

**THE EDEN PRAIRIE
COMMUNITY FOUNDATION**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

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COMMUNITY FOUNDATION**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position.....	4
Statements of Activities and Changes in Net Assets	6
Statements of Functional Expenses	8
Statements of Cash Flows.....	10
Notes to Financial Statements.....	11
Supplementary Information:	
Schedules of Event Revenue and Expenses.....	22
Schedules of Foundation Grants and Scholarships.....	23

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Tel (952) 946-7900

Fax (952) 946-7901

MEMBERS

Minnesota Society of
Certified Public Accountants

American Institute of
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Eden Prairie Community Foundation
Eden Prairie, Minnesota

Opinion

We have audited the accompanying financial statements of The Eden Prairie Community Foundation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Eden Prairie Community Foundation, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Eden Prairie Community Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Eden Prairie Community Foundation'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 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 The Eden Prairie Community Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Eden Prairie Community Foundation'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Event Revenues and Expenses and Schedules of Foundation Grants and Scholarships are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited The Eden Prairie Community Foundation's fiscal year 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Casey, Menden, Faust & Nelson, P.A.

January 15, 2024

THE EDEN PRAIRIE COMMUNITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total (Summarized)
<u>ASSETS</u>				
Current Assets:				
Cash and Cash Equivalents	\$ 118,177	\$ 149,339	\$ 267,516	\$ 264,346
Investments	175,187	1,193,497	1,368,684	1,295,515
Donations receivable	-	-	-	-
Prepaid expenses	-	-	-	1,070
Total Current Assets	<u>293,364</u>	<u>1,342,836</u>	<u>1,636,200</u>	<u>1,560,931</u>
Property and Equipment:				
Equipment	-	-	-	-
Less Accumulated Depreciation	-	-	-	-
Net Property and Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 293,364</u>	<u>\$ 1,342,836</u>	<u>\$ 1,636,200</u>	<u>\$ 1,560,931</u>

(Continued)

THE EDEN PRAIRIE COMMUNITY FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total (Summarized)
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 6,703
Payroll Withholdings	4,165	-	4,165	2,783
Total Current Liabilities	<u>4,165</u>	<u>-</u>	<u>4,165</u>	<u>9,486</u>
Net assets				
Without Donor Restrictions:				
Undesignated	147,447	-	147,447	176,225
Board Designated	141,752	-	141,752	140,211
Total	<u>289,199</u>	<u>-</u>	<u>289,199</u>	<u>316,436</u>
With Donor Restrictions:				
Perpetual in nature	-	607,641	607,641	551,024
Purpose restrictions	-	735,195	735,195	683,985
Total	<u>-</u>	<u>1,342,836</u>	<u>1,342,836</u>	<u>1,235,009</u>
Total net assets	<u>289,199</u>	<u>1,342,836</u>	<u>1,632,035</u>	<u>1,551,445</u>
Total Liabilities and Net Assets	<u>\$ 293,364</u>	<u>\$ 1,342,836</u>	<u>\$ 1,636,200</u>	<u>\$ 1,560,931</u>

See accompanying notes to financial statements

THE EDEN PRAIRIE COMMUNITY FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total (Summarized)
Support and Revenue:				
Century Club	\$ 3,025	\$ -	\$ 3,025	\$ 7,075
Event Receipts	138,090	-	138,090	156,212
Donations	52,027	-	52,027	68,609
Jean Harris Scholarship	-	-	-	2,531
Society of Founders	-	-	-	1,000
Youth Initiative PROP	-	-	-	639
Donor Advised Funds	-	82,769	82,769	126,494
EP Players	-	3,087	3,087	3,333
Endowments	-	6,650	6,650	6,078
Grants Fund	-	950	950	2,200
Interfaith Circle	-	-	-	150
EP Youth Housing	-	100	100	101
School Supply Fund	-	526	526	557
Marilyn's Two Can	-	4,732	4,732	16,716
SW Pride	-	250	250	-
Youth Initiative CounterAct	-	578	578	51
Eden Prairie Local News	-	32,521	32,521	60,667
STEM	-	103	103	495
Friends of Eden Prairie Parks	-	1,000	1,000	-
Kaleidoscope	-	3,442	3,442	-
Scheel's Sports Scholarship	-	25,000	25,000	-
Nonfinancial contribution - office space	3,736	-	3,736	3,568
Investment Income	(3,500)	119,643	116,143	(171,756)
Fiduciary Agent Fee	3,788	-	3,788	3,935
PPP Loan Forgiveness	-	-	-	14,500
Other Revenue	-	-	-	404
Net Assets Released from Restriction:				
Satisfaction of Donor Restrictions	173,524	(173,524)	-	-
Total Support and Revenue	370,690	107,827	478,517	303,559

