

TENNESSEE ARTS ACADEMY FOUNDATION

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED
AUGUST 31, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
Tennessee Arts Academy Foundation
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Tennessee Arts Academy Foundation (a nonprofit Organization), which comprise the statements of financial position as of August 31, 2023 and the related statements of activities, 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 Tennessee Arts Academy Foundation as of August 31, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tennessee Arts Academy Foundation 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.

Prior Period Financial Statements

The financial statements of Tennessee Arts Academy Foundation as of August 31, 2022, were audited by other auditors whose report dated December 7, 2022, expressed an unmodified opinion on those financial statements.

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 Tennessee Arts Academy Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 Tennessee Arts Academy 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 Tennessee Arts Academy 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.

Dempsey Vantrease & Follis PLLC

Murfreesboro, Tennessee
December 11, 2023

TENNESSEE ARTS ACADEMY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current asset -		
Cash and cash equivalents	\$ 143,313	\$ 828,547
Investments, at fair value:		
Endowment	646,474	-
U.S. Treasury bills	<u>165,660</u>	<u>-</u>
Total investments, at fair value	<u>812,134</u>	<u>-</u>
 TOTAL ASSETS	 <u><u>\$ 955,447</u></u>	 <u><u>\$ 828,547</u></u>
 LIABILITIES AND NET ASSETS		
Net assets:		
With Donor Restrictions	\$ 50,000	\$ 40,000
Without Donor Restrictions	<u>905,447</u>	<u>788,547</u>
TOTAL NET ASSETS	<u>955,447</u>	<u>828,547</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 955,447</u></u>	 <u><u>\$ 828,547</u></u>

See accompanying notes to the financial statements.

TENNESSEE ARTS ACADEMY FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED AUGUST 31, 2023 and 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Summarized Total
Revenues and other support:				
Program revenues:				
Registration and housing fees	\$ 138,002	\$ -	\$ 138,002	\$ 118,898
Contributions	17,539	10,000	27,539	35,867
In-kind contributions	20,000	-	20,000	-
Fundraising	69,054	-	69,054	68,953
Sponsorships	63,405	-	63,405	48,960
Sales	13,370	-	13,370	13,149
Alumni memberships	11,733	-	11,733	12,299
	<u>333,103</u>	<u>10,000</u>	<u>343,103</u>	<u>298,126</u>
Grants:				
State of Tennessee grant	-	100,000	100,000	100,000
Private grants	52,790	110,040	162,830	74,772
	<u>52,790</u>	<u>210,040</u>	<u>262,830</u>	<u>174,772</u>
Other revenues:				
Interest	25,541	-	25,541	2,844
Net unrealized gain/loss on investments	7,664	-	7,664	-
	<u>33,205</u>	<u>-</u>	<u>33,205</u>	<u>2,844</u>
Net assets released from donor restrictions	<u>210,040</u>	<u>(210,040)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>629,138</u>	<u>10,000</u>	<u>639,138</u>	<u>475,742</u>
Expenses:				
Program	295,507	-	295,507	253,308
Fundraising events	85,414	-	85,414	53,216
Management and general	131,318	-	131,318	112,566
TOTAL EXPENSES	<u>512,238</u>	<u>-</u>	<u>512,238</u>	<u>419,090</u>
CHANGE IN NET ASSETS	<u>116,900</u>	<u>10,000</u>	<u>126,900</u>	<u>56,652</u>
NET ASSETS, BEGINNING OF YEAR	<u>788,547</u>	<u>40,000</u>	<u>828,547</u>	<u>771,895</u>
NET ASSETS, END OF YEAR	<u>\$ 905,447</u>	<u>\$ 50,000</u>	<u>\$ 955,447</u>	<u>\$ 828,547</u>

See accompanying notes to the financial statements.

TENNESSEE ARTS ACADEMY FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2023

		Supporting Services		
	Program Services	Fundraising Events	Management and General	Total
Expenses paid directly to or on behalf of Tennessee Arts Academy:				
Advertising	\$ 750	\$ -	\$ 750	\$ 1,500
Artist and speaker sponsorship	41,000	-	-	41,000
Bravo banquet	-	45,000	-	45,000
Directors and coordinators	15,000	-	-	15,000
Dorm and facility rental	32,800	-	-	32,800
Dues and memberships	-	-	1,500	1,500
Faculty	32,338	4,975	12,437	49,750
General fund	-	-	52,000	52,000
Miscellaneous	950	-	950	1,900
Office	9,900	1,320	1,980	13,200
Office staff wages and payroll taxes	-	-	11,000	11,000
Operational support	77,000	-	-	77,000
Postage	300	-	300	600
Professional fees	-	-	14,500	14,500
Scholarships	20,000	-	-	20,000
Total expenses paid directly to or on behalf of Tennessee Arts Academy	<u>230,038</u>	<u>51,295</u>	<u>95,417</u>	<u>376,750</u>
Auctions	-	20,000	-	20,000
Bank fees	-	-	3,189	3,189
Events	-	5,576	-	5,576
Insurance	-	-	4,093	4,093
Miscellaneous	965	-	764	1,729
Office	1,500	200	300	2,000
Professional fees	757	-	4,800	5,557
Contract services	52,583	8,090	20,224	80,897
Wages and payroll taxes	7,386	-	-	7,386
Travel and meals	2,277	253	2,531	5,061
TOTAL EXPENSES	<u>\$ 295,507</u>	<u>\$ 85,414</u>	<u>\$ 131,318</u>	<u>\$ 512,238</u>

