Financial Statements
June 30, 2023 and 2022

The Page Education Foundation Founded by Diane and Alan Page

EideBailly®

Independent Auditor's Report

The Board of Directors
The Page Education Foundation Founded by Diane and Alan Page
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Page Education Foundation Founded by Diane and Alan Page (the Foundation), which comprise the statement of financial position as of June 30, 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Foundation for the year ended June 30, 2022, were audited by another auditor, who expressed an unmodified opinion on those statements on May 11, 2023.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Eide Bailly LLP

Minneapolis, Minnesota
April 5, 2024

	2023	2022
Assets		
Cash and cash equivalents	$ 982,801	$ 3,126,229
Certificates of deposit	3,603,879	1,389,101
Investments	2,100,000	1,600,000
Promises to give	72,398	-
Inventory	42,986	26,496
Cash value of life insurance	211,149	177,118
Property and equipment, net	17,769	28,504
Operating lease right of use asset	67,850	-
Finance lease right of use asset	1,030	-
Endowment investments	4,468,265	3,742,591
Total assets	$ 11,568,127	$ 10,090,039
Liabilities and Net Assets		
Accounts payable	$ -	$ 3,046
Accrued expenses	16,979	16,045
Operating lease liability	69,010	-
Finance lease liability	1,052	-
Total liabilities	87,041	19,091
Net Assets		
Without donor restrictions	7,001,950	6,328,357
With donor restrictions	4,479,136	3,742,591
Total net assets	11,481,086	10,070,948
Total liabilities and net assets	$ 11,568,127	$ 10,090,039

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions - cash	$ 1,740,551	$ 508,198	$ 2,248,749
Contributions - investments	10,106	-	10,106
Contributions - in-kind	30,000	-	30,000
Book sales	99,693	-	99,693
Less costs of good sold	(21,024)	-	(21,024)
Net book sales	78,669	-	78,669
Net investment return	140,853	468,864	609,717
Other revenue	27,919	-	27,919
Gross special events revenue	630,652	-	630,652
Contributions - in-kind for special events	33,061	-	33,061
Less cost of direct benefits to donors	(124,110)	-	(124,110)
Net special events revenue	539,603	-	539,603
Change in value of cash value life insurance	34,031	-	34,031
Net assets released from restrictions	240,517	(240,517)	-
Total revenue, support, and gains	2,842,249	736,545	3,578,794
Expenses			
Program services expense			
Scholarships	1,326,452	-	1,326,452
Program and mentor management	272,188	-	272,188
Total program services	1,598,640	-	1,598,640
Supporting services expense			
General and administration	276,901	-	276,901
Fundraising	293,115	-	293,115
Total supporting services expenses	570,016	-	570,016
Total expenses	2,168,656	-	2,168,656
Change in Net Assets	673,593	736,545	1,410,138
Net Assets, Beginning of Year	6,328,357	3,742,591	10,070,948
Net Assets, End of Year	$ 7,001,950	$ 4,479,136	$ 11,481,086

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Contributions - cash	$ 2,154,787	$ 326,750	$ 2,481,537
Contributions - investments	56,096	23,050	79,146
Contributions - in-kind	36,825	-	36,825
Book sales	41,902	-	41,902
Less costs of good sold	(27,428)	-	(27,428)
Net book sales	14,474	-	14,474
Net investment return	(8,408)	(359,367)	(367,775)
Other revenue	40,397	-	40,397
Gross special events revenue	456,444	-	456,444
Less cost of direct benefits to donors	(108,862)	-	(108,862)
Net special events revenue	347,582	-	347,582
Change in value of cash value life insurance	(39,824)	-	(39,824)
Net assets released from restrictions	269,020	(269,020)	-
Total revenue, support, and gains	2,870,949	(278,587)	2,592,362
Expenses			
Program services expense			
Scholarships	1,165,750	-	1,165,750
Program and mentor management	266,138	-	266,138
Total program services	1,431,888	-	1,431,888
Supporting services expense			
General and administration	241,008	-	241,008
Fundraising	251,381	-	251,381
Total supporting services expenses	492,389	-	492,389
Total expenses	1,924,277	-	1,924,277
Change in Net Assets	946,672	(278,587)	668,085
Net Assets, Beginning of Year	5,381,685	4,021,178	9,402,863
Net Assets, End of Year	$ 6,328,357	$ 3,742,591	$ 10,070,948