(Continued)

THE EDEN PRAIRIE COMMUNITY FOUNDATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total (Summarized)
Expenses:				
Program Services:				
Community Support	237,638	-	237,638	316,842
Events	54,876	-	54,876	64,123
Total Program Expenses	292,514	-	292,514	380,965
Supporting Services:				
General and Administrative	49,369	-	49,369	58,145
Fundraising	56,045	-	56,045	72,940
Total Support Expenses	105,413	-	105,413	131,085
Total Expenses	397,927	-	397,927	512,050
Change in Net Assets	(27,237)	107,827	80,590	(208,491)
Net Assets:				
Beginning of Year	316,436	1,235,009	1,551,445	1,759,936
End of Year	\$ 289,199	\$ 1,342,836	\$ 1,632,035	\$ 1,551,445

See accompanying notes to financial statements

THE EDEN PRAIRIE COMMUNITY FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2023 AND 2022

	2023					2022
	Program Services		Supporting Services			
	Community Support	Events	General and Administrative	Fund-Raising	Total	Total (Summarized)
Grants and Scholarships	\$ 181,549	\$ -	\$ -	\$ -	\$ 181,549	\$ 276,209
Payroll	47,761	23,881	23,881	23,881	119,403	99,631
Payroll Taxes	3,654	1,827	1,827	1,827	9,134	7,622
Dinner	-	3,088	-	-	3,088	4,705
Audit and Accounting	2,035	-	11,534	-	13,569	11,835
Invitations	234	-	-	702	936	3,672
Auction Items	-	12,790	-	-	12,790	14,951
Other-Event	-	5,086	-	2,394	7,480	26,543
Entertainment	-	699	-	-	699	-
Advertising	-	5,168	-	15,504	20,672	15,162
Bank, Credit Card Fees	423	705	-	1,691	2,818	4,734
Event Facility Deposits	-	-	-	7,817	7,817	17,245
Marketing	85	340	-	425	849	1,344
Donor Mailings	-	-	-	-	-	3,002

(Continued)

THE EDEN PRAIRIE COMMUNITY FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2023 AND 2022

	2023					2022
	Program Services		Supporting Services			
	Community Support	Events	General and Administrative	Fund-Raising	Total	Total (Summarized)
Breakfast/Luncheon	-	-	179	179	357	120
Website/social media	873	218	546	546	2,182	2,349
Dues & Subscriptions	-	-	2,656	-	2,656	3,820
Insurance	-	-	2,007	-	2,007	3,179
Miscellaneous Office	-	-	1,820	-	1,820	6,986
Rent	1,024	1,024	1,024	1,024	4,096	3,928
Shipping and Postage	-	-	58	58	115	596
Supplies	-	51	51	-	102	483
Fund administrative fees	-	-	3,788	-	3,788	3,935
Total Expenses by Program	<u>\$ 237,638</u>	<u>\$ 54,876</u>	<u>\$ 49,369</u>	<u>\$ 56,045</u>	<u>\$ 397,927</u>	<u>\$ 512,051</u>

