

JEWISH COMMUNITY FOUNDATION
OF CENTRAL PENNSYLVANIA

YEAR ENDED
AUGUST 31, 2022



CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

A Professional Corporation

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

YEAR ENDED AUGUST 31, 2022

TABLE OF CONTENTS

	Page
Independent auditor's report	1-2
Financial statements:	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7-17

Independent Auditor's Report

Board of Trustees and Governing Council
Jewish Community Foundation of Central Pennsylvania
Harrisburg, Pennsylvania

Opinion

We have audited the accompanying financial statements of the Jewish Community Foundation of Central Pennsylvania (the Foundation), which comprise the statement of financial position as of August 31, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Jewish Community Foundation of Central Pennsylvania as of August 31, 2022 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 Jewish Community Foundation of Central Pennsylvania 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 the Jewish Community Foundation of Central Pennsylvania's ability to continue as a going concern for one year after the date the financial statements are 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Jewish Community Foundation of Central Pennsylvania'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 Jewish Community Foundation of Central Pennsylvania'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.

Correction of error

As described in Note 11 to the financial statements, the beginning net assets with donor restrictions and total net assets has been restated to correct an error related to the Foundation's beneficiary interest in a charitable remainder trust. Our opinion is not modified with respect to this matter.

Brown Schultz Steidman & Fritz

Camp Hill, Pennsylvania
March 10, 2023

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2022

ASSETS

Cash	\$ 166,526
Investments	37,286,385
Beneficiary interest in charitable remainder trust	271,373
Interest receivable	10,819
Cash surrender value of life insurance	69,323
Total assets	<u>\$ 37,804,426</u>

LIABILITIES AND NET ASSETS

Liabilities:

Due to Jewish Federation of Greater Harrisburg	\$ 131,653
Accounts payable	17,246
Accrued vacation	46,001
Amounts held for others	5,319,946
Split-interest agreements	230,248
Total liabilities	<u>5,745,094</u>

Net assets:

Without donor restrictions:	
Board designated:	
Endowment funds for the benefit of others	6,064,041
Endowments for the benefit of the Jewish Community Foundation	4,369,699
Undesignated	19,268,586
	<u>29,702,326</u>
With donor restrictions	2,357,006
Total net assets	<u>32,059,332</u>
Total liabilities and net assets	<u>\$ 37,804,426</u>

See notes to financial statements.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	Net assets		
	Without donor restrictions	With donor restrictions	Total
Public support, revenue and gains:			
Public support, bequests and donations	\$ 13,673,354	\$ 21,624	\$ 13,694,978
Conditional grant	8,230		8,230
Revenue and gains:			
Fundraising revenue	30,036		30,036
Administrative revenue	193,318		193,318
Investment income	509,751		509,751
Gain on sale of investments	207,503		207,503
Unrealized depreciation in value of investments	(3,973,539)		(3,973,539)
	10,648,653	21,624	10,670,277
Net assets released from restrictions	61,098	(61,098)	-
Total public support, revenue and gains	10,709,751	(39,474)	10,670,277
Expenses:			
Program	1,862,363		1,862,363
Management and general	372,863		372,863
Fundraising	84,731		84,731
Total expenses	2,319,957		2,319,957
Change in value of split-interest agreements	(229,123)	21,011	(208,112)
Total expenses and change in value of split- interest agreements	2,090,834	21,011	2,111,845
Change in net assets	8,618,917	(60,485)	8,558,432
Net assets:			
Beginning of year (restated)	21,083,409	2,417,491	23,500,900
End of year	\$ 29,702,326	\$ 2,357,006	\$ 32,059,332

See notes to financial statements.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2022

	Program services	Supporting services		Total
		Management and general	Fundraising	
Fund distributions	\$ 1,738,412			\$ 1,738,412
Salaries	81,024	\$ 146,132	\$ 68,409	295,565
Benefits and taxes	12,784	23,059	6,868	42,711
Bank and management fees		72,631		72,631
Annuity interest	21,725			21,725
Rent	7,903	14,254	6,673	28,830
Professional fees		86,696		86,696
Other	515	30,091	2,781	33,387
	<u>\$ 1,862,363</u>	<u>\$ 372,863</u>	<u>\$ 84,731</u>	<u>\$ 2,319,957</u>

See notes to financial statements.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

STATEMENTS OF CASH FLOWS
YEAR ENDED AUGUST 31, 2022

Cash flows from operating activities:

Change in net assets	\$ 8,558,432
Adjustments:	
Unrealized depreciation in value of investments	3,973,539
Gain on sale of investments	(207,503)
Change in value of split-interest agreements	(208,112)
(Increase) decrease in assets:	
Interest receivable	(5,176)
Other receivable	8,033
Increase (decrease) in liabilities:	
Due to Jewish Federation of Greater Harrisburg	22,794
Accounts payable	4,624
Accrued vacation	3,443
Deferred administrative revenue	<u>(58,356)</u>
Net cash provided by operating activities before adjustments pertaining to amounts held for others	12,091,718
Change in amounts held for others	<u>(4,875,915)</u>
Net cash provided by operating activities	7,215,803
Cash flows used in investing activities, purchase of investments, net	(7,275,054)
Cash flows used in financing activities, payments of annuity obligations	<u>(15,826)</u>
Net decrease in cash	(75,077)
Cash:	
Beginning of year	<u>241,603</u>
End of year	<u>\$ 166,526</u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	\$ 21,725

See notes to financial statements.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2022

1. Nature of activities and summary of significant accounting policies:

Nature of activities:

The Jewish Community Foundation of Central Pennsylvania (the Foundation) seeks to enrich the quality of life in the central Pennsylvania area through securing, administering, investing and distributing financial assets for charitable, religious or educational purposes. The Foundation is supported primarily from contributions, bequests and donations from the greater Harrisburg Jewish community. Net assets without donor restriction amounts can be expended at the discretion of the Foundation. Net assets with donor restriction amounts consist of contributions which can only be used for the purposes specified by the donors.

Basis of accounting:

The financial statements of the Foundation have been prepared on the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized in the accounting period in which the liability is incurred.

Basis of presentation:

The financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for Profit Organizations*. The Foundation is required to report information regarding its financial position and activities in up to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the Foundation is required to present a statement of cash flows.

Revenue recognition:

The Foundation generates revenue from contributions, grants and administrative fees.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2022

1. Nature of activities and summary of significant accounting policies (continued):

Revenue recognition:

Contributions and grants:

The Foundation receives contributions, which include paid gifts, grants and unconditional promises to give (pledges), from various entities and individuals. Contributions are evaluated when received to determine if they are an exchange transaction or a non-exchange transaction. Contributions that fund the Foundation's overall mission and do not contain any performance obligations are considered non-exchange transactions and are recognized as revenue when payments are received, or when donors and grantors make written promises to give to the Foundation, that are, in substance, unconditional. Contributions are available for use without donor restriction, unless specifically restricted by the donor or grantor. Any contributions with donor or grantor-imposed time or purpose restrictions are recorded as increases in net assets with donor restrictions. When the time restrictions expire, or purpose restrictions are fulfilled, those net assets with donor restrictions are reclassified to net assets without donor restrictions. These reclassifications are reported as net assets released from restriction on the statement of activities. Contributions with donor or grantor-imposed conditions are recognized as revenue when the conditions have been substantially met. The Foundation did not have any conditional contributions in 2022. For grants that come with specific performance obligations, the Foundation will recognize the revenue when those performance obligations are met and related expenses are incurred.

Administrative fees:

The Foundation performs investment fund management services and earns a fee for these services. A contract is signed with each party that outlines the service to be performed, the fee for that service and the term of the agreement. These services require the Foundation to perform certain duties as noted in the agreements. The administrative fees are generally recognized on a monthly basis at the agreed-upon rate in the contract, which aligns with it fulfilling its performance obligation to provide these services.

Investments:

Cash equivalents are comprised of investments in money market accounts and are stated at cost. Management's policy for cash flow purposes is to include these accounts as investments.

Investments are reported at fair value with gains and losses included in the statement of activities.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2022

1. Nature of activities and summary of significant accounting policies (continued):

Income taxes:

The Foundation has been recognized as a public charity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable income tax regulations of Pennsylvania; therefore, no provision for income taxes has been made in these financial statements.

Use of estimates:

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Functional expenses:

The costs of providing program and supporting services have been summarized on a functional basis on the statement of functional expenses. Certain costs have been allocated between program and supporting services based on management's estimates and actual employee time spent providing such services. Costs directly related to the program or supporting service are charged directly to the program or supporting service.

Recently issued accounting standards:

Leases:

FASB Accounting Standards Update (ASU) 2016-02, *Leases*, is effective for the Foundation's 2023 year end and requires that all leases with terms of more than 12 months be recognized as assets and liabilities on the statement of financial position. Recognition of these lease assets and lease liabilities represents a change from previous GAAP, which did not require lease assets and lease liabilities to be recognized for operating leases. Qualitative disclosures, along with specific quantitative disclosures, will be required to provide enough information to supplement the amounts recorded in the financial statements so that users can understand more about the nature of an entity's leasing activities.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2022

1. Nature of activities and summary of significant accounting policies (continued):

Recently issued accounting standards:

Leases:

The Foundation will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that the Foundation may elect to apply. At adoption, the Foundation will recognize a right-of-use asset and a lease liability initially measured at the present value of its operating lease payments. The Foundation is currently evaluating the impacts of adopting this guidance on its financial position, results of operations and cash flows.