	Program Services						
	Scholarships	Program and Mentor Management	Total Program Services	General and Administration	Fundraising	Cost of Direct Benefit to Donors	Total
Expenses							
Scholarships	$ 1,326,452	$ -	$ 1,326,452	$ -	$ -	$ -	$ 1,326,452
Compensation	-	212,662	212,662	66,120	166,585	-	445,367
Payroll taxes	-	575	575	179	450	-	1,204
Employee benefits	-	4,015	4,015	5,418	4,650	-	14,083
Computer expense	-	-	-	27,785	-	-	27,785
Depreciation	-	-	-	10,735	-	-	10,735
Cost of direct benefit to donors	-	-	-	-	-	124,110	124,110
Catering and facility rental	-	-	-	-	32,339	-	32,339
In-kind	-	-	-	-	63,061	-	63,061
Insurance	-	-	-	4,794	-	-	4,794
Office rent	-	-	-	73,942	-	-	73,942
Office supplies and expense	-	419	419	14,758	44,108	-	59,285
Postage	-	131	131	2,603	371	-	3,105
Printing	-	586	586	4,332	2,550	-	7,468
Professional fees	-	500	500	58,810	-	-	59,310
Seminar expenses	-	13,918	13,918	-	-	-	13,918
Supplies	-	39,382	39,382	3,958	25	-	43,365
Telephone	-	-	-	3,467	-	-	3,467
	1,326,452	272,188	1,598,640	276,901	314,139	124,110	2,313,790
Less expenses included with revenues on the statement of activities							
Book sales cost of goods sold	-	-	-	-	(21,024)	-	(21,024)
Cost of direct benefits to donors	-	-	-	-	-	(124,110)	(124,110)
Total expenses included in the expense section on the statement of activities	$ 1,326,452	$ 272,188	$ 1,598,640	$ 276,901	$ 293,115	$ -	$ 2,168,656

	Program Services						
	Scholarships	Program and Mentor Management	Total Program Services	General and Administration	Fundraising	Cost of Direct Benefit to Donors	Total
Expenses							
Scholarships	$ 1,165,750	$ -	$ 1,165,750	$ -	$ -	$ -	$ 1,165,750
Compensation	-	176,841	176,841	52,449	165,661	-	394,951
Payroll taxes	-	13,857	13,857	4,066	12,883	-	30,806
Employee benefits	-	4,183	4,183	5,174	4,970	-	14,327
Computer expense	-	-	-	27,289	-	-	27,289
Depreciation	-	-	-	11,858	-	-	11,858
Cost of direct benefit to donors	-	-	-	-	-	108,862	108,862
In-kind	-	-	-	-	36,825	-	36,825
Insurance	-	-	-	3,971	-	-	3,971
Office rent	-	-	-	64,539	-	-	64,539
Office supplies and expense	-	1,697	1,697	7,182	21,231	-	30,110
Postage	-	262	262	2,529	2,471	-	5,262
Printing	-	1,040	1,040	4,688	7,151	-	12,879
Professional fees	-	30,773	30,773	54,028	-	-	84,801
Seminar expenses	-	31,458	31,458	-	-	-	31,458
Supplies	-	6,027	6,027	-	27,617	-	33,644
Telephone	-	-	-	3,235	-	-	3,235
	1,165,750	266,138	1,431,888	241,008	278,809	108,862	2,060,567
Less expenses included with revenues on the statement of activities							
Book sales cost of goods sold	-	-	-	-	(27,428)	-	(27,428)
Cost of direct benefits to donors	-	-	-	-	-	(108,862)	(108,862)
Total expenses included in the expense section on the statement of activities	$ 1,165,750	$ 266,138	$ 1,431,888	$ 241,008	$ 251,381	$ -	$ 1,924,277