See accompanying notes to financial statements

THE EDEN PRAIRIE COMMUNITY FOUNDATION

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 80,590	\$ (208,491)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
PPP loan forgiveness	-	(14,500)
Decrease (increase) in donations receivable	-	49,127
Decrease (increase) in prepaid expenses	1,070	9,687
Increase (decrease) in accounts payable	(6,703)	6,504
Increase (decrease) in payroll withholdings	1,382	(1,196)
Net cash from operating activities	<u>76,339</u>	<u>(158,869)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments, net	<u>(73,169)</u>	148,669
Net cash from investing activities	<u>(73,169)</u>	<u>148,669</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,170	(10,200)
Cash and Cash Equivalents at Beginning of Year	<u>264,346</u>	<u>274,546</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 267,516</u></u>	<u><u>\$ 264,346</u></u>
Supplemental disclosure:		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Significant Non-cash Activity		
PPP loan forgiveness	<u>\$ -</u>	<u>\$ 14,500</u>
Nonfinancial contribution - office space	<u><u>\$ 3,736</u></u>	<u><u>\$ 3,568</u></u>

See accompanying notes to financial statements

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION

Foundation

The Eden Prairie Community Foundation (the “Foundation”) is a Minnesota nonprofit organization, which was incorporated in 1981. Its purpose is to foster pride in Eden Prairie through support of community organizations and projects that create a better quality of life and make the city a special place to live and work.

Method of Functional Expense Allocation

ASU No. 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* requires disclosure of the description of the methods used to allocate costs among program and support functions. Costs were allocated based on factors determined by the finance committee and the executive director of the Foundation, including time and effort, square footage, and deemed benefit.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

Recently Adopted Accounting Standards

ASU 2020-07: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

In fiscal year 2022, the Foundation adopted ASU 2020-07, which requires contributed nonfinancial assets receivable to be presented on a separate line item on the statement of activities, apart from contributions of cash or other financial assets. During 2023 and 2022, the Foundation had \$3,736 and \$3,568 in contributed nonfinancial rent relating to the full-time use of an office at the Eden Prairie City Center.

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Contributions

Contributions are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor.

Contributions of donated noncash assets are recorded at their fair values 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 provided by donation, are recorded at their fair values in the period received. The nonfinancial contribution relating to the use of an office at the Eden Prairie City Center is valued at the market rate for a similarly sized executive office in the Eden Prairie area.

Accounting Standards Update (ASU) No. 2018-018 – *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* clarified the guidance for evaluating whether a transaction is a reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions.

ASU 2014-09 (ASC 606) creates a single framework for recognizing revenue from contracts with customers that fall within its scope. Topic 606 does not apply to contributions, so the Foundation feels that its impact is minimal.

Use of Estimates

The preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation places its cash with high credit quality financial institutions. These monies are FDIC insured up to \$250,000. Monies at this financial institution exceeded FDIC limits in fiscal years 2023 and 2022.

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Concentration of Support

Substantially all support is received in the form of contributions from various individuals and corporations in and around Eden Prairie. The continuation of the program of The Eden Prairie Community Foundation is dependent upon future community support.

One contributor accounted for 12.60% of revenues for the fiscal year 2023. Two contributors accounted for 30.00% of revenues for the fiscal year 2022.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximated fair value at the date of donation. Additions, improvements or major renewals are capitalized. If items of property are sold, retired or otherwise disposed of, they are removed from the asset and accumulated depreciation accounts and any gain or loss thereon is reflected in the Statements of Activities and Changes in Net Assets. The Foundation capitalizes assets with a cost of \$1,000 or greater.

Depreciation of property and equipment is computed using accelerated methods over the estimated useful lives of the assets ranging from 3 to 5 years.

Cash Equivalents

The Foundation considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are stated at cost, which approximates fair value.

ASU 2016-18 requires that restricted cash and cash equivalents be included in the beginning and ending cash and cash equivalents, in the statements of cash flows.

Income Taxes

The Foundation is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Foundation had no unrelated business income tax in 2023 or 2022.

The Foundation reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Foundation recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions.

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Income Taxes (Continued)

The Foundation has identified no significant income tax uncertainties. The Foundation files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the Internal Revenue Service. The Foundation's federal and state tax returns are open to examination for fiscal years 2021 through 2023 (tax form years 2020 through 2022).

