

FRIENDS OF WOODSTOCK SCHOOL, INC.
INDEPENDENT ACCOUNTANTS' REVIEW REPORT
AND
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 AND 2022

FRIENDS OF WOODSTOCK SCHOOL, INC.

JUNE 30, 2023

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Finance Committee and Board of Directors

Friends of Woodstock School, Inc.

We have reviewed the accompanying financial statements of Friends of Woodstock School, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended and the related notes to the financial statements. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion. We are required to be independent of Friends of Woodstock School, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Mount Vernon, Washington

February 8, 2024

FRIENDS OF WOODSTOCK SCHOOL, INC.

STATEMENTS OF FINANCIAL POSITION

YEAR ENDED JUNE 30, 2023 and 2022

ASSETS

CURRENT ASSETS	2023	2022
Cash and cash equivalents	\$ 164,723	\$ 239,961
Investments	2,111,404	1,990,175
Prepays and deposits	725	6,952
Total current assets	<u>2,276,852</u>	<u>2,237,088</u>
Endowment investments	3,316,444	3,003,735
Assets held in trust	<u>291,058</u>	<u>297,447</u>
TOTAL ASSETS	<u>\$ 5,884,354</u>	<u>\$ 5,538,270</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Other payable	\$ 73	\$ 73
Grants payable	-	-
Total Current Liabilities	<u>73</u>	<u>73</u>
Net Assets		
Without donor restrictions	2,142,651	2,131,733
With donor restrictions		
Purpose restrictions	872,691	654,890
Perpetual in nature	<u>2,868,939</u>	<u>2,751,574</u>
Total with donor restrictions	<u>3,741,630</u>	<u>3,406,464</u>
Total net assets	<u>5,884,281</u>	<u>5,538,197</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,884,354</u>	<u>\$ 5,538,270</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

