

OUR FUND FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2024 AND JUNE 30, 2023

OUR FUND FOUNDATION, INC.

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Webb CPA, P.A.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Our Fund Foundation, Inc.
1201 NE 26th Street, Suite 108
Wilton Manors, FL 33305

Opinion

We have audited the accompanying financial statements of Our Fund Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years 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 Our Fund Foundation, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Our Fund 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 Our Fund Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Our Fund 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 Our Fund 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.

Webb CPA, P.A.

WEBB CPA, P.A.

Certified Public Accountants

Boynton Beach, Florida

September 16, 2024

**OUR FUND FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION**

ASSETS

| | As of June 30, 2024 | As of June 30, 20223 |
|--|------------------------|-------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 47,406 | \$ 36,765 |
| Investments | 23,400,151 | 22,205,927 |
| Accounts Receivable | 75,186 | 65,048 |
| Promises to Give | 218,024 | 165,000 |
| Deposits | 7,673 | 7,673 |
| Prepaid Expenses | 1,536 | 1,509 |
| Total Current Assets | <u>23,749,976</u> | <u>22,481,922</u> |
| Furniture, Computer Equipment & Leasehold Improvement, Net | 121,542 | 148,679 |
| Right of Use Asset | 129,424 | 150,975 |
| TOTAL ASSETS | <u>\$ 24,000,942</u> | <u>\$ 22,781,576</u> |

LIABILITIES AND NET ASSETS

LIABILITIES AND NET ASSETS

| | | |
|---|----------------------|----------------------|
| Liabilities | | |
| Grants and Accounts Payable | \$ - | \$ 8,401 |
| Accrued Expenses | 1,736 | 994 |
| Funds Held for Benefit of Agencies | 1,311,896 | 1,207,993 |
| Operating Lease Liability | 23,061 | 21,551 |
| Total Current Liabilities | <u>1,336,693</u> | <u>1,238,939</u> |
| Operating Lease Liability, net of current | 106,363 | 129,424 |
| Total Liabilities | <u>1,443,056</u> | <u>1,368,363</u> |
| Net Assets | | |
| Without Donor Restrictions | 22,499,862 | 21,253,213 |
| With Donor Restrictions | 58,024 | 160,000 |
| Total Net Assets | <u>22,557,886</u> | <u>21,413,213</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 24,000,942</u> | <u>\$ 22,781,576</u> |

See accompanying notes to financial statements.

OUR FUND FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

| | For the year ended June 30, 2024 | | | For the year ended June 30, 2023 | | |
|--------------------------------------|----------------------------------|----------------------------|---------------|----------------------------------|----------------------------|---------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenues | | | | | | |
| Contributions | \$ 5,270,393 | \$ 53,024 | \$ 5,323,417 | \$ 3,869,917 | \$ 160,000 | \$ 4,029,917 |
| Dividend and Interest | 754,891 | - | 754,891 | 668,029 | - | 668,029 |
| Realized Gains (Losses) | (45,905) | - | (45,905) | (2,584,761) | - | (2,584,761) |
| Unrealized Gains (Losses) | 1,259,007 | - | 1,259,007 | 3,184,585 | - | 3,184,585 |
| Net assets released from restriction | | | | | | |
| Satisfaction of purpose restrictions | 155,000 | (155,000) | - | - | - | - |
| Total Revenues | 7,393,386 | (101,976) | 7,291,410 | 5,137,770 | 160,000 | 5,297,770 |
| Grants and Expenses | | | | | | |
| Grants and Programs | 5,809,039 | - | 5,809,039 | 4,484,770 | - | 4,484,770 |
| Administrative | 149,989 | - | 149,989 | 145,684 | - | 145,684 |
| Donor Development | 187,709 | - | 187,709 | 170,162 | - | 170,162 |
| Total Grants and Expenses | 6,146,737 | - | 6,146,737 | 4,800,616 | - | 4,800,616 |
| Change in Net Assets | 1,246,649 | (101,976) | 1,144,673 | 337,154 | 160,000 | 497,154 |
| Net Assets, Beginning of year | 21,253,213 | 160,000 | 21,413,213 | 20,916,059 | - | 20,916,059 |
| Net Assets, End of year | \$ 22,499,862 | \$ 58,024 | \$ 22,557,886 | \$ 21,253,213 | \$ 160,000 | \$ 21,413,213 |

See accompanying notes to financial statements.