Fair Value Measurements

The Foundation follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Foundation has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets. Level 1 includes various mutual funds, collective funds, and U.S. Treasury futures.

Level 2 - Financial assets and liabilities are valued using inputs quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, municipal bonds, equity futures and corporate debt securities.

Level 3 - Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds and real estate.

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT OTHER INFORMATION (Continued)

Fair Value Measurements (Continued)

The Foundation holds certain assets that are required to be measured at fair value on a recurring basis. The fair value of the Foundation's investment securities are determined using level 1 inputs from the brokerage statements.

NOTE 2 – FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Foundation is primarily funded by contributions from donors, some of which contain donor restrictions. Those restrictions require that resources be used in a certain manner of in a future period. Therefore, the Foundation must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due.

The information below reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date.

Amounts that are not available also include the board designated amounts that could be utilized if the Foundation approved the use:

Financial assets at June 30, 2023	\$ 1,636,200
Less financial assets unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(1,342,836)
Board designated - grants and scholarships	<u>(141,752)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 151,612</u>
 Financial assets at June 30, 2022	 \$ 1,559,861
Less financial assets unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(1,235,009)
Board designated - grants and scholarships	<u>(140,211)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 184,641</u>

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 3 - INVESTMENTS

Investment securities consisted of the following:

	June 30, 2023		June 30, 2022	
	Cost	Market	Cost	Market
Money Market Funds	\$ 54,195	\$ 54,195	\$ 48,326	\$ 48,326
Mutual Funds - Equity Funds	<u>1,215,727</u>	<u>1,314,489</u>	<u>1,341,834</u>	<u>1,247,189</u>
Total	<u>\$ 1,269,922</u>	<u>\$ 1,368,684</u>	<u>\$ 1,390,160</u>	<u>\$ 1,295,515</u>

The Foundation holds investments in a variety of investment funds. In general, their investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near-term and that such changes could be material to the amounts reported in the Statement of Financial Position.

NOTE 4 - EVENT RECEIPTS

The EP Gives gala receipts and the Brewfest receipts are as follows:

	2023	2022
Ticket sales	\$ 10,875	\$ 11,996
Fund-the-Need Donations	21,195	32,309
Sponsorships	30,750	41,770
Auction and Raffle Proceeds	30,005	26,698
Miscellaneous	<u>3,904</u>	<u>770</u>
Total EP Gives receipts	<u>96,729</u>	<u>113,543</u>
Sponsorships	20,000	14,503
Ticket Sales	21,361	25,294
Cash contributions	-	-
Raffle Sales	-	-
Miscellaneous	<u>-</u>	<u>2,872</u>
Total Brewfest receipts	<u>41,361</u>	<u>42,669</u>
Total Event Receipts	<u>\$ 138,090</u>	<u>\$ 156,212</u>

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 5 - PAYCHECK PROTECTION PROGRAM LOAN

In March 2021, the Foundation obtained a Paycheck Protection Program (“PPP”) loan administered by the U.S. Small Business Administration through Flagship Bank for \$14,500. The loan bore interest at 1.0%, was due in March 2026, and the loan could be forgiven if the funds were used for payroll costs, interest on mortgages, rent, and utilities in accordance with program guidance. In November 2021, the Foundation received notice from Flagship Bank that the loan had been fully forgiven and the funds have been received by the bank from the Small Business Administration (SBA).

NOTE 6 - ENDOWMENT FEASIBILITY STUDY

The purpose of an endowment is to provide long-term sustainability for the Foundation. In fiscal year 2016, the Foundation hired a consultant to perform an endowment feasibility study at a cost of \$18,500. \$12,500 of this fee was incurred in 2016, while the remaining \$6,000 was incurred in fiscal year 2017. In August 2016 the consultant reported to the Foundation that an endowment campaign was feasible. Rather than immediately implementing such a campaign, the Board agreed to spend \$6,000 on a four-month project to lay the groundwork for a potential campaign (September 2016 through December 2016 at \$1,500 per month). The foundation employed a consultant at various times during the fiscal year 2017 and into fiscal year 2018. The Foundation formed an Endowment Leadership Committee and began accepting endowment fund pledges shortly thereafter. The Foundation continues to solicit and accept endowment donations as this fund grows.