STATEMENTS OF ACTIVITY AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023				2022			
	Without donor restrictions	With donor restrictions Purpose restrictions	Perpetual in nature	Total	Without donor restrictions	With donor restrictions Purpose restrictions	Perpetual in nature	Total
Public Support, Revenue & Other Support								
Contribution	\$ 61,797	\$ 84,081	\$ 69,252	\$ 215,130	\$ 116,733	\$ 532,269	\$ 78,522	\$ 727,524
Other revenue	19,632	-	-	19,632	3,765	-	-	3,765
Interest and dividends	49,025	78,080	-	127,105	59,302	60,397	-	119,699
Net(Loss) gain on investments	152,855	191,543	-	344,398	(297,515)	(479,431)	-	(776,946)
Net(Loss) gain on assets held in trust	(6,389)	-	-	(6,389)	(31,193)	-	-	(31,193)
Transfer for mandatory accumulation	(6,964)	(41,149)	48,113	-	-	(101,146)	101,146	-
Net assets reclassified from restrictions	94,754	(94,754)	-	-	867,550	(867,550)	-	-
Total Public Support, Revenue & Other Support	<u>364,710</u>	<u>217,801</u>	<u>117,365</u>	<u>699,876</u>	<u>718,642</u>	<u>(855,461)</u>	<u>179,668</u>	<u>42,849</u>
Expenses								
Program	191,349	-	-	191,349	1,194,765	-	-	1,194,765
Management and general	80,675	-	-	80,675	107,430	-	-	107,430
Fundraising	81,768	-	-	81,768	78,120	-	-	78,120
Total Expenses	<u>353,792</u>	<u>-</u>	<u>-</u>	<u>353,792</u>	<u>1,380,315</u>	<u>-</u>	<u>-</u>	<u>1,380,315</u>
Change in Net Assets	10,918	217,801	117,365	346,084	(661,673)	(855,461)	179,668	(1,337,466)
Net Assets - beginning of the year	<u>2,131,733</u>	<u>654,890</u>	<u>2,751,574</u>	<u>5,538,197</u>	<u>2,793,406</u>	<u>1,510,351</u>	<u>2,571,906</u>	<u>6,875,663</u>
Net Assets - end of the year	<u>\$ 2,142,651</u>	<u>\$ 872,691</u>	<u>\$ 2,868,939</u>	<u>\$ 5,884,281</u>	<u>\$ 2,131,733</u>	<u>\$ 654,890</u>	<u>\$ 2,751,574</u>	<u>\$ 5,538,197</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023				2022			
	Program Services	Management and General	Fundraising Activities	Total	Program Services	Management and General	Fundraising Activities	Total
Salaries and wages	\$ 23,672	\$ 41,203	\$ 23,808	\$ 88,683	\$ 23,278	\$ 40,295	\$ 23,552	\$ 87,125
Payroll taxes	2,054	3,043	2,510	7,607	2,011	2,980	2,457	7,448
Employee benefits	674	1,619	405	2,698	1,047	2,512	628	4,187
Total personnel expenses	26,400	45,865	26,723	98,988	26,336	45,787	26,637	98,760
Designated grants	52,139	-	-	52,139	1,034,030	-	-	1,034,030
Scholarship grants	95,671	-	-	95,671	122,283	-	-	122,283
Annual conference	11,836	-	-	11,836	6,132	-	-	6,132
Bad debt (pledge written off)	-	-	-	-	-	25,000	-	25,000
Bank fees	-	3,418	2,200	5,618	-	5,977	-	5,977
Travel	-	464	1,271	1,735	14	944	9	967
Professional fees	493	15,324	296	16,113	319	14,665	190	15,174
Printing	-	2,479	10,800	13,279	883	3,310	7,580	11,773
Miscellaneous	-	-	933	933	42	125	25	192
Occupancy	2,739	6,575	1,644	10,958	2,914	6,994	1,748	11,656
Insurance	637	2,035	382	3,054	482	1,156	289	1,927
Maintenance	805	2,331	483	3,619	605	1,453	364	2,422
Postage and shipping	21	675	1,907	2,603	157	657	1,925	2,739
Telephone	447	1,072	268	1,787	403	967	242	1,612
Estimated carried interest	-	-	5,268	5,268	-	-	7,415	7,415
Investment fees	-	-	29,496	29,496	-	-	30,926	30,926
Supplies	161	437	97	695	165	395	770	1,330
	<u>\$ 191,349</u>	<u>\$ 80,675</u>	<u>\$ 81,768</u>	<u>\$ 353,792</u>	<u>\$ 1,194,765</u>	<u>\$ 107,430</u>	<u>\$ 78,120</u>	<u>\$ 1,380,315</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities		
Cash received from donors	\$ 215,130	\$ 745,524
Cash received from program participants	19,632	3,765
Cash received from investments	487,274	-
Cash paid for grants	(147,810)	(1,156,313)
Cash paid to vendors	(100,767)	(92,826)
Cash paid to employees	(98,988)	(98,761)
Net cash from (used) by operating activities	<u>374,471</u>	<u>(598,611)</u>
Cash Flows from Investing Activities		
Purchase of investments	(1,432,098)	(62,084)
Proceeds from sale of investments	963,396	799,226
Net cash from (used) by investing activities	<u>(468,702)</u>	<u>737,142</u>
Cash Flows provided by Financing Activities		
Proceeds from (contributions to) restricted to endowments	18,993	16,044
Net cash from (used) by financing activities	<u>18,993</u>	<u>16,044</u>
Change in cash and cash equivalents	(75,238)	154,575
Cash and cash equivalents - beginning of year	239,961	85,386
Cash and cash equivalents - end of year	<u>\$ 164,723</u>	<u>\$ 239,961</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Friends of Woodstock School, Inc. (FWS) is organized and operated exclusively for charitable and educational purposes, in particular, to furnish financial and administrative aid and support for educational programs in the United States and foreign countries.

Basis of presentation

In accordance with financial accounting standards, FWS is required to report information regarding its financial position and activities according to classes of net assets.

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by passage of time or other events specified by donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Purpose restrictions net assets are as follows:

	<u>June 30,2022</u>	<u>Additions</u>	<u>Releases</u>	<u>Transfers</u>	<u>June 30,2023</u>
Purpose restrictions					
Designated projects	\$ 50,274	\$ 42,791	\$ (20,968)	\$ 180	72,277
Scholarships	260,236	199,262	(66,481)	6,784	399,801
Staff development	188,086	640	(7,305)	-	181,421
Legacy	156,294	111,011		(48,113)	219,192
	<u>654,890</u>	<u>353,704</u>	<u>(94,754)</u>	<u>(41,149)</u>	<u>872,691</u>
Perpetual restriction	<u>2,751,574</u>	<u>69,252</u>		<u>48,113</u>	<u>2,868,939</u>
	<u>\$ 3,406,464</u>	<u>\$ 422,956</u>	<u>\$ (94,754)</u>	<u>\$ 6,964</u>	<u>\$ 3,741,630</u>

Permanently restricted net assets are endowment gifts given with the intent that the principal will be maintained intact in perpetuity and the income may be used in support of various programs.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

Income taxes

The Internal Revenue Service has recognized Friends of Woodstock School, Inc. as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation.