OUR FUND FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2024

| | <u>Grants and Programs</u> | <u>Administrative</u> | <u>Donor Development</u> | <u>Total</u> |
|-----------------------------|----------------------------|-----------------------|--------------------------|--------------|
| Salaries | \$ 304,116 | \$ 101,511 | \$ 126,133 | \$ 531,760 |
| Employee Benefits | 38,562 | 12,877 | 9,384 | 60,823 |
| Payroll Taxes | 22,786 | 7,613 | 9,084 | 39,483 |
| Total Salaries and Benefits | 365,464 | 122,001 | 144,601 | 632,066 |
| Grants | 4,885,546 | - | - | 4,885,546 |
| Fund Expenses | 260,049 | - | - | 260,049 |
| Occupancy Costs | 40,908 | 7,090 | 6,545 | 54,543 |
| Investment Expenses | 47,727 | - | - | 47,727 |
| Educational Programs | 47,624 | - | - | 47,624 |
| IT Supplies & Maintenance | 23,114 | 4,007 | 3,698 | 30,819 |
| Legal and Professional | 20,156 | - | 10,384 | 30,540 |
| Depreciation | 22,358 | 3,876 | 3,577 | 29,811 |
| Marketing Costs | 18,050 | - | 7,735 | 25,785 |
| Community Program Expense | 20,192 | - | - | 20,192 |
| Consulting | 15,156 | - | 3,789 | 18,945 |
| Donor Expense | 7,032 | - | 2,344 | 9,376 |
| Office Supplies & Postage | 6,828 | 1,184 | 1,093 | 9,105 |
| Accounting & Audit Expenses | - | 8,000 | - | 8,000 |
| Local Organization Support | 6,414 | - | 713 | 7,127 |
| Credit Card Processing | 4,388 | 760 | 702 | 5,850 |
| Dues & Subscriptions | 4,275 | 1,068 | - | 5,343 |
| Insurance Expense | 3,587 | 622 | 574 | 4,783 |
| Interest Expense | 3,076 | 533 | 492 | 4,101 |
| Telephone Expense | 3,021 | 524 | 483 | 4,028 |
| Travel | 2,491 | 166 | 664 | 3,321 |
| Conference & Workshop | 670 | - | 168 | 838 |
| Non Cap Equipment Expense | 509 | 88 | 82 | 679 |
| Licenses & Permits | 404 | 70 | 65 | 539 |
| Total Expenses | \$ 5,809,039 | \$ 149,989 | \$ 187,709 | \$ 6,146,737 |

See accompanying notes to financial statements.

OUR FUND FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2023

| | <u>Grants and Programs</u> | <u>Administrative</u> | <u>Donor Development</u> | <u>Total</u> |
|-----------------------------|----------------------------|-----------------------|--------------------------|---------------------|
| Salaries | \$ 263,656 | \$ 98,354 | \$ 116,000 | \$ 478,010 |
| Employee Benefits | 33,182 | 12,728 | 8,764 | 54,674 |
| Payroll Taxes | <u>19,496</u> | <u>7,360</u> | <u>8,010</u> | <u>34,866</u> |
| Total Salaries and Benefits | 316,334 | 118,442 | 132,774 | 567,550 |
| Grants | 3,652,854 | - | - | 3,652,854 |
| Fund Expenses | 236,544 | - | - | 236,544 |
| Educational Programs | 51,566 | - | - | 51,566 |
| Occupancy Costs | 37,261 | 6,458 | 5,962 | 49,681 |
| Investment Expenses | 48,520 | - | - | 48,520 |
| Depreciation | 23,325 | 4,043 | 3,732 | 31,100 |
| Legal and Professional | 20,156 | - | 10,384 | 30,540 |
| IT Supplies & Maintenance | 21,776 | 3,775 | 3,484 | 29,035 |
| Consulting | 15,388 | - | 3,847 | 19,235 |
| Marketing Costs | 9,450 | - | 4,050 | 13,500 |
| Office Supplies & Postage | 8,939 | 2,034 | 313 | 11,286 |
| Community Program Expense | 11,182 | - | - | 11,182 |
| Accounting & Audit Expenses | - | 7,400 | - | 7,400 |
| Donor Expense | 4,701 | - | 1,567 | 6,268 |
| Credit Card Processing | 4,317 | 748 | 691 | 5,756 |
| Local Organization Support | 4,974 | - | 553 | 5,527 |
| Interest Expense | 4,130 | 716 | 661 | 5,507 |
| Telephone Expense | 3,204 | 555 | 513 | 4,272 |
| Insurance Expense | 3,194 | 554 | 511 | 4,259 |
| Travel | 3,034 | 202 | 809 | 4,045 |
| Dues & Subscriptions | 2,290 | 572 | - | 2,862 |
| Non Cap Equipment Expense | 568 | 98 | 91 | 757 |
| Conference & Workshop | 564 | - | 141 | 705 |
| Licenses & Permits | <u>499</u> | <u>87</u> | <u>79</u> | <u>665</u> |
| Total Expenses | <u>\$ 4,484,770</u> | <u>\$ 145,684</u> | <u>\$ 170,162</u> | <u>\$ 4,800,616</u> |