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 7 - BOARD DESIGNATED AND RESTRICTED NET ASSETS

	2023	2022
Board Designated		
Operating Reserve	\$ -	\$ -
Grants and Scholarships	141,752	140,211
Total Board Designated	<u>\$ 141,752</u>	<u>\$ 140,211</u>
With Donor Restrictions - Purpose Restrictions		
Donor Advised Funds	\$ 363,765	\$ 344,393
J. Harris Scholarship	257,402	236,801
EP Youth Scholarship	3,861	7,361
CounterAct Fund	1,391	836
EP Players	13,567	10,659
EP Reads	974	982
EP Fire Relief	145	147
Interfaith Circle	1,695	1,809
EP Youth Housing	17,956	18,038
School Supply Fund	2,486	2,000
Marilyn's Two Can	7,918	3,268
SW Pride	433	195
Covid-19	9,349	9,349
Local News Fund	24,645	47,657
STEM	587	490
Kaleidoscope	3,298	-
Scheel's	24,813	-
EP Parks	910	-
Total With Donor Restrictions - Purpose Restrictions	<u>\$ 735,195</u>	<u>\$ 683,985</u>
With Donor Restrictions - Perpetual in Nature		
Society of Founders	\$ 54,819	\$ 54,819
Endowments	552,822	496,205
Total With Donor Restrictions - Perpetual in Nature	<u>\$ 607,641</u>	<u>\$ 551,024</u>

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 7 - BOARD DESIGNATED AND RESTRICTED NET ASSETS (Continued)

Permanently restricted net assets at June 30, 2023 and 2022, included in the net assets with donor restrictions, consist of an endowment fund established in 2006 and the Society of Founders Endowment established in 2012 to provide annual investment income to support the Foundation's mission. The original principal of the gift is to be held and invested by the Foundation indefinitely and income is available for support of area projects and organizations.

The Board of Directors of The Eden Prairie Community Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the prudent expenditure of donor-restricted endowment funds. Unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the Foundation. In making a determination to appropriate, an organization shall act in good faith with the care that a prudent person would exercise. The donors of the Foundation's endowment funds have permitted an appropriation policy of spending earnings of the endowment fund. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservations of the fund.
- 2) The purpose of the Foundation 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 investments.
- 6) Other resources of the Foundation.
- 7) The investment policies of the Foundation.

The Foundation has adopted an investment policy and philosophy that concentrates on maximizing total return within reasonable risk parameters. This is accomplished through a strategic plan that strives to maintain and grow the investment corpus and provide annual earnings to support the Foundation's mission. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that preserve the inflation-adjusted value of the fund.

THE EDEN PRAIRIE COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 7 - BOARD DESIGNATED AND RESTRICTED NET ASSETS (Continued)

Changes in permanently restricted endowment net assets are as follows:

	<u>2023</u>	<u>2022</u>
Beginning of Year Balance	\$ 551,024	\$ 617,458
Contributions	6,504	7,000
Investment income	50,113	(73,434)
Donor Requested Transfers	<u>-</u>	<u>-</u>
End of Year Balance	<u>\$ 607,641</u>	<u>\$ 551,024</u>

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 15, 2024, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE EDEN PRAIRIE COMMUNITY FOUNDATION

SCHEDULES OF EVENT REVENUE AND EXPENSES

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenue Collected:		
Contributions, Sponsorships	\$ 75,849	\$ 92,224
Ticket Sales/Auction	62,241	63,988
Total Revenue	<u>138,090</u>	<u>156,212</u>
Less Direct Expenses:		
Dinner	3,088	4,705
Deposits	-	8,623
Auction Items	12,790	14,951
Entertainment	699	-
Credit Card Fees	705	-
Total Direct Expenses	<u>17,282</u>	<u>28,279</u>
Revenue Collected for Event, Net of Direct Expenses	<u>120,809</u>	<u>127,933</u>
Other Expenses Paid:		
Payroll	23,881	9,963
Payroll Taxes	1,827	762
Invitations	-	-
Advertising	5,168	7,635
Telephone	-	-
Rent	1,024	982
Other	5,695	16,501
Total Other Expenses Paid for Event	<u>37,595</u>	<u>35,843</u>
Revenue Collected Greater Than Expenses Paid	<u>\$ 83,214</u>	<u>\$ 92,090</u>

