

HEAVEN SOUTH, INC
(d/b/a THE STORE)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

NOTE 8 - ENDOWMENT FUNDS

The endowment fund at December 31, 2022 and 2021 is entirely donor restricted.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Store has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. There were no underwater endowments as of December 31, 2022 or 2021.

A summary of changes in endowment fund follows for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 1,387,119	\$ 1,358,718
Contributions	-	50,000
Investment income, net	39,816	81,803
Unrealized gain (loss)	(268,209)	96,598
Amounts appropriated for spending	-	-
Endowment net assets, end of year	<u>\$ 1,358,726</u>	<u>\$ 1,587,119</u>

NOTE 9 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject The Store to concentrations of credit risk consist principally of cash and cash equivalents, and various contributions, grants, contracts and related receivables. The Store maintains cash and cash equivalents and investments in certificates of deposit at reputable financial institutions insured by the Federal Deposit Insurance Corporation (“FDIC”) up to statutory limits. The Store’s balances may, at times, exceed statutory limits. The Store has not experienced any losses in these accounts and management considers this to be a normal business risk.

NOTE 10 - RELATED PARTIES

The Store receives support from and, at times, purchase goods or services from companies or organizations that are affiliated with or owned, directly or indirectly, by members of the Board of Directors. For the year ended December 31, 2022 and 2021, accounting services were performed by a company owned by a member of the board of directors amounting to \$30,000 per year.