

**MIDWAY INDEPENDENT SCHOOL DISTRICT  
EDUCATION FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**

**(WITH INDEPENDENT AUDITOR'S REPORT THEREON)**



**MIDWAY INDEPENDENT SCHOOL DISTRICT  
EDUCATION FOUNDATION, INC.**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Midway Independent School District  
Education Foundation, Inc.  
Waco, Texas

### ***Opinion***

We have audited the financial statements of Midway Independent School District Education Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 present fairly, in all material respects, the financial position of Midway Independent School District Education Foundation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis 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 Midway Independent School District Education Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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 Midway Independent School District Education Foundation, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston

NEW MEXICO | Albuquerque

## ***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 Midway Independent School District Education Foundation, 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 Midway Independent School District Education Foundation, 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.

*Pattillo, Brown & Hill, L.L.P.*

Waco, Texas  
May 31, 2022

# **FINANCIAL STATEMENTS**

**MIDWAY INDEPENDENT SCHOOL DISTRICT  
EDUCATION FOUNDATION, INC.**

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 2021

**ASSETS**

Current assets:	
Cash and cash equivalents	\$ 306,678
Short term certificates of deposit	442,851
Unconditional promises to give (net of allowance for uncollectable of \$2,500)	<u>99,368</u>
Total current assets	848,897
Non-current assets:	
Securities in investment portfolio	<u>2,574,375</u>
Total non-current assets	2,574,375
Total assets	\$ <u>3,423,272</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:	
Grants payable	\$ <u>243,208</u>
Total current liabilities	243,208
Net assets:	
Without donor restrictions	3,048,258
With donor restrictions	<u>131,806</u>
Total net assets	3,180,064
Total liabilities and net assets	\$ <u>3,423,272</u>

**See independent auditor's report and notes to financial statements.**



**MIDWAY INDEPENDENT SCHOOL DISTRICT  
EDUCATION FOUNDATION, INC.**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Support and revenue			
General contributions	\$ 381,504	\$ 6,366	\$ 387,870
Interest and dividend income	26,495	-	26,495
Investment income (net of expense)	<u>262,267</u>	<u>17,626</u>	<u>279,893</u>
Total support and revenue	670,266	23,992	694,258
Net assets released from restrictions	<u>15,960</u>	<u>( 15,960)</u>	<u>-</u>
Total support, revenue, and other support	686,226	8,032	694,258
Expenses			
Program services:			
Educational programs and activities	206,599	-	206,599
Support services:			
General and administrative	<u>42,990</u>	<u>-</u>	<u>42,990</u>
Total expenses	<u>249,589</u>	<u>-</u>	<u>249,589</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	436,637	8,032	444,669
<b>NET ASSETS, BEGINNING OF YEAR</b>	2,589,699	123,774	2,713,473
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>21,922</u>	<u>-</u>	<u>21,922</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 3,048,258</u>	<u>\$ 131,806</u>	<u>\$ 3,180,064</u>

**See independent auditor's report and notes to financial statements.**

**MIDWAY INDEPENDENT SCHOOL DISTRICT  
EDUCATION FOUNDATION, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Support Services Management and General</u>	<u>2021 Totals</u>
Expenses			
Grant expense	\$ 144,842	\$ -	\$ 144,842
Donated services	43,373	-	43,373
Banquets and awards	9,491	-	9,491
Tuition reimbursements	2,175	-	2,175
Initiatives	2,908	-	2,908
Professional services	-	5,224	5,224
Advertising	-	5,132	5,132
Insurance	-	2,374	2,374
Office expenses	207	1,667	1,874
Bank charges	-	3,342	3,342
Telephone	-	520	520
Salaries & payroll taxes	-	22,314	22,314
Bad debt expense	-	26	26
Miscellaneous	<u>3,603</u>	<u>2,391</u>	<u>5,994</u>
Total expenses	<u>\$ 206,599</u>	<u>\$ 42,990</u>	<u>\$ 249,589</u>

**See independent auditor's report and notes to financial statements.**

**MIDWAY INDEPENDENT SCHOOL DISTRICT  
EDUCATION FOUNDATION, INC.**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 444,669
Unrealized gain on investment securities	( 284,193)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	( 4,180)
Increase (decrease) in grants payable	<u>( 3,322)</u>
Net cash provided by operating activities	152,974

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of investment securities (net of sales)	( 117,158)
Purchases of certificates of deposit	<u>( 1,890)</u>
Net cash used by investing activities	( 119,048)

**NET INCREASE IN CASH AND CASH EQUIVALENTS**

33,926

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

272,752

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 306,678

**See independent auditor's report and notes to financial statements.**

**MIDWAY INDEPENDENT SCHOOL DISTRICT  
EDUCATION FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

**1. ORGANIZATION**

Midway Independent School District Education Foundation, Inc. (the "Foundation") is a Texas nonprofit organization chartered on February 10, 1999. The purpose for organizing the Foundation is to perform charitable activities within the meaning of Internal Revenue Code Section 501(c)(3). Specifically, the Foundation is organized to support educational programs for both the student and staff personnel of the Midway Independent School District. The Foundation provides funds to enhance educational programs and activities which either have not been funded or have been under funded by the normal operating budget.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

Net assets, revenues, gains and losses are classified on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and the 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. Such net assets are available for any purpose consistent with the Foundation's mission. Designations of net assets by the governing board do not have the same legal requirements as do restrictions of funds and are included in this category.