2. Adoption of new accounting pronouncement:

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard will require contributed nonfinancial assets to be a separate line item in the statement of activities and enhanced disclosures. The required disclosures include a disaggregation of the amount of contributed nonfinancial assets recognized in the statement of activities by category that depicts the type of contributed nonfinancial assets and for each category of contributed nonfinancial assets: 1) qualitative information regarding utilization or monetization of the contributed nonfinancial assets, 2) the programs or activities the contributed nonfinancial assets were utilized for, 3) the entity's policy for monetizing rather than utilizing contributed nonfinancial assets (if applicable), 4) a description of any donor-imposed restrictions on the nonfinancial assets, 5) a description of the valuation techniques and inputs used to arrive at the fair market value assigned to the contributed nonfinancial assets and 6) the principal market used to arrive at a fair value measure if it is a market in which the recipient not-for-profit is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial asset.

Effective September 1, 2021, the Foundation adopted ASU 2020-07 using the full retrospective method. There was no quantitative impact as a result of adopting ASU 2020-07.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022

3. Financial assets and liquidity resources:

As of August 31, 2022, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, payments of liabilities and purchases of property and equipment were as follows:

Financial assets and liquidity resources:	
Cash	\$ 166,526
Investments	37,286,385
Interest receivable	<u>10,819</u>
Total financial assets	37,463,730
Less:	
Amounts held for others	5,319,946
Split-interest agreements	230,248
Net assets with donor restrictions, purpose restricted	2,085,633
Board-designated net assets, endowment funds for the benefit of others	<u>6,064,041</u>
Total financial assets available within one year	<u><u>\$ 23,763,862</u></u>

The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations become due.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022

4. Investments:

As of August 31, 2022, investments held by the Foundation consisted of:

Cash and cash equivalents:	
Vanguard government money market funds	\$ 9,823,654
PNC government money market fund	422,791
Fulton government money market fund	2,572,841
Other money market funds	<u>2,906</u>
	12,822,192
Fixed income mutual funds	6,084,755
Equity mutual funds	7,867,746
Associated Jewish Charities of Baltimore Consolidated Investment Fund	<u>10,511,692</u>
	<u><u>\$ 37,286,385</u></u>

5. Fair value measurements:

Investments are reported at fair value in the statement of financial position. All realized and unrealized gains and losses arising from fluctuations in fair value, sales or other disposition of assets are accounted for in the applicable net asset class.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in GAAP and requires expanded disclosures about fair value measurements. FASB ASC 820 establishes a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets carried at fair value to be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices in active markets for identical assets

Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices

Level 3 – Unobservable inputs not corroborated by market data

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2022

5. Fair value measurements (continued):

For investments that have quoted market prices in active markets, the Foundation uses the quoted market prices as fair values and includes those investments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value, and investments are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs that are unobservable and include the Foundation's own determinations of the assumptions that a market participant would use in pricing the asset. The Foundation considers its investments in fixed income and equity mutual funds to be Level 1 and the Associated Jewish Charities of Baltimore Consolidated Investment Fund (the Fund) to be Level 3 assets. The value of the Foundation's share of the Associated Jewish Charities of Baltimore Consolidated Investment Fund's net assets is based on audited financial statements of the fund.

The following is a summary of changes in fair value of the Foundation's Level 3 assets:

The Associated Jewish Charities of Baltimore Consolidated Investment Fund activity for the year ended August 31, 2022:

Beginning of the year fair value	\$ 12,453,058
Realized gains	132,082
Unrealized losses	(2,101,561)
Income	218,756
Bank and other investment fees	(27,091)
Withdrawals	<u>(163,552)</u>
End of the year fair value	<u><u>\$ 10,511,692</u></u>

6. Life and Legacy Partnership Program:

The Foundation is a community partner in the Life and Legacy Partnership Program of the Harold Grinspoon Foundation. The program assists communities across North America, through partnerships with Jewish Federations and Foundations, to promote after-lifetime giving to benefit Jewish day schools, synagogues, social service organizations and other Jewish entities. As of August 31, 2022, the program has over 700 letters of intent with a potential yield of approximately \$23.5 million.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2022

7. Split-interest agreements:

The Foundation administers various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor, or other designated beneficiaries, over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Foundation's use, unless otherwise agreed to with the donors. The assets contributed are recorded at fair value when received.

Assets held in the charitable remainder trusts totaled \$237,062 at August 31, 2022 and are included as investments at fair value in the Foundation's statements of financial position. The present value of the estimated future payments (\$230,248 at August 31, 2022) is calculated using discount rates of 4.7% to 10% and applicable mortality tables. Interest expense relating to these obligations of \$21,725 for the year ended August 31, 2022 was distributed to beneficiaries. The Foundation revalues its liability for split-interest agreements each year for significant changes in life expectancy or discount rates and reflects these changes in the liability in the statement of activities. For the year ended August 31, 2022, a decrease of \$229,123 was made to these obligations for a change in actuarial assumptions.

