

**Education Foundation of  
Sarasota County, Inc.**

**Financial Statements**

**June 30, 2022**

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**CAVANAUGH & CO, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
of Education Foundation of Sarasota County, Inc.

**Opinion**

We have audited the accompanying financial statements of Education Foundation of Sarasota County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows 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 Education Foundation of Sarasota County, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Education Foundation of Sarasota County, 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.

**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 Education Foundation of Sarasota County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

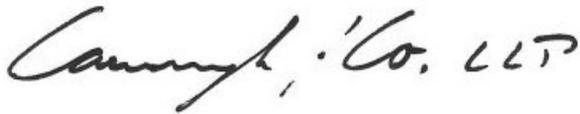
**Auditor's Responsibilities for the Audit of the Financial Statements**

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 Education Foundation of Sarasota County, Inc.'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 Education Foundation of Sarasota County, Inc.'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.

A handwritten signature in black ink that reads "Cammy, Co. LLP". The signature is written in a cursive, flowing style.

Sarasota, Florida

November 7, 2022

**Education Foundation of Sarasota County, Inc.**

**Statement of Financial Position**

June 30, 2022

(with comparative totals for 2021)

**ASSETS**

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 1,713,553	2,747,158
Promises to give	149,819	42,833
Total current assets	<u>1,863,372</u>	<u>2,789,991</u>
Other assets:		
Property and equipment, net	1,181,862	5,694
Prepaid expenses	40,928	42,846
Deposit	14,000	115,750
Investments, at fair value	1,806,961	2,166,267
Investments in community foundations	179,744	207,489
Total other assets	<u>3,223,495</u>	<u>2,538,046</u>
Total assets	<u>\$ 5,086,867</u>	<u>5,328,037</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable	\$ 92,679	123,654
Deferred revenue	469,102	1,724,879
Refundable advance - PPP loan	-	191,657
Total current liabilities	<u>561,781</u>	<u>2,040,190</u>
Net assets:		
Without donor restrictions		
Undesignated	331,203	406,929
Investment in property and equipment	1,181,862	-
Designated by board for endowment	226,635	268,953
Total without donor restriction	<u>1,739,700</u>	<u>675,882</u>
With donor restrictions		
Purpose restriction	1,948,543	1,775,122
Perpetual in nature	836,843	836,843
Total with donor restrictions	<u>2,785,386</u>	<u>2,611,965</u>
Total net assets	<u>4,525,086</u>	<u>3,287,847</u>
Total liabilities and net assets	<u>\$ 5,086,867</u>	<u>5,328,037</u>

See accompanying notes to financial statements.

**Education Foundation of Sarasota County, Inc.**

**Statement of Activities and Changes in Net Assets**

Year Ended June 30, 2022  
(with comparative totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>Revenue, gains and other support:</b>				
Contributions	\$ 2,855,455	721,946	3,577,401	2,407,629
Ticket sales	1,560	-	1,560	-
Donated goods and services	99,707	-	99,707	73,125
Program revenue	352,300	-	352,300	211,426
PPP loan forgiveness	191,996	-	191,996	142,300
Investment income (loss), net	(27,907)	(285,520)	(313,427)	531,676
Net assets released from restrictions	<u>263,005</u>	<u>(263,005)</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	<u>3,736,116</u>	<u>173,421</u>	<u>3,909,537</u>	<u>3,366,156</u>
<b>Expenses:</b>				
Program services	2,320,244	-	2,320,244	1,844,872
General and administration	154,992	-	154,992	136,007
Fundraising	<u>197,062</u>	<u>-</u>	<u>197,062</u>	<u>247,153</u>
Total expenses	<u>2,672,298</u>	<u>-</u>	<u>2,672,298</u>	<u>2,228,032</u>
Change in net assets	1,063,818	173,421	1,237,239	1,138,124
Net assets, beginning of year	<u>675,882</u>	<u>2,611,965</u>	<u>3,287,847</u>	<u>2,149,723</u>
Net assets, end of year	<u>\$ 1,739,700</u>	<u>2,785,386</u>	<u>4,525,086</u>	<u>3,287,847</u>

See accompanying notes to financial statements.

