

Bo's Place

Financial Statements
and Independent Auditors' Report
for the years ended June 30, 2023 and 2022

Bo's Place

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Independent Auditors' Report

To the Board of Directors of
Bo's Place:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bo's Place, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, of functional expenses, and of cash flows for the years 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 Bo's Place as of June 30, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Bo's Place and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Bo's Place's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Blazek & Vetterling

September 26, 2023

Bo's Place

Statements of Financial Position as of June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 224,209	\$ 200,194
Contributions receivable	97,710	120,910
Prepaid expenses	82,695	48,180
Investments <i>(Notes 3 and 4)</i>	3,378,784	3,465,586
Property and equipment, net <i>(Note 5)</i>	<u>1,865,657</u>	<u>2,001,029</u>
TOTAL ASSETS	<u>\$ 5,649,055</u>	<u>\$ 5,835,899</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 20,180	\$ 24,325
Special event refundable advance	<u>618</u>	<u>705</u>
Total liabilities	<u>20,798</u>	<u>25,030</u>
Net assets:		
Without donor restrictions <i>(Note 7)</i>	5,188,937	5,062,519
With donor restrictions <i>(Note 8)</i>	<u>439,320</u>	<u>748,350</u>
Total net assets	<u>5,628,257</u>	<u>5,810,869</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,649,055</u>	<u>\$ 5,835,899</u>

See accompanying notes to financial statements.

Bo's Place

Statement of Activities for the year ended June 30, 2023

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE:			
Contributions <i>(Note 6)</i> :			
Cash and other financial assets	\$ 851,371	\$ 536,025	\$ 1,387,396
Nonfinancial assets	26,941	-	26,941
Special events:			
Cash and other financial assets	698,490	-	698,490
Nonfinancial assets	8,090	-	8,090
Proceeds from donated auction items <i>(Note 6)</i>	36,275	-	36,275
Cost of direct donor benefits	(168,299)	-	(168,299)
Net investment return	63,265	-	63,265
Other income	15,085	-	15,085
Total operating revenue	1,531,218	536,025	2,067,243
Net assets released from restrictions:			
Program expenditures	810,730	(810,730)	-
Expiration of time restrictions	34,325	(34,325)	-
Total revenue and releases	2,376,273	(309,030)	2,067,243
OPERATING EXPENSES:			
Program expenses	1,628,231	-	1,628,231
Management and general	299,022	-	299,022
Fundraising	452,660	-	452,660
Total operating expenses	2,379,913	-	2,379,913
Operating loss	(3,640)	(309,030)	(312,670)
NON-OPERATING REVENUE, EXPENSES, GAINS AND LOSSES:			
Net unrealized gain on investments	130,058	-	130,058
CHANGES IN NET ASSETS	126,418	(309,030)	(182,612)
NET ASSETS, BEGINNING OF YEAR	5,062,519	748,350	5,810,869
NET ASSETS, END OF YEAR	\$ 5,188,937	\$ 439,320	\$ 5,628,257

See accompanying notes to financial statements.

Bo's Place

Statement of Activities for the year ended June 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE:			
Contributions (Note 6):			
Cash and other financial assets	\$ 715,980	\$ 460,960	\$ 1,176,940
Nonfinancial assets	16,890	-	16,890
Special events:			
Cash and other financial assets	747,681	-	747,681
Nonfinancial assets	18,970	-	18,970
Proceeds from donated auction items (Note 6)	53,800	-	53,800
Cost of direct donor benefits	(164,982)	-	(164,982)
Net investment return	63,182	-	63,182
Other income	9,225	-	9,225
Total operating revenue	1,460,746	460,960	1,921,706
Net assets released from restrictions:			
Program expenditures	560,784	(560,784)	-
Expiration of time restrictions	49,700	(49,700)	-
Total revenue and releases	2,071,230	(149,524)	1,921,706
OPERATING EXPENSES:			
Program expenses	1,662,357	-	1,662,357
Management and general	306,465	-	306,465
Fundraising	352,323	-	352,323
Total operating expenses	2,321,145	-	2,321,145
Operating loss	(249,915)	(149,524)	(399,439)
NON-OPERATING REVENUE, EXPENSES, GAINS AND LOSSES:			
Net unrealized loss on investments	(519,430)	-	(519,430)
CHANGES IN NET ASSETS	(769,345)	(149,524)	(918,869)
NET ASSETS, BEGINNING OF YEAR	5,831,864	897,874	6,729,738
NET ASSETS, END OF YEAR	\$ 5,062,519	\$ 748,350	\$ 5,810,869

See accompanying notes to financial statements.