*Net Assets With Donor Restrictions* – Net assets subject to specific, donor-imposed restrictions that must be met by actions of the Foundation and/or passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that 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.

**Designation of Net Assets Without Donor Restrictions**

It is the policy of the Board of Directors of the Foundation to review its plans for future improvements and acquisitions from time to time and to designate appropriate sums of net assets without donor restrictions to assure adequate financing of such improvements and acquisitions. As of December 31, 2021, the Board of Directors had set aside \$2,908,725 in a quasi-endowment primarily for investing purposes.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Invested cash and cash in accounts of investment custodians, is excluded from this definition. There were no cash equivalents as of December 31, 2021.

## **Investments**

The Foundation carries its investments in marketable securities with readily determinable fair values. Investment income (including gains and losses on investments, interest and dividends) is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

## **Grants Payable**

Grants payable represents all unconditional grants that have been authorized but remain unpaid as of the statement of financial position date. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. There were no conditional grants at December 31, 2021.

## **Support Revenue and Cost Recognition**

Contributions received are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions of cash and other assets are reported as support 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 statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions.

Expenses are recognized as incurred.

## **Donated Services**

The financial statements include \$43,373 for donated services for the year ended December 31, 2021. Certain corporations are approached to donate goods and services that the Foundation would typically be required to purchase in order to carry out Foundation programs and promotions. These donated goods include, but are not limited to, the donation of food and catering, retail items, and professional services.

## **Unconditional Promises to Give**

Donations or unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Unconditional promises to give are stated at the amount management expects to collect from outstanding pledges. Unconditional promises to give as of year-end for the Foundation, including the applicable allowances for uncollectible accounts, are as follows:

Due within one year	\$	98,685
One to five years		3,183
Less: allowance for uncollectible accounts		( 2,500)
Total	\$	<u>99,368</u>

## **Expense Allocation**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

## **Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant estimate included in the financial statements is the fair value of investments and the allowance for uncollectible accounts. Actual results could differ from those estimates.

## **Income Taxes**

The Foundation has been granted exemptions from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, no provision for income taxes is reflected in the financial statements.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from a tax position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded for fiscal year 2021.

The Foundation files its form 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Texas. The Foundation is generally no longer subject to examination by the Internal Revenue Service after three years.

### **3. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restriction include both temporarily restricted and permanently restricted net assets. Temporarily restricted net assets include gifts that were received and designated for a specific use or have a time restriction. When the restrictions are met, the net assets are released from net assets with donor restrictions to net assets without donor restrictions reported on the statement of activities. The Foundation has temporarily restricted net assets due to the inherent time restriction of its unconditional promises to give.

Permanently restricted net assets include an endowment fund which the Foundation must hold in perpetuity and can only spend the income. Gains on these investments are available for use as specified by the donor. The Foundation has permanently restricted net assets related to the Moss Endowment Fund.

Net assets with donor restrictions	
Moss Scholarship Endowment	\$ 128,623
Unconditional promises to give	<u>3,183</u>
Total net assets with donor restrictions	\$ <u>131,806</u>

### **4. CERTIFICATES OF DEPOSIT**

The Foundation has invested in several federally insured certificates of deposit totaling \$442,851 as of December 31, 2021, which are included in the accompanying financial statements. The certificates have various maturity dates with penalties for early withdrawal. The certificates of deposit are not subject to the provisions of fair value measurements as they have been recorded at cost.

## 5. INVESTMENTS

Securities held by the Foundation at a financial institution in Texas consist of the following as of December 31, 2021:

	December 31, 2021		
	Cost Basis	Unrealized Gain/(Loss)	Market Basis
Cash and equivalents	\$ 153,631	\$ -	\$ 153,631
Equities	1,132,030	619,342	1,751,372
Fixed income	219,933	( 16)	219,917
Exchange traded funds	118,546	264,186	382,732
Bond funds	66,166	557	66,723
Total investment securities	<u>\$ 1,690,306</u>	<u>\$ 884,069</u>	<u>\$ 2,574,375</u>

## 6. FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurement, clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. This guidance establishes 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 this guidance are described below.

- Level 1 – Valuations for assets and liabilities traded in active exchange markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or comparable assets or liabilities which use observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

In estimating fair value, the Foundation utilizes valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Such valuation techniques are consistently applied.

The fair value of the investment in common stocks is based on quoted prices in active markets. The following summarizes how the fair values of the investments were determined.