See accompanying notes to financial statements.

**OUR FUND FOUNDATION, INC.
STATEMENTS OF CASH FLOWS**

| | <u>For the year ended June 30, 2024</u> | <u>For the year ended June 30, 2023</u> |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 1,144,673 | \$ 497,154 |
| Adjustments to reconcile change in net assets to cash used in operating activities: | | |
| Depreciation Expense | 29,811 | 31,100 |
| Amortization of Right of Use Asset | 21,551 | 20,112 |
| Deposits | - | 7,770 |
| Unrealized Gains (Losses) | (1,259,007) | (3,184,585) |
| Realized Gains (Losses) | 45,905 | 2,584,761 |
| Decrease (Increase) in operating assets: | | |
| Accounts Receivable | (10,138) | (213) |
| Prepaid Expenses | (27) | (410) |
| Promise to Give | (53,024) | (119,375) |
| Increase (Decrease) in operating liabilities: | | |
| Grants and Accounts Payable | (8,401) | (30,371) |
| Accrued Expense | 742 | (42,034) |
| Operating Lease Liability | (21,551) | (20,112) |
| Funds Held for Others | 103,903 | 32,705 |
| Net Cash Used In Operating Activities | <u>(5,563)</u> | <u>(223,498)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from Sale of Investments | 24,199,454 | 6,222,417 |
| Purchase of Investments | (24,180,576) | (5,991,274) |
| Purchase of Furniture & Equipment | (2,674) | (3,995) |
| Net Cash Provided by Investing Activities | <u>16,204</u> | <u>227,148</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net Cash Provided By Financing Activities | <u>-</u> | <u>-</u> |
| NET INCREASE IN CASH | 10,641 | 3,650 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>36,765</u> | <u>33,115</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 47,406</u> | <u>\$ 36,765</u> |
| <u>Supplemental Disclosure of Cash Flow Information:</u> | | |
| Cash paid for interest | \$ - | \$ - |
| Cash paid for Income taxes | \$ - | \$ - |
| Right of Use Asset | \$ - | \$ 171,087 |

See accompanying notes to financial statements.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND OPERATIONS

Our Fund Foundation, Inc. (the "Foundation") was incorporated on January 29, 2011, under the laws of the State of Florida as a non-profit organization and is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and as a publicly supported charitable organization under Section 509(a)(1) and 170(b)(1)(A)(vi). The Foundation is an autonomous, publicly supported, independent philanthropic institution working to support non-profit organizations primarily serving the lesbian, gay, bisexual and transgender (LGBT) community in South Florida and solicits contributions from individuals, foundations and non-profit organizations.

A long-term goal of the Foundation is to build endowed, named funds established by many donors to carry out their charitable interests. Grant distributions, typically as recommended by donors from such endowed funds, will be made by the Foundation based on a spending rate with the long-term objective to preserve the original gift indefinitely as explained in Note 2. The Foundation also holds non-endowed, named funds each of whose donors may recommend grants up to the balance of his/her named fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, "Revenue from Contracts with Customers", ("Topic ASC 606") and FASB Topic ASC 958, "Financial Statements of Not-for-Profit Organizations, ("Topic ASC 958") and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). Topic ASC 606 requires the Foundation to distinguish between contributions that increase net assets without donor restrictions or with donor restrictions. It also requires recognition of contributed services meeting certain criteria at fair values. Topic ASC 958 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities and a statement of cash flows.