	2023	2022
Reconciliation of Change in Net Assets to Net Cash from Operating Activities		
Change in net assets	$ 1,410,138	$ 668,085
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	10,735	11,858
Realized and unrealized (gain) loss on investments	(14,778)	10,482
Change in value of life insurance	(34,031)	39,824
Endowment net investment (return) loss	(468,864)	359,367
Contributions restricted to endowment	(247,181)	(80,780)
Changes in operating assets and liabilities		
Promises to give	(72,398)	-
Inventory	(16,490)	28,681
Operating lease assets and liabilities	978	-
Accounts payable	(3,046)	(8,042)
Accrued expenses	934	5,234
Net Cash from Operating Activities	565,997	1,034,709
Cash Flows used for Investing Activities		
Purchase of investments	(4,300,000)	(1,459,096)
Proceeds from sale of investments	1,600,000	59,513
Addition to endowment	(256,810)	(112,106)
Net Cash used for Investing Activities	(2,956,810)	(1,511,689)
Cash Flows from Financing Activities		
Collections of contributions restricted to endowment	247,181	80,780
Principle payments on finance lease	204	-
Net Cash from Financing Activities	247,385	80,780
Net Change in Cash and Cash Equivalents	(2,143,428)	(396,200)
Cash and Cash Equivalents, Beginning of Year	3,126,229	3,522,429
Cash and Cash Equivalents, End of Year	$ 982,801	$ 3,126,229

Note 1 - Principal Activity and Significant Accounting Policies

Organization

The Page Education Foundation Founded by Diane and Alan Page, d/b/a The Page Education Foundation (the Foundation) is a nonprofit corporation established in 1988 to promote the importance of education to minority youth in Minnesota. The Foundation provides services to children's programs, a scholarship program, and an adult "Senior Mentor" program, which offer positive role models and community education and service to accomplish the Foundation's mission. The Foundation's principal source of revenue is from public contributions. The Foundation has also been the beneficiary of various types of donated and contributed services.

Cash and Cash Equivalents

The Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, permanent endowment, or other long-term purposes of the Foundation are excluded from this definition.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Allowance for uncollectable promises to give is determined based on historical experience and a review of subsequent collections. Promises to give are written off when deemed uncollectible. All promises to give are current and expected to be collected within a year. At June 30, 2023 and 2022, the allowance was $0.

Inventory

Inventory is comprised of books held for sale and is stated at the lower of cost or net realizable value determined by the first-in first-out method.

Property and Equipment

Property and equipment additions over $500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to seven years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Foundation reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2023 and 2022.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

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

> *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
>
> *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Foundation reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Revenue and Revenue Recognition

Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. There were no conditional promises to give at June 30, 2023 and 2022. Book sales are recognized at the time of purchase. The Organization records special event revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference.

Donated Materials and In-kind Contributions

In-kind contributions include donated professional services and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 9). The Foundation does not sell donated gifts-in-kind. Contributed goods are recorded at fair value at the date of donation. The Foundation records donated professional services at the respective fair values of the services received.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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. Expenses are allocated monthly according to staff timesheet allocations. The expenses that are allocated include compensation, payroll taxes, employee benefits, office supplies and expense, postage, printing, professional fees, and supplies.

Income Taxes

The Foundation is organized as a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Foundation is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Foundation is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Foundation files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income.

The Foundation believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Foundation has not experienced losses in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

The Foundation maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2023 and 2022, the Foundation had approximately $156,500 and $27,500, respectively, in excess of FDIC-insured limits.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Change in Accounting Principle

Effective July 1, 2022, the Foundation adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Foundation elected to apply the guidance as of July 1, 2022, the beginning of the adoption period. The comparative financial information and disclosures presented are in accordance with the legacy standard, Accounting Standards Codification (ASC) 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the statement of activities as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Foundation has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Foundation accounted for its existing leases as either finance or operating leases under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Foundation recognized on July 1, 2022, the beginning of the adoption period, no cumulative effect adjustment to retained earnings, an operating lease liability of $108,335, and an operating right-of-use asset of $108,335. The adoption of the new standard did not materially impact the Foundation's statements of activities or statements of cash flows. See Note 6 for further disclosure of the Foundation's lease contracts.