**Education Foundation of Sarasota County, Inc.**

**Statement of Functional Expenses**  
 Year ended June 30, 2022  
 (with comparative totals for 2021)

	2022			Total	2021
	Program Services	General and Administrative	Fundraising		
Program awards and grants	\$ 450,872	-	-	450,872	285,167
Recognition program costs	18,694	-	8,663	27,357	1,941
Wages, payroll taxes and benefits	1,210,999	82,180	75,557	1,368,736	1,127,959
Contracted services	375,649	46,423	68,799	490,871	422,965
Office expense	189,821	22,682	34,870	247,373	306,317
Media	31,993	-	-	31,993	31,399
Printing	32,628	3,621	-	36,249	20,847
Conferences and travel	6,147	86	8,782	15,015	6,938
Depreciation	3,441	-	391	3,832	24,499
<b>Total expenses</b>	<b>\$ 2,320,244</b>	<b>154,992</b>	<b>197,062</b>	<b>2,672,298</b>	<b>2,228,032</b>

See accompanying notes to financial statements.

**Education Foundation of Sarasota County, Inc.**

**Statement of Cash Flows**  
 Year Ended June 30, 2022  
 (with comparative totals for 2021)

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 1,237,239	1,138,124
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	3,832	24,499
Realized and unrealized loss (gain) on investments	355,787	(493,155)
(Increase) decrease in:		
Promises to give	(106,986)	131,132
Prepaid expenses	1,918	(1,824)
Deposits	101,750	(105,750)
Decrease in:		
Refundable advance - PPP loan	(191,657)	49,357
Accounts payable	(30,975)	94,155
Deferred revenue	<u>(1,255,777)</u>	<u>1,724,879</u>
 Net cash flows from operating activities	 <u>115,131</u>	 <u>2,561,417</u>
 <b>Cash flows from investing activities:</b>		
Purchase of property and equipment	(1,180,000)	(2,714)
Proceeds from sales of investments	<u>31,264</u>	<u>42,960</u>
Net cash flows from investing activities	<u>(1,148,736)</u>	<u>40,246</u>
 Net increase (decrease) in cash and cash equivalents	 (1,033,605)	 2,601,663
Beginning cash and cash equivalents	<u>2,747,158</u>	<u>145,495</u>
Ending cash and cash equivalents	<u>\$ 1,713,553</u>	<u>2,747,158</u>

See accompanying notes to financial statements.

# Education Foundation of Sarasota County, Inc.

## Notes to Financial Statements

June 30, 2022

### **Note 1 – Organization and Summary of Significant Accounting Policies:**

#### Organization

The Education Foundation of Sarasota County, Inc., a Florida not-for-profit corporation (the “Foundation”) is an organization whose mission is to *enhance* the potential of students, *promote* excellence in teaching, and *inspire* innovation in education, *guided by strategic philanthropy*. The Foundation, together with its individual and corporate donors, partners, volunteers and stakeholders, is a champion of education providing resources and services for the benefit of Sarasota County public school students, teachers and schools. The Foundation encourages individuals to give of their time, businesses to provide expertise and manpower, and all citizens to make a financial commitment to quality education.

#### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as without donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

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

#### Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

The Foundation considers highly liquid debt instruments purchased with original maturity dates of three months or less to be cash equivalents.

**Education Foundation of Sarasota County, Inc.**

**Notes to Financial Statements – Continued**

June 30, 2022

**Note 1 – Organization and Summary of Significant Accounting Policies (Continued):**

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. It is the Foundation's policy to capitalize property and equipment over \$2,500. Lesser amounts are expensed. Donations of property and equipment are recorded as contributions at their fair value. Such donations are reported as contributions without restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. An allowance for uncollectable promises to give is established as necessary and is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2022 no allowance for uncollectable promises to give was deemed necessary.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management has evaluated the effect of an accounting standard relating to accounting for uncertainty in income taxes. Management has determined that the Foundation had no uncertain income tax positions that could have a significant effect on the consolidated financial statements for the year ended June 30, 2022. The Foundation's federal income tax returns are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

Education Foundation of Sarasota County, Inc.

Notes to Financial Statements – Continued

June 30, 2022

**Note 1 – Organization and Summary of Significant Accounting Policies (Continued):**

Expense Allocation

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

Donated Services

The Foundation recognizes donated services which create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donation. Donated services meeting these criteria are recognized as contributions by the Foundation.

Summarized Comparative 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 June 30, 2021, from which the summarized information was derived.

**Note 2 – Investments:**

The components of investments at June 30, 2022 are summarized as follows:

	Cost	Fair Value	Accumulated Unrealized Gain (loss)
Cash	\$ 987,230	987,230	-
Growth Fund	1,012,845	824,904	(187,941)
Moderate Growth Fund	1,014,465	834,315	(180,150)
Annuity	141,256	147,742	6,486
Total	<u>\$ 3,155,796</u>	<u>2,794,191</u>	<u>(361,605)</u>

Investment income for the year ended June 30, 2022 is comprised of the following:

Interest and dividends	\$ 44,690
Realized and unrealized (losses), net	(355,787)
Investment fees	<u>(2,330)</u>
Net return	<u>\$ (313,427)</u>