Promises to Give: The Foundation's accounting policy for recording testamentary gifts received from wills and trusts based on subsequent collections through the Management Date of Review for Financial Statements as promises to give include the following criteria: a) Donor has notified the Foundation of intended gift; b) Donor passes away prior to the end of the fiscal year; c) in the case of a will, the probate court has declared the will valid, or in the case of a trust, the trustee has delivered formal notice to the Foundation that it is a beneficiary of the trust; and d) the gift proceeds are either specific or measurable prior to receipt. The Foundation, as the residual beneficiary of a trust, recorded \$165,000 in promises to give at June 30, 2023. On August 14, 2024, the Foundation received a partial distribution of \$131,704.14.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Split-interest agreements with donors consist solely of beneficial interests in irrevocable remainder trusts. The charitable remainder trusts are included in promises to give at the present value of the estimated future benefits to be received when the trust assets are distributed. Contribution revenue is recognized at the date the Foundation becomes aware that the trust has become irrevocable. The receivable is adjusted during the term of the trust for the accretion of discounts, revaluation of the present value of the estimated future payments to the current beneficiaries, and changes in life expectancies. The change in split-interest is recorded as contribution revenue. The Foundation, as the beneficiary of a gift annuity contract, recorded \$53,024 in promises to give as of June 30, 2024. The gifts have not been received as of the Management Date of Review.

Net Assets: Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation.

With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds 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 resources was restricted has been fulfilled, or both.

In accordance with U.S. Treasury Regulations and the Foundation bylaws, all fund agreements for both endowed and non-endowed funds include a variance provision that permits the Board of Directors to modify conditions or restrictions attached to particular gifts if the Board judges the restrictions to be incapable of fulfillment, unnecessary or inconsistent with the charitable goals of the Foundation. Based on this variance provision, most of the Foundation's net assets, including endowed funds, were classified as without donor restrictions at all times during the years ended June 30, 2024 and June 30, 2023.

Net assets with donor restrictions consist for the following purposes as of June 30, 2024:

| | |
|--|-----------|
| Subject to expenditure for specified purpose: | |
| FY 2025 Operating Support | \$ 5,000 |
| Subject to the passage of time: | |
| Assets held in charitable reminder trusts | 53,024 |
| | \$ 58,024 |

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Net assets were released from donor restrictions by the Foundation incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors, as follows:

| | | |
|--|----|----------------|
| FY 2024 Operating Support | \$ | 5,000 |
| FY 2024 Health & Wellness Funds grants | | <u>150,000</u> |
| | \$ | <u>155,000</u> |

Use of Estimates in the Preparation of Financial Statements: The Foundation makes estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measure of Operations: The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation’s ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Recognition of Contributions: All contributions are considered to be available without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Grants and other contributions of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. The Foundation recognizes contributions from wills and trusts upon court approval of the wills and when the amounts are determinable.

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services, that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not contributed, are recorded at their fair values in the period received.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. A promise is considered conditional only if the donor has stipulated one or more barriers that must be overcome before the Foundation is entitled to the assets transferred or promised, and there also exists a right of return to the donor of any assets transferred or a right of release of the donor’s obligation to honor the promise.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

Spending Policy: The Finance and Investment Committee of the Board of Directors evaluates the spending policy of grants from endowed Funds periodically in light of total estimated long-term results from investments, fees, expenses and the effects of inflation. The current spending policy is 5% of the rolling twelve-quarter average fair value of the applicable Funds.

The Foundation segregates all of its unrestricted Funds into several different investment pools in order to obtain greater investment advantage and more efficient administration. The objective of investment management of all pools is to maximize the growth consistent with minimizing exposure to risks of capital losses and attainment of the desired level of grant making. The Foundation's investment policy is to invest initial contributions and subsequent additions to pooled Funds based on allocations determined by the Investment Committee and approved by the Board of Directors. The Foundation allocates net investment income or loss from pooled investments monthly based on the ratio of the previous month's average daily share of each Fund's fair value to the total of the pool in which it is included. The Foundation had segregated its net assets with donor restrictions into a money market account with a regionally known bank with a local presence.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. All direct costs are charged to the applicable functional area. Salaries, related benefits and all other indirect expenses are distributed to each functional area based on management's estimate of how the expense relates to the functional area. Accordingly, certain costs have been allocated among Grants and Programs, Administrative and Donor Development.

Foundation Management Fees: The Foundation assesses an annual management fee ranging from .5% to 1.2% of the fair market value of the assets in the Fund. The Foundation also assesses a management fee of 1% on gifts received from estates. The management fee is used to support the operations of the Foundation. Management fees amounted to \$286,600 for the year ended June 30, 2024 and \$252,705 for the year ended June 30, 2023.

