

OUR FUND FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022 AND JUNE 30, 2021

OUR FUND FOUNDATION, INC.

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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, 2022 and 2021, 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, 2022 and 2021, 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.

Liggett & Webb, P.A.

LIGGETT & WEBB P.A.
Certified Public Accountants
Boynton Beach, Florida
October 10, 2022

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

ASSETS

	As of June 30, 2022	As of June 30, 2021
ASSETS		
Cash and Cash Equivalents	\$ 33,115	\$ 43,567
Investments	21,837,246	21,637,191
Accounts Receivable	64,835	63,653
Promises to Give	45,625	15,000
Deposits	15,443	7,673
Prepaid Expenses	1,099	11,298
Furniture and Computer Equipment, Net	175,784	204,625
TOTAL ASSETS	\$ 22,173,147	\$ 21,983,007

LIABILITIES AND NET ASSETS

LIABILITIES AND NET ASSETS

Liabilities		
Grants and Accounts Payable	\$ 38,772	\$ 18,799
Accrued Expenses	43,028	707
Funds Held for Benefit of Agencies	1,175,288	837,240
Total Liabilities	1,257,088	856,746
Net Assets		
Without Donor Restrictions	20,916,059	21,126,261
With Donor Restrictions	-	-
Total Net Assets	20,916,059	21,126,261
TOTAL LIABILITIES AND NET ASSETS	\$ 22,173,147	\$ 21,983,007

See accompanying notes to financial statements.

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

	For the year ended June 30, 2022			For the year ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Contributions	\$ 7,058,931	\$ -	\$ 7,058,931	\$ 4,838,943	\$ -	\$ 4,838,943
Dividend and Interest	445,982	-	445,982	294,994	-	294,994
Realized Gains	754,676	-	754,676	1,319,234	-	1,319,234
Unrealized Gains (Losses)	(4,728,294)	-	(4,728,294)	1,655,271	-	1,655,271
Net assets released from restriction	-	-	-	250,514	(250,514)	-
Satisfaction of purpose restrictions	-	-	-	-	-	-
Total Revenues	3,531,295	-	3,531,295	8,358,956	(250,514)	8,108,442
Grants and Expenses						
Contigo	-	-	-	1,076,763	-	1,076,763
Other Grants and Programs	3,457,663	-	3,457,663	2,691,449	-	2,691,449
Administrative	120,254	-	120,254	130,007	-	130,007
Donor Development	163,580	-	163,580	146,869	-	146,869
Total Grants and Expenses	3,741,497	-	3,741,497	4,045,088	-	4,045,088
Change in Net Assets	(210,202)	-	(210,202)	4,313,868	(250,514)	4,063,354
Net Assets, Beginning of year	21,126,261	-	21,126,261	16,812,393	250,514	17,062,907
Net Assets, End of year	\$ 20,916,059	\$ -	\$ 20,916,059	\$ 21,126,261	\$ -	\$ 21,126,261

See accompanying notes to financial statements.

OUR FUND FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2022

	Grants and Programs	Administrative	Donor Development	Total
Salaries	\$ 206,154	\$ 79,347	\$ 110,850	\$ 396,351
Employee Benefits	21,252	8,519	8,106	37,877
Payroll Taxes	15,347	5,942	8,007	29,296
Total Salaries and Benefits	242,753	93,808	126,963	463,524
Grants	2,684,870	-	-	2,684,870
Fund Expenses	265,472	-	-	265,472
Investment Expenses	53,440	-	-	53,440
Occupancy Costs	35,989	6,238	5,758	47,985
Educational Programs	47,302	-	-	47,302
IT Supplies & Maintenance	25,312	4,387	4,050	33,749
Depreciation	23,429	4,061	3,749	31,239
Legal and Professional	16,525	-	10,088	26,613
Marketing Costs	12,553	-	5,380	17,933
Office Supplies & Postage	10,211	2,036	579	12,826
Consulting	10,400	-	2,600	13,000
Credit Card Processing	5,632	976	901	7,509
Accounting & Audit Expenses	-	6,800	-	6,800
Community Program Expense	4,375	-	-	4,375
Telephone Expense	3,197	554	512	4,263
Donor Expense	3,148	-	1,049	4,197
Local Organization Support	3,754	-	417	4,171
Insurance Expense	3,022	524	483	4,029
Travel	2,110	141	563	2,814
Dues & Subscriptions	1,461	366	-	1,827
Non Cap Equipment Expense	1,096	190	176	1,462
Conference & Workshop	612	-	153	765
Licenses & Permits	509	88	81	678
Miscellaneous	491	85	78	654
Total Expenses	\$ 3,457,663	\$ 120,254	\$ 163,580	\$ 3,741,497

See accompanying notes to financial statements.