Subsequent Events

The Foundation has evaluated subsequent events through April 5, 2024, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

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

	2023	2022
Cash and cash equivalents	$ 982,801	$ 3,126,229
Certificates of deposit	3,603,879	1,389,101
Investments	2,100,000	1,600,000
Promises to give	72,398	-
	$ 6,759,078	$ 6,115,330

The Foundation manages its liquidity by structuring its financial assets to be available as its general expenditures, scholarships, and other obligations become due. It is the Foundation's policy to keep at least $200,000 cash on hand to pay operating expenses or scholarships. Cash in excess of daily requirements are invested in certificates of deposits.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Foundation develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within level 1 because they comprise of exchange traded funds with readily determinable fair values based on daily redemption values. The Foundation invests in certificates of deposits (CDs) traded in the financial markets. Those CDs are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified in the following, at June 30, 2023 and 2022:

	Quoted Prices in Active Markets (Level 1)	Other Observable (Level 2)	Unobservable Inputs (Level 3)	Total
June 30, 2023				
Operating investments				
Cash and money market funds (at cost)	$ -	$ -	$ -	$ 2,100,000
Certificate of deposit and bankers acceptance	-	3,603,879	-	3,603,879
	-	3,603,879	-	5,703,879
Endowment investments				
Cash and money market funds (at cost)	-	-	-	1,127,908
Certificate of deposit	-	594,449	-	594,449
Exchange traded funds	2,745,908	-	-	2,745,908
	2,745,908	594,449	-	4,468,265
	$ 2,745,908	$ 4,198,328	$ -	$ 10,172,144
June 30, 2022				
Operating investments				
Cash and money market funds (at cost)	$ -	$ -	$ -	$ 1,600,000
Certificate of deposit and bankers acceptance	-	1,389,101	-	1,389,101
	-	1,389,101	-	2,989,101
Endowment investments				
Cash and money market funds (at cost)	-	-	-	1,670,069
Exchange traded funds	2,072,522	-	-	2,072,522
	2,072,522	-	-	3,742,591
	$ 2,072,522	$ 2,778,202	$ -	$ 6,731,692

Note 4 - Cash Value of Life Insurance

The Foundation is the beneficiary of life insurance on the lives of two of the members of its Board of Directors. The face value of the life insurance policies is $200,000 and is payable upon the death of both members.

Note 5 - Property and Equipment

Property and equipment consist of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Office equipment	$ 66,743	$ 66,743
Less accumulated depreciation	(48,974)	(38,239)
	$ 17,769	$ 28,504

Depreciation expense for the years ended June 30, 2023 and 2022, was $10,735 and $11,858, respectively.

Note 6 - Leases

The Foundation leases office space and equipment at various terms under long-term non-cancelable operating leases and financing lease agreements. The leases expire at various dates through 2027 and provide for renewal options ranging from one year to five years. The Foundation includes in the determination of the right-of-use assts and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Foundation's operating lease provides for increases in future minimum annual rental payments.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Foundation has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Foundation has applied the risk-free rate option to the office space and equipment classes of assets.

The Foundation has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Foundation elected the practical expedient to not separate lease and non-lease components for office space and equipment leases.

Total lease costs for the year ended June 30, 2023, were as follows:

Operating lease cost	$ 38,858
Finance lease cost	
Interest expense	53
Amortization of right-of-use assets	257

Total lease expense under noncancelable leases was $64,539 for the year ended June 30, 2022.

The following table summarizes the supplemental cash flow information for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 30,508
Operating cash flows from finance leases	53
Financing cash flows from finance leases	204

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted-average remaining lease term	
Operating leases	1.7 years
Finance leases	4.0 years
Weighted-average discount rate	
Operating leases	2.85%
Finance leases	4.50%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2023:

	Operating	Finance
2024	$ 42,054	$ 288
2025	28,704	288
2026	-	288
2027	-	288
Total lease payments	70,758	1,152
Less interest	(1,748)	(100)
Present value of lease liabilities	$ 69,010	$ 1,052

Future minimum payments determined under the guidance in Topic 840 are listed below as of June 30, 2022:

	Operating
2023	$ 40,599
2024	42,054
2025	28,704
2026	-
2027	-
Total lease payments	$ 111,357
Less interest	

Note 7 - Endowment

The Foundation's endowment (the endowment) consists of donor-restricted funds established primarily for the purpose of providing scholarships. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Minnesota 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, unless there are explicit donor stipulations to the contrary. At June 30, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, the Foundation classifies as net asset with donor restrictions perpetual in nature (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts donated to the endowment (including promises to give net of discount and allowance for doubtful accounts); and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment is classified as net asset with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