**Education Foundation of Sarasota County, Inc.**

**Notes to Financial Statements – Continued**

June 30, 2022

**Note 3 – Property and Equipment:**

Property and equipment consist of the following as of June 30, 2022:

Land	\$ 1,180,000
Computer equipment	5,391
Furniture and fixtures	74,436
Office equipment	<u>1,353</u>
	1,261,180
Less accumulated depreciation	<u>79,318</u>
Total	<u>\$ 1,181,862</u>

**Note 4 – Net Assets Without Donor Restrictions – Board Designated:**

The board of directors created the Lori White Endowment Fund, a quasi-endowment fund. At the discretion of the board, four percent of the fair market value of the assets may be distributed in the form of grants. Based on investment performance, this amount may be increased by up to an additional .25% of assets each year. The balance of this fund as of June 30, 2022 was \$226,635.

**Note 5 – Net Assets with Donor Restrictions:**

Net assets with donor restrictions that are restricted for a specified purpose consist of the following at June 30, 2022:

Net assets with donor restrictions board designated	\$ 371,979
Net assets with donor restrictions for programs:	
School grants	213,390
Scholarships	801,667
Student Awards	284,612
Other	<u>276,895</u>
Total net assets with donor restrictions	<u>\$1,948,543</u>

During the year ended June 30, 2012, the board of directors voted to reinvest all income generated in the Shirley A. Ritchey Endowment until the corpus of the endowment reaches \$1,000,000, creating a quasi-endowment. The restricted portion of the Shirley A. Ritchey Endowment is now reflected as net assets with donor restrictions, board designated. The balance was \$371,979 at June 30, 2022.

Net assets with donor restrictions that are perpetual in nature consist of the following at June 30, 2022:

Scholarships	\$ 20,000
Shirley A. Ritchey - Operating	676,675
School grants	<u>140,168</u>
Total	<u>\$ 836,843</u>

**Education Foundation of Sarasota County, Inc.**

**Notes to Financial Statements – Continued**

June 30, 2022

**Note 5 – Net Assets with Donor Restrictions - Continued:**

Net assets with donor restrictions that are perpetual in nature consist of endowment fund assets that are to be held indefinitely. The Foundation has both operating and scholarship endowment fund assets. The income earned on the operating endowments may be used to support the Foundation's general activities. The income earned on the scholarship endowments may be used for scholarships.

**Note 6 – Foundation Endowments:**

The Foundation's endowments consist of funds established for a variety of purposes. The endowments include donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Board of Directors of the Foundation has interpreted the Florida Uniform Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Foundation and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Foundation; and
- (7) The investment policies of the Foundation.

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual restricted endowment funds may fall below the level that the donor intended. There were no such deficiencies as of June 30, 2022.

**Education Foundation of Sarasota County, Inc.**

**Notes to Financial Statements – Continued**

June 30, 2022

**Note 6 – Foundation Endowments - Continued:**

As of June 30, 2022, endowment net assets consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor restricted amount	\$ -	836,843	836,843
Accumulated investment gains	-	6,688	6,688
Board-designated endowment funds	226,635	371,979	598,614
Total endowment funds	<u>\$ 226,635</u>	<u>1,215,510</u>	<u>1,442,145</u>

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2021	\$ 268,953	1,450,714	1,719,667
Contributions	-	-	-
Grants and scholarships	(10,758)	(51,938)	(62,696)
Endowment investment return:			
Investment income	(31,560)	(183,266)	(214,826)
Total endowment activity	<u>(42,318)</u>	<u>(235,204)</u>	<u>(277,522)</u>
Endowment net assets, June 30, 2022	<u>\$ 226,635</u>	<u>1,215,510</u>	<u>1,442,145</u>

**Return Objectives and Risk Parameters**

The Foundation has adopted investment policies and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce a long-term rate of return on assets that exceeds inflation by at least 1% while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time to produce an average rate of return of approximately 6-8% annually. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Education Foundation of Sarasota County, Inc.**

**Notes to Financial Statements – Continued**

June 30, 2022

**Note 6 – Foundation Endowments - Continued:**

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year of up to 5% annually, based on the restrictions established by the donor. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 1% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**Note 7 – Fair Value of Financial Assets and Liabilities:**

The Foundation adopted the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. The Fair Value Measurements and Disclosures Topic provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

The following table presents information about the Foundation's assets and liabilities that are measured at fair value on a recurring and non-recurring basis as of June 30, 2022, and indicate that fair value hierarchy of the valuation techniques used to determine such fair value. The three levels for measuring fair value are based on the reliability of inputs and are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets of liabilities, such as publically traded equity securities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.) or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability (for example, hedge funds, private equity and other). The inputs reflect the Foundation's assumptions based on the best information available in the circumstance.