Cash and cash equivalents

Cash and cash equivalents represent checking accounts.

Investments

Investments are reported at their fair market values in the statements of financial position.

Furniture and equipment

Furniture and equipment are stated at cost or if donated at fair market value at the date of donation. Furniture and equipment costing over \$1,000 are capitalized and depreciated over their useful lives of three to five years using the straight-line method. Fixed assets were fully depreciated.

Promises to give

Promises to give are shown at net realizable value. Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give as of June 30, 2023, were due as follows:

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Prior year gross receivable	\$	58,000
Write-off		(8,000)
Pledges receivable		<u>50,000</u>
Less allowance or uncollectible promises to give		(50,000)
Less discount to present value		-
Net pledges receivable		<u>\$0</u>

The donor passed away, and the pledge was unfulfilled. Subsequently, it was written off in the year ending June 30, 2022.

Grants payable

Grants payable consist of unconditional funding commitments made to FWS.

Restricted and unrestricted support

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restrictions expire (that is, when a stipulated time-restricted ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restrictions.

Gifts of equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Deferred revenue

Deferred revenue consists of payments received in advance of the annual conference. Revenue is recognized in the period to which it applies.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Donated assets

Donated marketable securities and other non-cash donations are recorded as contributions at their fair value at the date of donation.

Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards define 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. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated using pricing models and/or discounted cash flow methodologies and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities, and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return which is a level 3 input.

FRIENDS OF WOODSTOCK SCHOOL, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activity and of functional expenses. Accordingly, certain costs have been allocated between the program and supporting services benefited.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis as of June 30, 2023 and 2022 are as follows:

	Quoted Price in Active Markets <u>(Level 1)</u>	Other Observable Inputs <u>(Level 2)</u>	Unobservable Input <u>(Level 3)</u>	<u>Total</u>
As of June 30, 2023				
US Equity	\$ 1,581,129	\$ -	\$ -	\$ 1,581,129
International Equity	399,641	-	-	399,641
Fixed Income Fund	-	319,864	-	319,864
Emerging Markets	118,592	-	-	118,592
Intermediate Duration	613,062	-	-	613,062
Global Equity	450,015	-	-	450,015
Bernstein MML	371,596	-	-	371,596
Bernstein Alternative Investment	605,469	-	-	605,469
Bernstein Intl Equity	364,799	-	-	364,799
Global Fixed Income Funds	-	603,681	-	603,681
	<u>4,504,303</u>	<u>923,545</u>	<u>-</u>	<u>5,427,848</u>
Cash Surrender Value of Life Insurance	-	-	76,148	76,148
Hezlep Trust	-	-	214,910	214,910
Assets Held in Trust	-	-	291,058	291,058
Total Assets shown at Fair Value	<u>\$ 4,504,303</u>	<u>\$ 923,545</u>	<u>\$ 291,058</u>	<u>\$ 5,718,906</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

As of June 30, 2022	Quoted Price in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Input (Level 3)	Total
US Equity	\$ 1,285,791	\$ -	\$ -	\$ 1,285,791
International Equity	363,965	-	-	363,965
Global High Yield Fixed Income	-	294,205	-	294,205
Emerging Markets	118,038	-	-	118,038
Intermediate Duration	608,558	-	-	608,558
Global Equity	390,890	-	-	390,890
Bernstein MML	348,765	-	-	348,765
Berstein Multi-manager Alternative	627,170	-	-	627,170
Berstein Intl. Equity	327,944	-	-	327,944
Global Fixed Income Funds	-	628,584	-	628,584
	<u>4,071,121</u>	<u>922,789</u>	<u>-</u>	<u>4,993,910</u>
Cash Surrender Value of Life Insurance				
Life Income Gifts	-	-	83,407	83,407
Hezlep Trust	-	-	214,040	214,040
Assets Held in Trust	-	-	297,447	297,447
Total Assets shown at Fair Value	<u>\$ 4,071,121</u>	<u>\$ 922,789</u>	<u>\$ 297,447</u>	<u>\$ 5,291,357</u>

