent events through May 19, 2022, which is the date the financial statements were available to be issued. Management is not aware of any events that have occurred subsequent to the Statement of Financial Position date that would require adjustment to, or disclosure in, the financial statements.