**Education Foundation of Sarasota County, Inc.**

**Notes to Financial Statements – Continued**

June 30, 2022

**Note 7 – Fair Value of Financial Assets and Liabilities - Continued:**

Assets and liabilities at fair value on a recurring basis at June 30, 2022:

	June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Annuity	\$ 147,742	-	-	147,742
Community Foundation investments	179,743	-	-	179,743
Fixed income	498,707	498,707	-	-
Equities	1,160,512	1,160,512	-	-
Total assets at fair value	\$ 1,986,704	1,659,219	-	327,485

The following is a reconciliation of the beginning and ending balances for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the period ended June 30, 2022:

	Community Foundation Investment	Annuity
Balance – June 30, 2021	\$ 207,489	174,874
Distributions	(7,317)	(5,500)
Interest and dividends	3,367	-
Net unrealized gain (loss)	(23,227)	(21,222)
Fees	(569)	(410)
Balance - June 30, 2022	\$ 179,743	147,742

**Note 8 – Employee Retirement Plan:**

During the year ended June 30, 2022, the Foundation continued its SIMPLE IRA retirement plan. There are no earnings or service requirements to participate in the plan. The Foundation matches each employee’s elective contributions, up to three percent (3%) of wages. For the year ended June 30, 2022, the Foundation contributed \$22,845 to the plan.

**Note 9 – Liquidity:**

Financial assets available for general expenditure (i.e., without donor or other restrictions limiting their use) within one year of the balance sheet date, consist of the following:

Cash and cash equivalents	\$ 1,713,553
Promises to give	149,819
Investments	1,806,961
Investment in community foundations	179,744
Subtotal	3,850,077
Less restricted and designated amounts	(3,012,021)
Total	\$ 838,056

**Education Foundation of Sarasota County, Inc.**

**Notes to Financial Statements – Continued**

June 30, 2022

**Note 9 – Liquidity - Continued:**

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. The corpus of donor-restricted endowment funds is not available for general expenditure.

The corpus of board-designated endowments is generally not available for general expenditure; however, these amounts could be made available if necessary.

Cash in excess of daily needs may be invested in a money market account. In addition to available cash, a \$100,000 unsecured credit line is available to fund daily needs.

**Note 10– Functionalized Expenses:**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

**Note 11 – Uninsured Cash Balances:**

The Foundation maintains its cash balances at financial institutions located in Florida. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation limit of \$250,000. Management considers the risk to be minimal. At June 30, 2022, the Foundation had \$475,323 in funds in excess of federally insured limits.

**Note 12 – Refundable Advance – PPP Loan:**

In March 2020, the Coronavirus Aid, Relief, and Economic Security Act commonly referred to as the CARES Act was signed into law. One component of the CARES Act was the paycheck protection program (“PPP 1”) which provides small business with the resources needed to maintain their payroll and cover applicable overhead. The PPP 1 is implemented by the Small Business Administration (“SBA”) with support from the Department of the Treasury. The PPP provides funds to pay up to 24 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities. The funds are provided in the form of a loan subject to forgiveness if certain conditions are met. In early 2021 a second draw of PPP funds (“PPP 2”) was allowed.

In May 2020, the Organization received funding of \$142,300 and in March 2021, the organization received funding of \$191,657. The Organization considers these funds conditional grants with revenue recognized as the conditions are substantially met. Management believes the final review and approval of the application for loan forgiveness is a significant condition.

**Education Foundation of Sarasota County, Inc.**

**Notes to Financial Statements – Continued**

June 30, 2022

**Note 12 – Refundable Advance – PPP Loan:**

The first PPP loan was subsequently forgiven on April 13, 2021, and accordingly, \$142,300 of the proceeds from the first round were recognized as income in the prior year. The second round of PPP funds was forgiven on October 29, 2021, and \$191,657 was recognized as income in the year ended June 30, 2022.

**Note 13 – Donated Goods and Services:**

The Organization’s donated goods and services consist of professional services and gift cards. Professional services are valued at prevailing hourly rates for the type of service performed. Gift cards are valued at the redemption value of the card. These personnel services are classified in the statement of activities as follows:

	Professional Services	Gift Cards	Total
Program	\$ 34,764	35,000	69,764
General and administrative	10,981	-	10,981
Fundraising	18,962	-	18,962
Total	\$ <u>64,707</u>	<u>35,000</u>	<u>99,707</u>

**Note 14 – Subsequent Events:**

Subsequent events have been evaluated through November 7, 2022, which is the date the financial statements were available to be issued.