Equipment and Improvements: Equipment and Improvements are reported in the statement of financial position at cost, if purchased, and at fair value at the date of the donation, if donated. Depreciation is computed on a straight-line method over a three or five year period for both equipment and improvements for purchases and donations greater than or equal to \$1,000. All other purchases are expensed as incurred. Repairs and maintenance that do not significantly increase the life of the asset are expensed as incurred. Depreciation expense amounted to \$29,811 for the year ended June 30, 2024 and \$31,100 for the year ended June 30, 2023.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D

| Equipment and Improvements as of 6/30/2024 | |
|---|-------------------|
| Computer Equipment | \$ 25,765 |
| Furniture & Fixtures | 70,246 |
| Leasehold Improvements | <u>169,673</u> |
| Total Equipment and Improvements | 265,684 |
| Less: Accumulated Depreciation | <u>(144,142)</u> |
| Total Equipment and Improvements, Net | <u>\$ 121,542</u> |

Leases: In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842). This guidance requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. ASU 2016-02 establishes a right-of-use model (ROU) that requires a lessee to recognize an ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. The Foundation adopted this standard effective July 1, 2022, as required, retrospectively through a cumulative effect adjustment. The Foundation elected the “package of practical expedients,” which permits the Foundation not to reassess, under ASU 2016-02, prior conclusions about lease identification, lease classification and initial direct costs. The new standard also provides practical expedients for an entity’s ongoing accounting. The Foundation elected to utilize the short-term lease recognition exemption for all leases that qualify. This means, for those short-term leases that qualify, the Foundation will not recognize ROU assets or lease liabilities. The Foundation also elected to separate lease and non-lease components for facility leases. Adoption of this guidance resulted in the recognition of lease liabilities of \$171,087, based on the present value of the remaining minimum lease payments under current leasing standards for the Foundation’s lease, with corresponding ROU assets of \$171,087 as of adoption date on July 1, 2022 (See Note 10).

Recent Accounting Pronouncements: In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments. This standard update requires that certain financial assets be measured at amortized cost net of an allowance for estimated credit losses such that the net receivable represents the present value of expected cash collection. In addition, this standard update requires that certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses expected to occur over the life of the assets. The estimate of credit losses must be based on all relevant information including historical information, current conditions and reasonable and supportable forecasts that affect the collectability of the amounts. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022. The adoption of the guidance had no material effect on the Foundation.

Advertising: The Foundation uses advertising to promote its programs to the community it serves. The production costs of advertising are expensed as incurred. Advertising costs totaled \$25,785 and \$13,500 for the years ended June 30, 2024 and 2023, respectively.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and cash in banks. For purposes of the statement of cash flows, the Foundation considers all unrestricted liquid investments with maturities of three months or less to be cash equivalents. As of June 30, 2024 and 2023, the Foundation had no cash balances in excess of FDIC insurance at its financial institutions.

NOTE 4 – CREDIT RISK AND CONCENTRATIONS

Donations received from one major donor accounted for 18% of total contributions received for the year ended June 30, 2024. Donations received from two major donors accounted for 10% and 20%, respectively, of total contributions received for the year ended June 30, 2023.

NOTE 5 – LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the balance sheet date at June 30, 2024 for general expenditure are as follows:

| | | |
|--|----|------------------|
| Cash and cash equivalents | \$ | 47,406 |
| Investments | | 1,311,896 |
| Accounts Receivable | | 75,186 |
| Promises to Give | | 165,000 |
| Deposits | | 7,673 |
| Prepaid expenses | | 1,536 |
| | | <u>1,608,697</u> |
| Financial assets at year end | \$ | <u>1,608,697</u> |
| Less those unavailable for general expenditure within one year due to: | | |
| Restricted by donor with time or purpose restrictions | | <u>(53,024)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | \$ | <u>1,555,673</u> |

The Foundation's financial assets have been reduced by amounts not available for general use because of donor imposed restrictions within one year of the balance sheet date and amounts set aside for long-term investing in endowments. In addition, temporary restricted assets tied to split interest agreement naming the Foundation as beneficiary have been included in those assets considered unavailable within one year.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments: Investments are in the custody of a nationally recognized investment firm that manages them in accordance with policies approved by the Board of Directors. The Foundation has established several investment pools into which donors establishing non-endowed funds at the Foundation have the option of recommending their gifts be placed. The pools include a diversified asset pool investing in publicly traded stocks, bonds, mutual funds, money market funds and cash; a balanced pool investing in publicly traded stocks and equity funds, fixed income mutual funds and government-backed bond funds; and lastly a money market fund invested completely in money market funds. Under FASB ASC 958-320, Investments - Debt and Equity Securities, investments in marketable securities with readily-determinable fair values are reported at their fair values in the Statement of Financial Position, with the amount of unrealized gains or losses on investments not previously recognized shown in the Statement of Activities.