Bo's Place

Statement of Functional Expenses for the year ended June 30, 2023

	<u>PROGRAM EXPENSES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and related expenses	\$ 1,097,287	\$ 200,747	\$ 317,601	\$ 1,615,635
Rent, repairs, and utilities	161,896	7,354	5,963	175,213
Depreciation	124,670	5,910	4,792	135,372
Supplies	100,547	3,908	13,381	117,836
Contract services	5,197	39,640	51,529	96,366
Computer supplies and maintenance	55,924	10,231	15,629	81,784
Insurance	43,575	2,049	1,662	47,286
Printing and postage	13,542	388	26,363	40,293
Meals and snacks	19,741	6,291	6,046	32,078
Credit card and bank fees	-	21,963	-	21,963
Professional services	-	376	7,025	7,401
Employee mileage reimbursement	2,790	165	2,669	5,624
Professional development	<u>3,062</u>	<u>-</u>	<u>-</u>	<u>3,062</u>
Total operating expenses	<u>\$ 1,628,231</u>	<u>\$ 299,022</u>	<u>\$ 452,660</u>	2,379,913
Percent of total operating expenses	68%	13%	19%	
Cost of direct donor benefits of special events				<u>168,299</u>
Total				<u>\$ 2,548,212</u>

See accompanying notes to financial statements.

Bo's Place

Statement of Functional Expenses for the year ended June 30, 2022

	<u>PROGRAM EXPENSES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and related expenses	\$ 1,017,734	\$ 185,920	\$ 215,582	\$ 1,419,236
Rent, repairs, and utilities	185,068	8,424	6,830	200,322
Depreciation	122,729	5,818	4,717	133,264
Supplies	142,421	4,459	10,091	156,971
Contract services	37,151	58,170	62,252	157,573
Computer supplies and maintenance	64,258	11,739	13,612	89,609
Insurance	38,923	1,812	1,470	42,205
Printing and postage	25,903	631	30,165	56,699
Meals and snacks	16,095	-	3,587	19,682
Credit card and bank fees	-	21,749	-	21,749
Professional services	508	25	3,150	3,683
Employee mileage reimbursement	2,321	7,718	867	10,906
Professional development	<u>9,246</u>	<u>-</u>	<u>-</u>	<u>9,246</u>
Total operating expenses	<u>\$ 1,662,357</u>	<u>\$ 306,465</u>	<u>\$ 352,323</u>	2,321,145
Percent of total operating expenses	72%	13%	15%	
Cost of direct donor benefits of special events				<u>164,982</u>
Total				<u>\$ 2,486,127</u>

See accompanying notes to financial statements.

Bo's Place

Statements of Cash Flows for the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (182,612)	\$ (918,869)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	135,372	133,264
Net realized and unrealized (gain) loss on investments	(120,092)	529,478
Changes in operating assets and liabilities:		
Contributions receivable	23,200	79,790
Prepaid expenses	(34,515)	22,582
Accounts payable and accrued expenses	(4,145)	10,059
Special event refundable advance	<u>(87)</u>	<u>(3,105)</u>
Net cash provided by (used in) operating activities	<u>(182,879)</u>	<u>(146,801)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(1,010,172)	(1,161,717)
Sale of investments	1,206,447	1,374,786
Change in money market mutual funds	10,619	1,640
Purchase of property and equipment	<u>-</u>	<u>(65,444)</u>
Net cash provided by (used in) investing activities	<u>206,894</u>	<u>149,265</u>
NET CHANGE IN CASH	24,015	2,464
Cash, beginning of year	<u>200,194</u>	<u>197,730</u>
Cash, end of year	<u>\$ 224,209</u>	<u>\$ 200,194</u>

See accompanying notes to financial statements.

Bo's Place

Notes to Financial Statements for the years ended June 30, 2023 and 2022

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Bo's Place, a Texas nonprofit corporation founded in 1990, is dedicated to enhancing the lives of those who have experienced the death of a loved one. Bo's Place is a free-of-charge bereavement center offering multiple grief support services for children, teens, and their families, as well as adults. Program services include providing an Information & Referral Line staffed by mental health professionals offering grief and bereavement-specific support, resources and referrals; peer grief support groups for families, adults, pre-school aged children and their families, mothers who have experienced a pregnancy loss, and students in K-12 schools; supplemental support programs for individuals enrolled in support groups including a bilingual Women's Retreat, Bo's Book Club and family activities; and community education and training for professionals and others working to support the bereaved. Bo's Place services are available in English and Spanish.