Alternative investments consist of the Alliance Bernstein Unconstrained Bond Fund. The fund is valued at Net Asset Value and has been audited annually by Ernst and Young LLP. The objective of the fund is to generate income consistent with the preservation of capital. Investments in this category for which there is no readily determinable market value are classified as Level 3, as the valuation is based on significant unobservable inputs. The fair values of these investments have been estimated using the net asset value per share of the investments as provided by the fund manager. These investments have no restrictions on redemption.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - FAIR VALUE MEASUREMENTS (CONTINUED)

Assets measured at fair value on a recurring basis using significant unobservable input (Level 3):

	Cash Surrender Value of Life Insurance	Life Income Gifts	Hezlep Trust	Total
Fair Value as of June 30, 2021	\$ 89,195	\$ -	\$ 239,445	\$ 328,640
Additions(subtractions)				
Total gain(loss) in change in net assets	<u>(5,788)</u>	<u>-</u>	<u>(25,405)</u>	<u>(31,193)</u>
Fair value as of June 30, 2022	83,407	-	214,040	297,447
Additions(subtractions)				
Total gain(loss) in change in net assets	<u>(7,259)</u>	<u>-</u>	<u>870</u>	<u>(6,389)</u>
Fair value as of June 30, 2023	<u>\$ 76,148</u>	<u>\$ -</u>	<u>\$ 214,910</u>	<u>\$ 291,058</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 3 – ASSETS HELD IN TRUST

FWS is the beneficiary of a perpetual trust (Hezlep Trust) administered by a third party. Under the terms of the agreement, interest and dividends are distributed to FWS on a quarterly basis. Assets held in trust are stated at fair value using the net present value of future cash flows which approximates the value of the underlying investments held in the trust and is a level 3 input.

NOTE 4 – ENDOWMENTS

FWS' endowment funds consist of seven individual funds established for the purpose of providing scholarships and other long-term needs. FWS endowment funds include one Board-designated endowment fund and six donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions. FWS accounts for its endowments in accordance with the "Uniform Prudent Management of Institutional Funds Act," (UPMIFA) as stated in the Revised Code of Washington (RCW) 24.55.

Interpretation of Relevant Law

FWS has determined that requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary is appropriate. As a result of this interpretation, FWS classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment, as applicable, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4 – ENDOWMENTS (CONTINUED)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, FWS considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investment
- 6) Other resources of the organization and
- 7) The investment policies of the organization

Return Objectives and Risk Parameters

FWS has adopted investment policies for endowment assets that focus on long-term results. At a minimum, these policies attempt to provide a predictable stream of funding to programs supported by FWS while seeking to maintain the purchasing power of the endowment assets. Under the policy, the endowment assets are invested in a manner that is intended to produce maximum long-term total returns consistent with reasonable risk to principal for their asset category.

Strategies Employed for Achieving Objectives

To satisfy its long-term total return objectives, FWS relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. FWS targets a diversified asset allocation and has moved to alternative investments of up to 15% of the total portfolio while reducing fixed income to 25% of the portfolio. To facilitate this transition, FWS created an Investment Committee consisting of current Board members. Asset allocation as

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4 – ENDOWMENTS (CONTINUED)

of June 30, 2023, was 47% equities, 21% fixed income, 13% alternative investments, 19% emerging markets and real estate, and 0% cash.

FWS' investment policy guidelines are reviewed and reconfirmed or revised on at least an annual basis. The performance of the organization's investments is reviewed on a regular basis by the Investment Committee and reported to the Board of Directors.

FWS' Endowed Scholarship Funds were established by written agreements with the originating donors. Under the agreements, the corpus is protected in perpetuity and only the temporarily restricted portion of the fund can be spent unless authorized by the originating donor.

The FWS Legacy Endowment (the Fund) was established to provide individuals the opportunity to make charitable gifts to FWS that will become a permanent, general endowment for FWS, and a living memorial to those expressing their support for FWS. The purpose of the Fund is to create earnings for distributions that further the charitable and educational purpose of FWS.

Donations to the Fund are permanently restricted and invested. A portion of each year's net investment income, equal to the fiscal year's CPI (0.2% as of June 30, 2023) plus 1% and known as the "hold back" is reinvested to prevent erosion of the historic dollar value of the Fund. The "hold back" is added to the historic dollar value and reclassified as permanently restricted. The balance of the net investment income may be spent where most needed, as determined by the Board of Directors.