Beneficiary interest in charitable remainder trust

The Foundation holds a beneficiary interest in an irrevocable charitable remainder unitrust. Under the terms of the unitrust, the noncharitable beneficiaries receive 6% of the fair market value of the trust assets as of January 1 each year, with the termination date occurring upon the death of the last of the noncharitable beneficiaries. Upon the termination date, all of the remaining principal and income of the Trust shall be distributed to the Foundation. The fair market value of the unitrust assets as of August 31, 2022 was \$271,373.

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022

8. Amounts held for others:

Amounts held for others as of August 31, 2022 are detailed below:

Jewish Community Events Contingency Fund	\$ 966
Jewish Community Alliance of Lancaster	421,267
Beth El Temple	2,185,506
Beth El Cemetery	226,005
South Hill Hebrew Cemetery Association	158,172
Tifereth Israel Cemetery	361,870
Chisuk Emuna Cemetery	422,968
Keshet Israel Congregation	257,819
Kehillat Israel Cemetery	584,374
Tamaqua Cemetery	51,874
Mahanoy City Cemetery	67,338
Ohev Sholom Synagogue Cemetery	265,366
Beth Yehuda Cemetery	<u>316,421</u>
Total	<u><u>\$ 5,319,946</u></u>

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022

9. Net assets with donor restrictions:

Net assets with donor restrictions available for various donor-restricted purposes at August 31, 2022 were as follows:

B'nai B'rith programming	\$ 12,822
Chisuk Emuna Congregation	422,132
Community Relations Council	35,209
Elderly in the Jewish Community of Greater Harrisburg	76,067
Historic B'nai Jacob Synagogue	16,205
Holocaust Education	87,766
Israel Experience Scholarships	67,435
JCC Spector Lounge	41,888
JCC Sports and Fitness	14,055
Jewish Family Service of Greater Harrisburg	232,483
Jewish Federation of Greater Harrisburg	216,266
JFGH Capital Repair and Replacement	80,310
Keshet Israel Cemetery	40,105
Kosher Meals on Wheels	18,278
Mount Moriah Cemetery	6,120
Scholarships for Jewish Education	3,669
Silver (Yeshiva) Academy	44,288
Temple Beth Sholom	30,614
Temple Ohev Sholom	532,567
Temple Ohev Sholom Cantor or Music	107,354
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Total net assets with donor restrictions, purpose restricted	2,085,633
Beneficiary interest in charitable remainder trust	271,373
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Total net assets with donor restrictions	<u><u>\$ 2,357,006</u></u>

JEWISH COMMUNITY FOUNDATION OF CENTRAL PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2022

10. Endowment assets:

The intent of the Foundation's Board of Directors is for certain assets of the Foundation to function as an endowment. The Foundation attempts to maximize long-term gains through capital appreciation and current yield with an acceptable level of risk to provide funding for initiatives and special projects. The Foundation may annually spend up to 5% of the average portfolio value over the prior 20 quarters, using December 31 valuations. Absent a full 20 quarters, the number of quarters the fund was in existence is used. Assets functioning as endowments for the benefit of the Foundation all utilize this spending rule. Assets functioning as endowments for the benefit of others may have different spending rules, such as a net return for the year or a straight percentage of ending fund balance for the year, and they may also include an extraordinary event clause that allows for larger distributions.

Changes in assets functioning as endowments for the year ended August 31, 2022 were as follows:

	Assets functioning as endowments for the benefit of others	Assets functioning as endowments for the benefit of the Foundation
September 1, 2021	\$ 6,852,350	\$ 2,323,873
Net investment income	149,613	232,623
Realized gains	115,399	10,364
Unrealized losses	(1,254,411)	(396,256)
Contributions	829,867	2,677,828
Appropriated for expenditure	(628,777)	(478,733)
August 31, 2022	<u>\$ 6,064,041</u>	<u>\$ 4,369,699</u>

The Foundation formally adopted and elected to be governed by the Pennsylvania Act 141 and elected to adopt the Total Return Policy option under the Act.

11. Prior period adjustment:

In the August 31, 2021 financial statements for the Foundation, the Foundation did not record its beneficiary interest in a charitable remainder trust in the amount of \$292,384. The Foundation's net assets with donor restrictions have been restated to correct the aforementioned error, increasing from \$2,125,107 as originally stated to \$2,417,491. This correction also resulted in the Foundation's total net assets to be restated, increasing from \$23,208,516 as originally stated to \$23,500,900.

12. Subsequent events:

The Foundation has evaluated subsequent events through March 10, 2023, which is the date the financial statements were available to be issued.