OUR FUND FOUNDATION, INC.
SCHEDULE OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED JUNE 30, 2021

	Contigo	Others Grants and Programs	Administrative	Donor Development	Total
Salaries	\$ 64,969	\$ 185,374	\$ 69,748	\$ 101,553	\$ 421,644
Employee Benefits	4,955	18,281	7,024	7,724	37,984
Payroll Taxes	4,984	13,924	5,272	7,449	31,629
Total Salaries and Benefits	74,908	217,579	82,044	116,726	491,257
Grants	987,472	2,002,001	-	-	2,989,473
Fund Expenses	-	223,711	-	-	223,711
Occupancy Costs	-	36,903	6,397	5,904	49,204
Investment Expenses	-	46,568	-	-	46,568
Consulting	13,050	19,400	-	1,450	33,900
Legal and Professional	-	24,307	-	10,156	34,463
Depreciation	-	23,299	4,039	3,728	31,066
IT Supplies & Maintenance	890	22,630	3,923	3,621	31,064
Grant Program Expenses	-	22,500	2,500	-	25,000
Administrative	-	-	21,720	-	21,720
Community Program Expense	-	16,400	-	-	16,400
Educational Programs	-	8,931	-	-	8,931
Accounting & Audit Expenses	-	-	6,300	-	6,300
Marketing Costs	-	4,368	-	1,872	6,240
Office Supplies & Postage	-	4,524	945	327	5,796
Credit Card Processing	-	3,746	649	600	4,995
Local Organization Support	-	3,614	-	401	4,015
Telephone Expense	-	2,774	481	444	3,699
Donor Expense	-	2,707	-	902	3,609
Insurance Expense	-	2,597	450	415	3,462
Non Cap Equipment Expense	-	1,123	195	180	1,498
Dues & Subscriptions	-	971	243	-	1,214
Licenses & Permits	-	528	91	85	704
Miscellaneous	443	123	20	20	606
Travel	-	145	10	38	193
Total Expenses	\$ 1,076,763	\$ 2,691,449	\$ 130,007	\$ 146,869	\$ 4,045,088

See accompanying notes to financial statements.

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

	For the year ended June 30, 2022	For the year ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (210,202)	\$ 4,063,354
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Forgiveness of Loan Payable	-	(10,347)
Depreciation Expense	31,239	31,066
Deposits	(7,770)	111
Unrealized Gains (Losses)	4,728,294	(1,655,271)
Realized Gains (Losses)	(754,676)	(1,319,234)
Decrease (Increase) in operating assets:		
Accounts Receivable	(1,182)	(13,680)
Prepaid Expenses	10,199	3,110
Promise to Give	(30,625)	286,469
Increase (Decrease) in operating liabilities:		
Grants and Accounts Payable	19,973	(11,094)
Accrued Expense	42,321	(23,531)
Funds Held for Others	338,048	103,238
Net Cash Provided By Operating Activities	<u>4,165,619</u>	<u>1,454,191</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Investments	3,684,609	2,338,608
Purchase of Investments	(7,858,282)	(3,905,696)
Purchase of Furniture & Equipment, net	(2,398)	(15,144)
Net Cash Used in Investing Activities	<u>(4,176,071)</u>	<u>(1,582,232)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Loan Payable	-	-
Net Cash Provided By Financing Activities	<u>-</u>	<u>-</u>
NET DECREASE IN CASH	(10,452)	(128,041)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>43,567</u>	<u>171,608</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>33,115</u>	\$ <u>43,567</u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid for interest	\$ -	\$ -
Cash paid for Income taxes	\$ -	\$ -