Federal income tax status – Bo's Place is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in more than one year are discounted, if material, to estimate the present value of their estimated future cash flows. Amortization of discounts is included in contribution revenue. An allowance for contributions receivable is provided when it is believed balances may not be collected in full. Management believes the balance is fully collectible and no allowance is considered necessary. Contributions receivable at June 30, 2023 are due within one year.

Investments are reported at fair value. Net investment return consists of interest and dividends, and realized gains and losses, net of external and direct internal investment expenses. Unrealized gains and losses are reported as non-operating activity.

Property and equipment are reported at cost if purchased and at fair value at date of gift if donated. Bo's Place capitalizes expenditures in excess of \$5,000 for property and equipment. Depreciation is recognized on a straight-line basis over estimated useful lives of 3 to 40 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Bo's Place is entitled to receive or retain funding. Conditional contributions are recognized as

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as a refundable advance.

Special events revenue includes elements of both contributions and exchange transactions and are recognized when an event occurs. Cost of direct donor benefits provided represents the cost of goods and services provided to event attendees. Amounts received in advance are reported as refundable advances.

Contributed nonfinancial assets are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Measure of operations – Bo’s Place includes in its measure of operations all revenue and expenses that are an integral part of its programs and supporting activities and excludes contributions for capital additions, and unrealized gains and losses on investments.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation of building and improvements and occupancy costs are allocated based on square footage.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of June 30 are comprised of the following:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$ 224,209	\$ 200,194
Contributions receivable	97,710	120,910
Investments	<u>3,378,784</u>	<u>3,465,586</u>
Total financial assets	3,700,703	3,786,690
Less financial assets not available for general expenditure:		
Board-Designated Fund for various projects	(709,864)	(807,563)
Board-Designated Long-Term Strategic Development Fund	<u>(1,967,270)</u>	<u>(1,780,694)</u>
Total financial assets available for general expenditure	<u>\$ 1,023,569</u>	<u>\$ 1,198,433</u>

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES – CONTINUED

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Bo's Place considers all expenditures related to its ongoing activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

Bo's Place is substantially supported by special event and other contributions and regularly monitors liquidity required to meet its operating needs while striving to maximize the investment of available funds. As part of the Bo's Place's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Board of Directors (the Board) has designated a portion of its resources *without donor restrictions*. While the Board does not intend to make these funds available for general expenditures, the Board retains discretion over their use.

NOTE 3 – INVESTMENTS

Investments consist of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Bond mutual funds	\$ 1,598,321	\$ 1,864,661
Exchange-traded funds	880,619	724,627
Equity mutual funds	823,401	789,236
Money market mutual funds	<u>76,443</u>	<u>87,062</u>
Total investments	<u>\$ 3,378,784</u>	<u>\$ 3,465,586</u>

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

NOTE 4 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is 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. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date.
- *Level 2* – Inputs are other than quoted prices included in Level 1, which are either directly observable or can be derived from or corroborated by observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

NOTE 4 – FAIR VALUE MEASUREMENTS – CONTINUED

Assets measured at fair value at June 30, 2023 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Bond mutual funds:				
Short-term	\$ 859,697	\$ -	\$ -	\$ 859,697
Intermediate	504,552	-	-	504,552
High-yield	168,768	-	-	168,768
International	65,304	-	-	65,304
Exchange-traded funds:				
Large cap blend	575,857	-	-	575,857
Mid cap blend	165,340	-	-	165,340
Small cap blend	139,422	-	-	139,422
Equity mutual funds:				
Large cap value	306,577	-	-	306,577
Large cap growth	215,951	-	-	215,951
International	202,860	-	-	202,860
Mid cap value	98,013	-	-	98,013
Money market mutual funds	<u>76,443</u>	-	-	<u>76,443</u>
Total assets measured at fair value	<u>\$ 3,378,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,378,784</u>

Assets measured at fair value at June 30, 2022 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Bond mutual funds:				
Short-term	\$ 946,373	\$ -	\$ -	\$ 946,373
Intermediate	524,994	-	-	524,994
High-yield	295,033	-	-	295,033
International	98,261	-	-	98,261
Exchange-traded funds:				
Large cap blend	519,814	-	-	519,814
Mid cap blend	139,652	-	-	139,652
Small cap blend	65,161	-	-	65,161
Equity mutual funds:				
Large cap value	289,696	-	-	289,696
Large cap growth	420,966	-	-	420,966
Mid cap value	78,574	-	-	78,574
Money market mutual funds	<u>87,062</u>	-	-	<u>87,062</u>
Total assets measured at fair value	<u>\$ 3,465,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,465,586</u>