Fair Value Measurements: FASB's guidance on the fair value for financial assets and financial liabilities permits organizations to choose to measure financial assets and liabilities, and certain other items at fair value. This guidance requires the Foundation to record unrealized gains and losses on items for which the fair value option has been elected in its performance sector. The fair value option may be applied on an instrument by instrument basis, which is the practice of the Foundation. Once elected, the fair value option is irrevocable for that instrument. The fair value option can be applied only to entire instruments and not to portions thereof.

The Foundation follows the guidance on fair value measurements, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements. This guidance applies to other accounting pronouncements that require or permit fair value measurements and, accordingly, this guidance does not require any new fair value measurements.

This guidance discusses valuation techniques such as the market approach, cost approach and income approach. The guidance establishes a three-tier hierarchy for fair value measurements based upon the transparency of inputs used to value an asset or liability as of the measurement date. The three-tier hierarchy prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted market prices for identical assets or liabilities in active markets;
- Level 2 – Observable inputs for similar assets or liabilities in an active market, or other than quoted prices in an active market that are observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there is little or no market data that require the reporting entity to develop its own assumptions.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONT'D

The following table presents the financial instruments carried at fair value as of June 30, 2024 grouped by hierarchy level:

| | <u>Total Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|--|-------------------------|----------------------|---------------------|------------------|
| Assets: | | | | |
| Investments: | | | | |
| Cash and Cash Equivalents | \$ 2,105,186 | \$ 2,105,186 | \$ - | \$ - |
| Equities and Equity Funds | 13,505,509 | 13,505,509 | - | - |
| Fixed Income Funds | 6,934,215 | - | 6,934,215 | - |
| Hedge Funds | 675,509 | - | 675,509 | - |
| Asset Backed Funds | 179,732 | - | 179,732 | - |
| Split-interest agreements/ Charitable remainder trust contribution receivables | 53,024 | - | - | 53,024 |
| Total Assets | <u>\$ 23,453,175</u> | <u>\$ 15,610,695</u> | <u>\$ 7,789,456</u> | <u>\$ 53,024</u> |

The following table presents the financial instruments carried at fair value as of June 30, 2023 grouped by hierarchy level:

| | <u>Total Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> |
|---------------------------|-------------------------|----------------------|---------------------|
| Assets: | | | |
| Investments: | | | |
| Cash and Cash Equivalents | \$ 12,868,973 | \$ 12,868,973 | \$ - |
| Equities and Equity Funds | 2,549,638 | 2,549,638 | - |
| Fixed Income Funds | 6,787,316 | - | 6,787,316 |
| Total Assets | <u>\$ 22,205,927</u> | <u>\$ 15,418,611</u> | <u>\$ 6,787,316</u> |

The following table provides a reconciliation of the beginning and ending balances of split-interest agreements measured at fair value on a recurring basis in the tables above that used significant unobservable inputs (Level 3). As such, the amount of actual cash received is reflected in Level 1 at June 30, 2024.

| | <u>Fair Value at June 30, 2023</u> | <u>Unrealized Gain (Losses)</u> | <u>Transfers In (Out) of Level 3</u> | <u>Fair Value at June 30, 2024</u> |
|--|------------------------------------|---------------------------------|--------------------------------------|------------------------------------|
| Split-interest agreements/ Charitable remainder trust contribution receivables | \$ - | - | 53,024 | \$ 53,024 |

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONT'D

Level 3 Sensitivity of Fair Value Measurements and Changes in Significant Unobservable Inputs

The significant unobservable inputs used in the fair value measurement of the Foundation's split-interest agreements/charitable remainder trust contribution receivables are subject to market risks resulting from changes in the market value of their underlying investments.

Cash and cash equivalents: Cash, commercial paper, money market funds, overnight investments and Certificates of Deposit with original maturities of three months or less. These are rendered level 1 due to their frequent pricing and ease of converting to cash.

Certificates of Deposit: Certificates of deposit with original maturities greater than three months. These are rendered level 2 due to computed pricing and frequent evaluation versus fair value.

Corporate Bonds: For investments in corporate bonds, fair value is based on quotes for similar securities; therefore these investments are rendered level 2.