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4 – ENDOWMENTS (CONTINUED)

Endowment net assets consist of the following on June 30, 2023

	Without donor restrictions	With donor restrictions		Total
		Purpose restrictions	Perpetual in nature	
Bishop Pickett Scholarship	\$ -	\$ 105,633	\$ 170,050	\$ 275,683
Joseph Schoonmaker Scholarship	-	78,632	557,702	636,334
Elizabeth Schillington Scholarship	-	23,208	69,354	92,562
KG Singh Scholarship	-	14,070	100,370	114,440
FWS Legacy Fund	104,386	219,192	1,085,326	1,408,904
Li Chu Scholarship Endowment	-	140,506	648,015	788,521
Total endowment funds	<u>\$ 104,386</u>	<u>\$ 581,241</u>	<u>\$ 2,630,817</u>	<u>\$ 3,316,444</u>

Changes in endowment net assets for the year ended June 30, 2023

	Without donor restrictions	With donor restrictions		Total
		Purpose restrictions	Perpetual in nature	
Endowment net assets, beginning of year	<u>\$ 89,199</u>	<u>\$ 401,084</u>	<u>\$ 2,513,452</u>	<u>\$ 3,003,735</u>
Investment return				
Investment income	8,687	269,623	-	278,310
Net appreciation (realized/unrealized)	-	-	-	-
Total investment return	<u>8,687</u>	<u>269,623</u>	<u>-</u>	<u>278,310</u>
Contributions	6,500	3,000	69,252	78,752
Appropriated for expenditures	-	(44,353)	-	-
Transfer for mandatory accumulation	-	(48,113)	48,113	-
Pledge write-off	-	-	-	-
Endowment net assets, end of year	<u>\$ 104,386</u>	<u>\$ 581,241</u>	<u>\$ 2,630,817</u>	<u>\$ 3,316,444</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4 – ENDOWMENTS (CONTINUED)

Endowment net assets consist of the following on June 30, 2022

	<u>With donor restrictions</u>			Total
	<u>Without donor restrictions</u>	<u>Purpose restrictions</u>	<u>Perpetual in nature</u>	
Bishop Pickett Scholarship	\$ -	\$ 94,700	\$ 169,850	\$ 264,550
Joseph Schoonmaker Scholarship	-	26,527	497,325	523,852
Elizabeth Schillington Scholarship	-	19,823	67,854	87,677
KG Singh Scholarship	-	9,902	100,370	110,272
FWS Legacy Fund	89,199	156,294	1,030,038	1,275,531
Liu Chu Scholarship Endowment	-	93,838	648,015	741,853
Total endowment funds	<u>\$ 89,199</u>	<u>\$ 401,084</u>	<u>\$ 2,513,452</u>	<u>\$ 3,003,735</u>

Changes in endowment net assets for the year ended June 30, 2022

	<u>Without donor restrictions</u>			Total
	<u>Without donor restrictions</u>	<u>Purpose restrictions</u>	<u>Perpetual in nature</u>	
Endowment net assets, beginning of year	<u>\$ 90,419</u>	<u>\$ 1,023,395</u>	<u>\$ 2,333,784</u>	<u>\$ 3,447,598</u>
Investment return				-
Investment income	12,000	62,084	-	74,084
Net appreciation (realized/unrealized)	<u>(13,220)</u>	<u>(479,431)</u>	-	<u>(492,651)</u>
Total investment return	(1,220)	(417,347)	-	(418,567)
Contributions	-	-	78,522	78,522
Appropriated for expenditures		(103,818)		(103,818)
Transfer for mandatory accumulation	-	(101,146)	101,146	-
Endowment net assets, end of year	<u>\$ 89,199</u>	<u>\$ 401,084</u>	<u>\$ 2,513,452</u>	<u>\$ 3,003,735</u>

FRIENDS OF WOODSTOCK SCHOOL, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 5 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

	<u>2023</u>	<u>2022</u>
Financial assets, at year end	\$ 5,883,629	\$ 5,531,318
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	<u>(3,741,630)</u>	<u>(3,406,464)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,141,999</u>	<u>\$ 2,124,854</u>

NOTE 6 – OFFICE LEASE AGREEMENT

The lease began on April 1, 2020, and it ends on March 31, 2023. It was renewed for a three-year term beginning April 1, 2023, at \$807.61 monthly. Future lease payments due under the terms of the lease are as follows:

6/30/2024	9,691
6/30/2025	9,691
6/30/2026	<u>7,268</u>
	<u>26,651</u>

NOTE 7 – SUBSEQUENT EVENTS

Management of the Organization has evaluated events and transactions occurring after June 30, 2023, through February 8, 2024, the date the financial statements were available for issuance and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at June 30, 2023, including the estimates inherent in the processing of financial statements.