Valuation methods used for assets measured at fair value are as follows:

- *Mutual funds* are valued at the reported net asset value of shares held.
- *Exchange-traded funds* are valued at the closing price reported on the active market on which the individual securities are traded.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Bo's Place believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment are comprised of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 475,892	\$ 475,892
Land improvements	157,261	157,261
Building	3,222,095	3,222,095
Website	21,120	21,120
Furniture and equipment	<u>323,708</u>	<u>323,708</u>
Total property and equipment, at cost	4,200,076	4,200,076
Accumulated depreciation	<u>(2,334,419)</u>	<u>(2,199,047)</u>
Property and equipment, net	<u>\$ 1,865,657</u>	<u>\$ 2,001,029</u>

NOTE 6 – CONTRIBUTED NONFINANCIAL ASSETS AND VOLUNTEER HOURS

Contributed nonfinancial assets were recognized as follows:

CONTRIBUTED NONFINANCIAL ASSETS	MONETIZED OR UTILIZED IN PROGRAMS/ ACTIVITIES	DONOR RESTRICTIONS	VALUATION TECHNIQUES AND INPUTS	FISCAL YEAR <u>2023</u>	FISCAL YEAR <u>2022</u>
Goods or supplies	Utilized for program services	None	Fair value estimated based on cost of similar goods.	\$20,998	\$14,812
Goods, supplies and services	Utilized for fundraising event	None	Fair value estimated based on cost of similar goods.	\$8,090	\$15,819
Donated auction items	Sold at fundraising event	None	Valued using the auction price received.	\$36,275	\$53,800
Professional services	Utilized for fundraising	None	Fair value estimated based on comparable cost for similar services.	\$5,476	\$3,858
Goods or supplies	Utilized in management and general and/or fundraising	None	Fair value estimated based on cost of similar goods.	\$467	\$1,370
Total contributed nonfinancial assets				<u>\$71,306</u>	<u>\$89,659</u>

**NOTE 6 – CONTRIBUTED NONFINANCIAL ASSETS AND VOLUNTEER HOURS –
CONTINUED**

Many individuals volunteer their time to perform a variety of tasks that assist Bo’s Place in providing grief support to bereaved families such as volunteer facilitators, kitchen volunteers, and assistance with other projects. Bo’s Place received 8,398 volunteer hours with an estimated value of \$250,772 and 6,953 volunteer hours with an estimated value of \$195,657 during the years ended June 30, 2023 and 2022, respectively, which were not recognized in these financial statements because the services do not meet the criteria for recognition under generally accepted accounting principles. The estimated value of volunteer time per hour was obtained from Independent Sector, a leadership network for nonprofit organizations, foundations and corporate giving programs.

NOTE 7 – NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board of Bo’s Place has established two funds with Board designations as to use. The Board-Designated Fund is intended to generate sufficient capital growth over the long term in order to fund special projects of the Board, including unforeseen expenses. The Board-Designated Long-Term Strategic Development Fund is intended to generate growth over the long term in order to fund needs of the organization, including but not limited to capital expenditures. The earnings on these funds are generally reinvested; however, at the discretion of the Board, 4% of the three-year average market value of the Board-Designated Long-Term Strategic Development Fund may be distributed annually for operations.

Net assets without donor restrictions are comprised of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Investment in property and equipment, net	\$ 1,865,657	\$ 2,001,029
Board-Designated Long-Term Strategic Development Fund	1,967,270	1,780,694
Board-Designated Fund for various projects	709,864	807,563
Undesignated net assets	<u>646,146</u>	<u>473,233</u>
Total net assets without donor restrictions	<u>\$ 5,188,937</u>	<u>\$ 5,062,519</u>

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Maintenance fund	\$ 213,908	\$ 234,393
Personnel costs	66,666	183,333
Roof replacement	50,000	-
Matthew’s Garden	17,201	19,121
Website	8,520	8,984
Grief support programs	-	185,000
Fort Bend Residents	-	35,000
School-based groups	-	18,085
Multi-media smart center/Virtual Grief Support program	-	10,000
Other	<u>12,975</u>	<u>20,109</u>
Total subject to expenditure for specified purpose	369,270	714,025
Subject to passage of time:		
Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	<u>70,050</u>	<u>34,325</u>
Total net assets with donor restrictions	<u>\$ 439,320</u>	<u>\$ 748,350</u>

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 26, 2023, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.