See accompanying notes to financial statements.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1 – ORGANIZATION AND OPERATIONS

Our Fund Foundation, Inc. (fka Our Fund, 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) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Promises to Give: During 2021, the Foundation changed its accounting policy for recording testamentary gifts received from wills and trusts based on subsequent collections prior to the issuance of the financial statements. The Foundation has added the following additional criteria to record promises to give on bequests received through testamentary gifts (wills and trusts) up through the Management Date of Review for Financial Statements if the following conditions are all met: 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 had a promise to give related to an iGive society donation of \$15,000 as of June 30, 2021, received in July of 2021. The Foundation had a promise to give related to a grant and donation of \$45,625 as of June 30, 2022, received in July of 2022.

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:

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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.

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, all of the Foundation's net assets, including endowed funds, and excluding for those set aside for a special project in central Florida (see below), were classified as without donor restrictions at all times during the years ended June 30, 2022 and June 30, 2021.

With Donor Restrictions: In response to the Pulse nightclub shooting in Orlando in June 2016, several national foundations approached the Foundation and requested that it oversee a special project to assist the non-profit community in central Florida respond to, recover from, and build future capacity in that area of the state. On May 18, 2021, the Foundation signed a Fiscal Sponsorship Transfer Agreement to transfer the remaining assets for The Contigo Fund to the Proteus Fund, a District of Columbia nonprofit corporation located in Amherst, MA. The Proteus Fund, as a qualified nonprofit under Section 501(c)(3) of the Internal Revenue Code and a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A) became the fiscal sponsor of The Contigo Fund effective May 31, 2021. As a result, the Foundation had no assets classified as with donor restrictions effective June 30, 2021.

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 reports 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.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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 organization 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.

The Foundation follows provisions of 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"). 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.

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.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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 Contigo, Other 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 \$316,090 for the year ended June 30, 2022 and \$251,736 for the year ended June 30, 2021.

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 \$31,239 for the year ended June 30, 2022 and \$31,066 for the year ended June 30, 2021.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

Recent Accounting Pronouncements: In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which affects any entity that enters into a lease (as that term is defined in ASU 2016-02), with some specified scope exceptions. The main difference between the guidance in ASU 2016-02 and current GAAP is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. Recognition of these assets and liabilities will have a material impact on the Foundation's balance sheet upon adoption. Under ASU 2016-02, lessees and lessors are 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. The ASU will be effective for not-for-profits for annual reporting periods beginning after December 15, 2021. The Foundation will update the guidance for the year ended June 30, 2023.

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 \$17,933 and \$6,240 for the years ended June 30, 2022 and 2021, respectively.

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, 2022 and 2021, the Foundation had no cash balances in excess of FDIC insurance at its financial institutions.

NOTE 4 – CREDIT RISK AND CONCENTRATIONS

Donations received from two major donors accounted for 23% and 28%, respectively, of total contributions received for the year ended June 30, 2022. Donations received from one major donor accounted for 15.34% of total revenues received for the year ended June 30, 2021.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 5 – LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the balance sheet date at June 30, 2022 for general expenditure are as follows:

Cash and cash equivalents	\$ 33,115
Investments	1,212,788
Accounts Receivable	64,835
Promises to Give	45,625
Deposits	15,443
Prepaid expenses	1,099
Financial assets at year end	<u>\$ 1,372,905</u>
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with time or purpose restrictions	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,372,905</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.

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.

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.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

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. The Foundation has no instruments requiring Level 3 classification.

The following table presents the financial instruments carried at fair value as of June 30, 2022 grouped by hierarchy level:

Investments	Total Fair Value	Level 1	Level 2
Cash and Cash Equivalents	\$ 1,062,455	\$ 1,062,455	\$ -
Equities and Equity Funds	9,869,650	9,869,650	-
Fixed Income Funds	9,335,322	-	9,335,322
Asset Backed Funds	1,569,829	-	1,569,829
Totals	<u>\$ 21,837,246</u>	<u>\$ 10,932,095</u>	<u>\$ 10,905,151</u>

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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

The following table presents the financial instruments carried at fair value as of June 30, 2021 grouped by hierarchy level:

Investments	Total Fair Value	Level 1	Level 2
Cash and cash equivalents	\$ 1,428,592	\$ 1,428,592	\$ -
Equities and Equity Funds	11,066,237	11,066,237	-
Fixed Income Funds	7,627,139	-	7,627,139
Asset Backed Funds	1,515,223	-	1,515,223
Totals	\$ <u>21,637,191</u>	\$ <u>12,494,829</u>	\$ <u>9,142,362</u>

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.