Equities and Equity Funds: Equities include individual equities and investments in mutual funds. The individual equities and mutual funds are value based on the closing price on the primary market and are rendered level 1.

Fixed Income Funds: Fixed income funds are investments in mutual funds and fixed income instruments and fair value is based on quotes for similar securities, rendering these level 2.

Asset Backed Funds: Asset backed funds are instruments invested in real estate and commodities, with assets securing the value of the fund. Fair value is based on quotes for similar securities, also rendering these instruments level 2.

The Foundation holds funds in both endowed and non-endowed funds. Endowed funds are funds designated to distribute only the amount as set by the spending policy on an annual basis. Non-endowed funds may be distributed at any time, up to the full balance within each fund.

Following are the balances of Non-Endowed and Endowed funds held by the Foundation as of June 30, 2024 and June 30, 2023.

| | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
|-------------------|----------------------|----------------------|
| Non-Endowed Funds | \$ 6,090,488 | \$ 6,362,592 |
| Endowed Funds | <u>17,309,663</u> | <u>15,843,335</u> |
| Total | <u>\$ 23,400,151</u> | <u>\$ 22,205,927</u> |

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 6 – INVESTMENTS AND FAIR VALUE MEASUREMENTS – CONT'D

Investment expenses paid directly to the management firm for the fiscal years 2024 and 2023 were \$51,063 and \$51,487 respectively. In addition, a substantial portion of the Foundation's investments are in mutual funds operated by the management firm, and fees paid to the management firm by the mutual funds reduce the amount of dividends received from them.

NOTE 7 – GRANTS PAYABLE

As of June 30, 2024, the Foundation had no commitments to other organizations. As of June 30, 2023, the Foundation had a commitment to one organization for a grant totaling \$7,500, disbursed in December 2023.

NOTE 8 – GRANTS AND PROGRAMS

Grants and Programs include grants of \$4,885,546 made directly to nonprofit organizations during the year ended June 30, 2024. Grants and Programs include grants of \$3,652,854 made directly to nonprofit organizations during the year ended June 30, 2023.

NOTE 9 – RETIREMENT CONTRIBUTION

The Foundation began a retirement contribution program during the year ended June 30, 2018 which covers all employees who meet certain eligibility requirements. The Foundation provides a matching contribution equal to 100% of an employee's elective deferral up to 3% of the employee's compensation. Retirement plan expense was \$11,439 for the year ended June 30, 2024 and \$10,530 for the year ended June 30, 2023.

NOTE 10 – COMMITMENTS

In December 2022, the Foundation entered into an agreement with a software company for accounting, fund, and data management services. The agreement had an effective date of February 1, 2023 and expired on January 31, 2024 and provided for monthly payments of approximately \$1,837.

In January 2024, the Foundation entered into an agreement with a software company for accounting, fund, and data management services. The agreement has an effective date of February 1, 2024 and expires on January 31, 2025 and provides for monthly payments of approximately \$1,929.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 10 – COMMITMENTS – CONT'D

The Foundation determines if an arrangement is a finance lease, operating lease or short-term lease at inception, or as applicable, and accounts for the arrangement under the relevant accounting literature. Currently, the Foundation is only party to one material non-cancelable office space operating lease. Under the relevant guidance, the Foundation recognizes operating lease ROU assets and liabilities based on the present value of the future minimum lease payments over the lease term at the commencement date, using the Foundation's assumed incremental borrowing rate of 3.4%, and amortizes the ROU assets and liabilities over the lease term. Lease expense for operating leases is recognized on a straight-line basis over the lease term. The Foundation elected to utilize the short-term lease recognition exemption for all leases that qualify. This means, for those short-term leases that qualify, the Foundation will not recognize ROU assets or lease liabilities.

On May 13, 2022, the Foundation entered into a five-year copier lease agreement. The agreement expires on May 13, 2027 and provides for monthly lease payments of \$85 and monthly copy allowance base charge of \$25, totaling a \$110 monthly payment.

On June 1, 2019, the Foundation entered into a seven-year lease agreement for office space at its current location. The lease agreement expires on May 31, 2026. The Foundation also has options to renew the terms of this lease for two (2) additional terms of three (3) years each. The agreement provides for monthly base rent payments during the first 12 months of \$1,871 plus annual increases of 3% per year over the previous year's base rent. The lease also includes the payment of other monthly Common Area Maintenance (CAM) expenses.