As of June 30, 2023 and 2022, the Foundation had the following endowment net assets composition by type of fund:

	Without Donor Restriction	With Donor Restrictions	Total
June 30, 2023			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 1,667,634	$ 1,667,634
Accumulated investment gains	-	2,791,002	2,791,002
	$ -	$ 4,458,636	$ 4,458,636
June 30, 2022			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ -	$ 1,420,453	$ 1,420,453
Accumulated investment gains	-	2,322,138	2,322,138
	$ -	$ 3,742,591	$ 3,742,591

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 Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2023 and 2022, there were no underwater endowments.

Investment and Spending Policies

The Foundation has adopted investment objectives for endowment assets to preserve capital, maintain liquidity and maximize yield. The Foundation's policy is to have the endowments professionally managed and invested conservatively.

It is the Foundation's policy that before a draw from endowment funds can be taken, in order to provide for unexpected market downturns, that annual draws are not required and are made at the discretion of the Foundation's Board of Directors up to 5% of the fair value of the fund. Endowment draws are restricted to scholarship funding and cannot be made for any other purpose.

Changes in endowment net assets for the years ended June 30, 2023 and 2022, are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Year ended June 30, 2023			
Endowment net assets, beginning of year	$ -	$ 3,742,591	$ 3,742,591
Investment return, net	-	468,864	468,864
Contributions	-	247,181	247,181
Endowment net assets, end of year	$ -	$ 4,458,636	$ 4,458,636

	Without Donor Restriction	With Donor Restrictions	Total
Year ended June 30, 2022			
Endowment net assets, beginning of year	$ -	$ 4,021,178	$ 4,021,178
Investment return, net	-	(359,367)	(359,367)
Contributions	-	80,780	80,780
Endowment net assets, end of year	$ -	$ 3,742,591	$ 3,742,591

Note 8 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	2023	2022
Subject to expenditure for specified purpose		
Programming	$ 15,500	$ -
Mental health training	5,000	-
	20,500	-
Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Scholarships	2,791,002	2,322,138
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
Scholarships	1,667,634	1,420,453
Total endowments	$ 4,458,636	$ 3,742,591
	$ 4,479,136	$ 3,742,591

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose specified by the donors as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Satisfaction of purpose restrictions		
Programming	$ 205,467	$ 216,500
Technology	20,000	-
Staff Development	15,050	25,000
Book Production	-	27,520
	$ 240,517	$ 269,020

Note 9 - In-kind Contributions

For the years ended June 30, 2023 and 2022, in-kind contributions recognized within the statements of activities included the following:

	2023	2022
Legal services	$ 30,000	$ 36,825
Donated auction items	33,061	-
	$ 63,061	$ 36,825

Contributed legal services are provided by attorneys who advise the Foundation on various administrative legal matters. Contributed legal services are used for management and general activities and are recognized at fair value based on current rates for similar legal services.

Donated auction items are valued using estimated prices of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Donated auction items are used for fundraising and development.

All gifts-in-kind received during the years ended June 30, 2023 and 2022, were unrestricted.

Note 10 - Employee Benefit Plan

The Foundation sponsors a simple IRA plan covering eligible employees. The annual 3% matching contribution was $10,482 and $10,727 for the years ended June 30, 2023 and 2022, respectively.

Note 11 - Related Party Transactions

The Board of Directors are deeply committed to the mission and vision of the Foundation. Due to this commitment, the Foundation received $130,239 and $121,443 in revenue for the years ended June 30, 2023 and 2022, respectively.

Note 12 - Scholarship Commitments

During the 2022-2023 school year, 541 out of 574 students accepted all or part of their scholarship funds, ranging from $1,000 to $5,000. During the 2021-2022 school year, 470 out of 526 students accepted all or part of their scholarship funds, ranging from $2,000 to $3,000. All recipients attended colleges or universities located in Minnesota. Some student awarded scholarships decided for various reasons not to attend school or not fulfill their community service requirement and, therefore, their scholarship money was not paid.

For the 2023-2024 school year, the Foundation estimates its maximum potential commitment of scholarship funds is approximately $1.4 million.