See independent auditor's report

THE EDEN PRAIRIE COMMUNITY FOUNDATION

SCHEDULES FOUNDATION GRANTS AND SCHOLARSHIPS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
EPCF GRANTS:		
PROP Youth Scholarships (from Youth Initiative)	\$ 3,500	\$ 2,000
Sojourner Project	3,000	5,000
Eden Prairie Local News	2,900	3,900
Relate Counseling Center	2,500	4,000
Onward Eden Prairie	2,250	-
CHOICE, Inc.	2,000	1,000
Eden Prairie Community Education	2,000	-
Every Meal	2,000	2,500
Good in the Hood	2,000	-
Hammer Residences	2,000	-
Kaleidoscope Teens	2,000	-
PROP (including grant from COVID-19 Response Fund)	2,000	-
City of Eden Prairie (Parks & Recreation Dept., recently for "Art in Parks" Program")	1,600	-
The PROP Shop	1,500	1,650
Eden Prairie Community Board	700	-
Hope Kids MN	600	-
City of Eden Prairie Community Events	500	2,080
Senior Community Services	-	45,790
Home Life	-	5,000
Jean Harris Scholarship Awards	-	5,000
MoveFwd (formerly Teens Alone)	-	1,800
Summit Music	-	600
EP Meals on Wheels	-	500
GRANTS FROM DESIGNATED FUNDS:		
Eden Prairie Local News	55,000	45,000
Kaleidoscope Teens	100	-
Patricia Vanni Reimbursable	96	-
Bridget Beyer Reimbursable	73	-
Cargo Bike Shop	-	13,029
PROP (from EP Fire Relief Assn Fund 2017)	-	3,000
Creative Color	-	2,187
City of EP	-	2,087
Washburn Center for Children	-	1,340
Camp Gratitude	-	821
Dunn and Semington LLC	-	746
Kathy Haubrich Reimbursable	-	679

See independent auditor's report

THE EDEN PRAIRIE COMMUNITY FOUNDATION

SCHEDULES FOUNDATION GRANTS AND SCHOLARSHIPS

YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
GRANTS FROM DONOR-ADVISED FUNDS		
EPCF (includes grants to COVID-19 Response Fund)	24,700	23,500
The PROP Shop	8,050	5,000
St. Andrew Lutheran Church	7,800	7,800
YMCA of the Greater Twin Cities	7,500	10,000
Mission Animal Hospital	5,000	5,000
PROP	5,000	6,000
Eden Prairie Local News	4,750	3,000
True Friends	4,000	4,500
EP Senior Community Services	3,500	3,000
Let's Go Fishing	3,500	-
Crestomathy	2,750	-
Every Meal	2,500	-
Charis Eccumenical Community	2,400	2,200
CHOICE, Inc.	2,000	-
Maria's Voice	2,000	-
Onward Eden Prairie/Haven House	2,000	8,500
Waalid MN	2,000	-
Northeastern Minnesotans for Wilderness	1,000	-
Relate Counseling Center	1,000	1,000
University of Minnesota Foundation	1,000	-
Eden Prairie Community Band	780	-
North Star Marine Veterans Corp.	-	20,000
Girls on the Run	-	7,000
HOME Line	-	5,000
Mother's Tutoring Academy	-	5,000
Mount Olivet Rolling Acres	-	5,000
Bridging	-	2,000
Feed My Starving Children	-	1,000
Meals on Wheels	-	1,000
NC Little Hospital	-	1,000
Total	<u>\$ 181,549</u>	<u>\$ 276,209</u>

See independent auditor's report