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

Following are the balances of Non-Endowed and Endowed funds held by the Foundation as of June 30, 2022 and June 30, 2021.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Non-Endowed Funds	\$ 6,306,789	\$ 6,088,282
Endowed Funds	<u>15,530,457</u>	<u>15,548,909</u>
Total	\$ <u>21,837,246</u>	\$ <u>21,637,191</u>

Investment expenses paid directly to the management firm for the fiscal years 2022 and 2021 were \$56,093 and \$46,568 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, 2022, the Foundation had a commitment to one organization for a grant totaling \$37,500 which as of the date of this report is still undisbursed. As of June 30, 2021, the Foundation had a commitment to one organization for a grant totaling \$12,500 which as of that date of this report is still undisbursed.

NOTE 8 – GRANTS AND PROGRAMS

Grants and Programs include grants of \$2,699,948 made directly to nonprofit organizations during the year ended June 30, 2022. Grants and Programs include grants of \$2,989,473 made directly to nonprofit organizations during the year ended June 30, 2021, of which \$408,904 was granted to Proteus Fund for the transfer of The Contigo Fund as described above

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 \$9,690 for the year ended June 30, 2022 and \$8,913 for the year ended June 30, 2021.

NOTE 10 – COMMITMENTS

In October 2021, the Foundation entered into two agreements with a software company for accounting, fund, and data management services. The agreements had effective dates of November 15, 2021 and February 1, 2022 and both expire on January 31, 2023 and provide for monthly payments of approximately \$317 and \$1,144, respectively.

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NOTE 10 – COMMITMENTS – CONT'D

On May 13, 2022, the Foundation entered into a five-year copier lease agreement. The agreement expires on May 13, 2027 and provided 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 a new 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 expenses (CAM) of \$1,530 per month.

Future minimum payments for all agreements are as follows:

Year Ending June 30,	Software	Copier	Office Space	Total
2023	\$ 10,227	\$ 1,320	\$ 42,965	\$ 54,512
2024	-	1,320	43,703	45,023
2025	-	1,320	44,464	45,784
2026	-	1,320	41,414	42,734
2027	-	1,155	-	1,155
Total	<u>\$ 10,227</u>	<u>\$ 6,435</u>	<u>\$ 172,546</u>	<u>\$ 189,208</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 \$1,175,288 as of June 30, 2022, and \$837,240 as of June 30, 2021.

OUR FUND FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
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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, 2022 and 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Starting Balance	\$ 837,240	\$ 734,002
Contributions to funds held for the benefit of Agencies	565,000	-
Grants to Agencies	(15,078)	(3,308)
Investment Income	22,718	12,112
Investment expense	(2,653)	(1,915)
Realized and Unrealized gain (loss) on investments	(219,638)	104,697
Foundation fees paid	<u>(12,301)</u>	<u>(8,348)</u>
Ending Balance	<u>\$ 1,175,288</u>	<u>\$ 837,240</u>

The amounts reflected in the statements of activities for the years ended June 30, 2022 and 2021 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 \$3,792,861 of legacy contributions for the year ended June 30, 2022. The Foundation received a total of \$2,083,252 of legacy contributions for the year ended June 30, 2021. Of this amount, \$100,081 was re-classed from donor advised funds to legacy funds as provided for in the donor advised fund agreements.

NOTE 13 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2022 and 2021, various board members and management contributed approximately \$287,864 and \$142,913, 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, 2020, 2021 and 2022 could be subject to examination by the Federal taxing authorities, generally three years from the date they are filed.

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NOTE 15 – SUBSEQUENT EVENTS

Date of Management Review: Subsequent events were evaluated by management through October 10, 2022, which is the date the financial statements were available to be issued. The Foundation, as a partial beneficiary of an estate, received \$17,353 of proceeds from a gift in September 2022.