See accompanying notes to the financial statements.

**TENNESSEE ARTS ACADEMY FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES-		
Change in net assets	<u>\$ 126,900</u>	<u>\$ 56,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES -		
Purchase of investments	<u>(812,134)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(685,234)	56,652
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>828,547</u>	<u>771,895</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 143,313</u></u>	<u><u>\$ 828,547</u></u>

See accompanying notes to the financial statements.

TENNESSEE ARTS ACADEMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Tennessee Arts Academy Foundation (the "Foundation") is a 501(c)(3) non-profit organization established to aid and assist in the growth and expansion of the Tennessee Arts Academy ("TAA") and Arts Academy America. The Board of Directors share the belief that educators trained at the TAA are better equipped and motivated to serve their students, significant raise achievement levels, and effect positive and lasting change in classrooms throughout the State of Tennessee.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Recently Adopted Accounting Standards

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-02, *Leases* ("ASU 2016-02"), which along with subsequent amendments, superseded prior lease accounting requirements. The updated standard requires balance sheet recognition for all leases with lease terms greater than one year including a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The Foundation adopted the provisions of ASU 2016-02 and all of the related amendments effective September 1, 2022 using a modified retrospective approach. As of August 31, 2023, the Company did not have any leases.

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2020-07"), to provide accounting guidance about reporting for nonfinancial assets received. The Foundation adopted the provisions of ASU 2020-07 effective September 1, 2022 which did not have a material impact on net assets.

Basis of Presentation

Financial statement presentation follows the recommendations of generally accepted accounting principles. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that can be filled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time.

Cash and Cash Equivalents

The Foundation's cash and cash equivalents consist of checking, insured cash sweep accounts ("ICS"), and money market accounts with banks.

TENNESSEE ARTS ACADEMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are in U.S. Treasury bills and are reported at fair value. The fair value of investments is based on quoted market prices obtained from an active market. Investment purchases, sales, and maturities are accounted for on the trade date or date of maturity. Realized gains and losses on the sale of securities are recognized based on the sale proceeds compared to the original cost of the investment when acquired, on a specific identification method. Dividend income is recognized on the ex-dividend date while interest income is recognized on the accrual basis.

Revenue Recognition

Program and Fundraising Revenue

Program and fundraising revenues are not recognized until the revenue is earned, which is at the time of the event or when the services are provided, and the Foundation does not believe it is required to provide additional goods or services to fulfill its related performance obligation. Reciprocal transactions within program revenues are generally registration fees or ticket sales which are recognized as revenue upon conclusion of the event.

Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled (that is, when a stipulated time restriction ends or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as net assets without donor restrictions.

In-Kind Contributions

Contributions of in-kind goods are recorded as contributions at fair value at the date of donation. Such contributions are reported as increases in unrestricted net assets unless the donor has restricted the contributed asset to a specific purpose. In general, contributions of in-kind goods are monetized by selling the assets at fundraising events.

Membership Dues

Membership dues are recognized as revenue in the applicable membership period.

Grants

The Foundation receives grants from private and governmental agencies. In general, grants received by the Foundation are considered contributions.

Donated Services

Many individuals have donated time and services to advance the Foundation's programs and objectives. The value of these services has not been recorded in the financial statements because they do not meet the definition for recognition under generally accepted accounting principles.

TENNESSEE ARTS ACADEMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and classification by the Internal Revenue Service. Accordingly, no provision for federal income taxes is included in the accompanying financial statements.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of August 31, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

As of August 31, 2023 and 2022, the Foundation has accrued no interest and no penalties related to uncertain tax positions. It is the Foundation’s policy to recognize interest and/or penalties related to income tax matters in income tax expense. The Foundation files a U.S. Federal information tax return. The Foundation is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ended August 31, 2023, 2022, and 2021.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by the net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation’s financial statements for the year ended August 31, 2022, from which the summarized information was derived.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements in order for them to conform to the 2023 presentation. These reclassifications have no effect on the change in net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

The costs of advertising are expensed as incurred.