Fair values of assets measured on a recurring basis at December 31, 2021 are as follows:

### Fair Value Measurements at Reporting Date Using

December 31, 2021	Fair Value	Quoted Prices in Active Markts for Identical Assets (Level 1)	Quoted Prices Similar Assets (Level 2)
Cash and equivalents	\$ 153,631	\$ -	\$ 153,631
Equities	1,751,372	1,751,372	-
Fixed income	219,917	-	219,917
Exchange traded funds	382,732	382,732	-
Bond funds	66,723	-	66,723
Total at December 31, 2021	<u>\$ 2,574,375</u>	<u>\$ 2,134,104</u>	<u>\$ 440,271</u>

## **7. CONCENTRATION OF CREDIT AND MARKET RISK**

The Foundation maintains cash balances at several financial institutions located in Texas. All non-interest and interest-bearing accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2021, the Foundation had uninsured cash balances, however, there have been no losses.

Investments consist primarily of stocks in U.S. companies. Accordingly, these stocks are susceptible to changes in the U.S. economy and stock market.

## **8. NET ASSETS – ENDOWMENT FUNDS**

The Foundation's endowment consists of board designated quasi endowments invested in a variety of funds as well as the donor restricted Moss Scholarship Endowment. As required by GAAP, 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.

The Board of Directors of the Foundation has interpreted the state Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the purchasing power (real value) 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: (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (4) the portion of the unspent investment return added to the permanent endowment after donor specified scholarship has been gifted.

Although UPMIFA does not preclude the Foundation from spending below the original gift value of donor-restricted endowments, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has adopted a policy to spend from underwater endowments in order to meet the donor specified scholarship purpose, if adequate funds are available.

At times the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of the date of these statements, no such deficiencies exist in the Foundation's endowments.

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



Endowment net asset classification by Type of Fund as of December 31, 2021:

	December 31, 2021		
	Without Donor Restriction	Unrealized With Donor Restriction	Total
<u>Endowment Type</u>			
Donor Restricted	\$ -	\$ 128,623	\$ 128,623
Quasi-endowment investments	<u>2,908,725</u>	<u>-</u>	<u>2,908,725</u>
Total Endowments	<u>\$ 2,908,725</u>	<u>\$ 128,623</u>	<u>\$ 3,037,348</u>

Changes in endowment net assets for the fiscal year ended December 31, 2021:

	December 31, 2021		
	Without Donor Restriction	Unrealized With Donor Restriction	Total
<u>Endowment Assets</u>			
Beginning balance	\$ 2,512,040	\$ 112,997	\$ 2,625,037
Contributions	101,416	-	101,416
Net appreciation (depreciation)	<u>295,269</u>	<u>17,626</u>	<u>312,895</u>
Total investment return	<u>295,269</u>	<u>17,626</u>	<u>312,895</u>
Appropriation of endowment assets for expenditure	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Ending balance	<u>\$ 2,908,725</u>	<u>\$ 128,623</u>	<u>\$ 3,037,348</u>

## 9. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts not available could include amounts set aside for long-term investing in quasi-endowments that could be drawn upon if the governing board approves that action.

Cash & cash equivalents	\$ 306,678
Short-term certificates of deposit	442,851
Unconditional promises to give, net of allowance	99,368
Securities in investment portfolio	<u>2,574,375</u>
Financial assets, at year-end	<u>3,423,272</u>
Less:	
Assets with time restrictions	3,183
Assets restricted by donor	128,623
Assets invested in quasi-endowments	<u>2,908,725</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 382,741</u>

As of December 31, 2021, \$131,806 of the financial assets are subject to donor or other contractual restrictions. The Foundation has set aside \$2,908,725 primarily for long-term investing. Since the amounts resulted from internal designation, it is classified and reported as net assets without donor restrictions.

**10. RELATED PARTIES**

In the normal course of business, the Foundation has business dealings with individuals who are associated with the Foundation. In the opinion of management, all business dealings are conducted at arm's length.

**11. RECLASSIFICATIONS**

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

**12. PRIOR PERIOD ADJUSTMENTS**

A prior period adjustment was included in the financial statements for the year ended December 31, 2020. Accrued grants payable were overstated in 2020 and included as a reduction in 2020 contributions based on a 2019 audit adjustment. This error resulted in \$21,922 being added to net assets for the year ended December 31, 2021.

Additionally, the December 31, 2020 net assets with donor restrictions were misclassified from net assets without donor restriction in the amount of \$84,411 on the statement of financial position. The misclassification was related to short-term unconditional pledges classified as net assets with an implied time restriction. The correct balance of assets with time restrictions in the amount of \$10,777 was, however, reflected in the liquidity footnote (*FN 9, Liquidity and Availability of Resources*) in the December 31, 2020 financial statements. Beginning net asset classifications were corrected in the December 31, 2021 financial statements, and all net assets with donor restrictions have been correctly stated.

**13. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 31, 2022, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date that would require adjustments to, or disclosure in, the financial statements.