As of July 1, 2022, the Foundation adopted ASC 842, Leases. The Foundation recognizes ROU assets and lease liabilities at the adoption date based on the present value of future minimum lease payments over the lease term. The discount rate used was the incremental borrowing rate of 3.4% in determining the present value of the future minimum lease payments. The Foundation recognized ROU assets of \$171,087 and lease liabilities of \$171,087 as of adoption date. As of June 30, 2024, the Foundation's ROU assets and liabilities related to the lease are as follows:

| | | |
|---|----|----------------|
| ROU Asset | \$ | 129,424 |
| Current portion of lease liabilities | | 23,061 |
| Lease liabilities, less current portion | | 106,363 |
| Total lease liabilities | \$ | <u>129,424</u> |

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 10 – COMMITMENTS – CONT'D

Future minimum payments for all agreements are as follows:

| Year Ending June 30, | <u>Software</u> | <u>Copier</u> | <u>Office Space</u> | <u>Total</u> |
|------------------------------------|------------------|-----------------|---------------------|-------------------|
| 2025 | \$ 13,500 | \$ 1,320 | \$ 27,106 | \$ 41,926 |
| 2026 | - | 1,320 | 27,883 | 29,203 |
| 2027 | - | 1,155 | 28,684 | 29,839 |
| 2028 | - | - | 29,509 | 29,509 |
| 2029 | - | - | 27,816 | 27,816 |
| Future Minimum Lease Payment Total | \$ 13,500 | \$ 3,795 | \$ 140,998 | \$ 158,293 |
| Less: Present Value Discount | - | - | (11,574) | (11,574) |
| Total | <u>\$ 13,500</u> | <u>\$ 3,795</u> | <u>\$ 129,424</u> | <u>\$ 146,719</u> |

NOTE 11 – FUNDS HELD FOR THE BENEFIT OF AGENCIES

The Foundation accounts for Funds Held for the Benefit of Agencies in accordance with FASB's ASC 958-605-15 -Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others. This statement establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investments of those assets or both to another entity that is specified by the donor.

The ASC specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such asset as a liability. The Foundation refers to such funds as Funds Held for the Benefit of Agencies in the accompanying Statements of Financial Position. The Foundation maintains variance power and legal ownership of certain Funds Held for the Benefit of Agencies and, as such, continues to report the funds as assets of the Foundation. However, a liability has been established for the fair value of the funds.

The Foundation maintains Funds Held for the Benefit of Agencies as a component part of its investment funds. These funds are pooled and managed in the same manner as all other investments held by the Foundation. These funds and the corresponding liability totaled \$1,311,896 as of June 30, 2024 and \$1,207,993 as of June 30, 2023.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NOTE 11 – FUNDS HELD FOR THE BENEFIT OF AGENCIES – CONT'D

The following is a summary of the activity for the years ended June 30, 2024 and 2023:

| | <u>June 30, 2024</u> | <u>June 30, 2023</u> |
|---|----------------------|----------------------|
| Starting Balance | | |
| Contributions to funds held for the benefit of Agencies | \$ 1,207,993 | \$ 1,175,288 |
| Grants to Agencies | - | - |
| Investment Income | (3,294) | (3,380) |
| Investment expense | 50,967 | 35,860 |
| Realized and Unrealized gain (loss) on investments | (3,337) | (2,966) |
| Foundation fees paid | 73,783 | 16,412 |
| | <u>(14,216)</u> | <u>(13,221)</u> |
| Ending Balance | \$ <u>1,311,896</u> | \$ <u>1,207,993</u> |

The amounts reflected in the statements of activities for the years ended June 30, 2024 and 2023 are presented net of the activity summarized above related to the funds held for the benefit of agencies.

NOTE 12 – LEGACY CONTRIBUTIONS

The Foundation received a total of \$1,349,825 of legacy contributions for the year ended June 30, 2024. The Foundation received a total of \$837,372 of legacy contributions for the year ended June 30, 2023.

NOTE 13 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2024 and 2023, various board members and management contributed approximately \$319,485 and \$203,146, respectively, through contributions and donations.

NOTE 14 – INCOME TAXES

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, if income from certain activities not directly related to the Foundation's tax-exempt purpose were received, it would be subject to taxation as unrelated business income. The Foundation's federal returns for the years ended June 30, 2022, 2023 and 2024 could be subject to examination by the Federal taxing authorities, generally three years from the date they are filed.

NOTE 15 – SUBSEQUENT EVENTS

Date of Management Review: Subsequent events were evaluated by management through September 16, 2024, which is the date the financial statements were available to be issued.