Functional Expenses

The Foundation’s expenses are allocated to its programs and supporting services based upon direct expenditures incurred. Any expenditure that is not directly allocated is allocated among program and supporting services on a reasonable basis that is consistently applied generally based upon an analysis of personnel time allocated to each function.

TENNESSEE ARTS ACADEMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE B - INVESTMENTS

Investments are stated at fair value and are summarized as follows as of August 31, 2023:

Cash	\$ 6,409
U.S. Treasury bills	805,725
	<u>\$ 812,134</u>

U.S. Treasury bills are summarized as follows as of August 31, 2023:

U.S. Treasury bills	Par Value	Fair Value	Maturity Date
3 month U.S. Treasury bills	\$ 255,000	\$ 252,155	November 16, 2023
6 month U.S. Treasury bills	265,000	252,148	August 8, 2024
12 month U.S. Treasury bills	309,000	301,422	February 15, 2024
	<u>\$ 829,000</u>	<u>\$ 805,725</u>	

NOTE C - FAIR VALUE MEASUREMENTS

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures* ("FASB ASC 820"), provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets in active markets
- inputs other than quoted prices that are observable for the asset
- inputs that are derived principally from or cooperated by observable market data

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of the 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.

**TENNESSEE ARTS ACADEMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022**

NOTE C - FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation Methodologies

Investments are valued based on quoted market prices obtained from an active market. This method 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 fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's financial instruments at fair value of as of August 31, 2023:

Fair Value Measurements as of August 31, 2023 using the following inputs

	Level 1	Level 2	Level 3	Total
Cash	\$ 6,409	\$ -	\$ -	\$ 6,409
U.S. Treasury bills	805,725	-	-	805,725
	<u>\$ 812,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 812,134</u>

NOTE D - ENDOWMENT FUNDS

The Foundation's endowment consists of both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Foundation retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, 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 various funds, (2) the purposes of the donor-restricted endowment funds, (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 Foundation's investment policies.

TENNESSEE ARTS ACADEMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE D - ENDOWMENT FUNDS (CONTINUED)

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. The policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Endowment assets are invested in U.S. Treasury bills with maturity dates varying from three to twelve months. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

The Foundation's policy for distributions states that annual distributions approved by the Board of Directors shall not exceed 5% of the previous fiscal year end endowment funds without donor restrictions. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, and the possible effects of inflation. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Endowment net asset composition by type as of August 31, 2023 and 2022 is as follows:

	2023	2022
Endowment funds with donor restrictions	\$ 50,000	\$ 40,000
Board-designated endowment funds without donor restrictions	596,976	573,424
Total endowment funds	<u>\$ 646,976</u>	<u>\$ 646,976</u>

Changes in endowment net assets as of August 31, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$ 573,424	\$ 40,000	\$ 613,424
Contributions	-	10,000	10,000
Investment income	17,406	-	17,406
Net appreciation	6,911	-	6,911
Amounts appropriated for expenditure	<u>(765)</u>	<u>-</u>	<u>(765)</u>
Endowment net assets, end of year	<u>\$ 596,976</u>	<u>\$ 50,000</u>	<u>\$ 646,976</u>

NOTE E - STATE OF TENNESSEE GRANT

The Foundation is the recipient of a recurring direct appropriation grant in the amount of \$100,000 from the State of Tennessee. The grant allows the Foundation to assist TAA in partially funding selected operational expenses, enables TAA to maintain its registration rate for participants at the current level, and offers scholarship opportunities to deserving teachers. The Foundation has been approved to receive the grant for the 2024 fiscal year in the amount of \$200,000. It is the Foundation's policy to maintain these grant funds in a separate bank account according to the grant requirements with the State of Tennessee.

TENNESSEE ARTS ACADEMY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE F – CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances in bank deposit accounts which, at times, may exceed federally insured limits. The balances per the bank at August 31, 2022 exceeded the federally insured amount by approximately \$578,547. In 2023, the Foundation significantly reduced their credit risk by opening an insured cash sweep account with a bank which allows for complete insurance of the balance in the account.

NOTE G – AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of August 31, 2023 and 2022, reduced by amounts not available for general use within one year because of board-designated restrictions.

	2023	2022
Financial assets available at end of year:		
Cash and cash equivalents	\$ 143,313	\$ 828,547
Investments	812,134	-
Total financial assets	955,447	828,547
Less amounts with donor restrictions	(50,000)	(40,000)
Less amounts with board-designated restrictions	(596,976)	(573,424)
Financial assets available to meet general expenditures within one year	<u>\$ 308,471</u>	<u>\$ 215,123</u>

NOTE H – SUBSEQUENT EVENTS

The Foundation has evaluated events through December 11, 2023, which is the date the financial statements were available to be issued. Based on the evaluation no significant subsequent events were noted that would have a material effect on the balances reported herein or would significantly impact the Foundation's ongoing operations.