

**AIM HIGHER FOUNDATION**

Financial Statements

Years Ended June 30, 2022 and 2021

# AIM HIGHER FOUNDATION

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Aim Higher Foundation  
St. Paul, Minnesota

### **Opinion**

We have audited the accompanying financial statements of Aim Higher Foundation (a nonprofit organization) (“the Foundation”), which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of activities, cash flows, and functional expenses 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 the Foundation as of June 30, 2022 and 2021 and the changes in its net assets and its cashflows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibility of Management 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 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 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 Audits 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 audits.
- 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 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

*Boulay PLLP*

Minneapolis, Minnesota  
January 24, 2023

**AIM HIGHER FOUNDATION**  
 Statements of Financial Position

<b>ASSETS</b>	June 30	
	2022	2021
<b>Current Assets</b>		
Cash	\$ 698,387	\$ 2,018,253
Contributions receivable	1,382,940	1,285,176
Grants receivable, current portion	400,000	400,000
Memorial scholarship program		
Restricted cash	20,000	21,000
Program receivable, current portion	24,353	22,400
Investments, short-term	99,566	100,275
Other current assets	8,997	3,711
Total current assets	<u>2,634,243</u>	<u>3,850,815</u>
<b>Long-Term Assets</b>		
Memorial scholarship program		
Restricted cash	242,167	239,030
Program receivable, long-term portion, net of present value discount	952	20,907
Contribution receivable, long-term portion, net of present value discount	1,420,698	1,949,477
Beneficial interest in community fund, primarily endowment funds	738,872	829,145
Investments, long-term	1,864,021	-
Property and equipment, net	4,092	5,746
Other assets	2,468	2,468
	<u>4,273,270</u>	<u>3,046,773</u>
<b>Total Assets</b>	<u><u>\$ 6,907,513</u></u>	<u><u>\$ 6,897,588</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 5,357	\$ 7,002
Scholarships payable	2,151,000	2,076,000
Memorial scholarship program, designated scholarships	20,000	21,000
Accrued compensation	7,656	4,783
Total current liabilities	<u>2,184,013</u>	<u>2,108,785</u>
<b>Long-Term Liabilities</b>		
Memorial scholarship program, designated scholarships	267,473	282,337
Deferred rent	923	2,170
	<u>268,396</u>	<u>284,507</u>
<b>Total Liabilities</b>	2,452,409	2,393,292
<b>Net Assets (Deficit)</b>		
Without donor restrictions	576,176	25,243
With donor restrictions	3,878,928	4,479,053
Total net assets	<u>4,455,104</u>	<u>4,504,296</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 6,907,513</u></u>	<u><u>\$ 6,897,588</u></u>

Notes to Financial Statements are an integral part of this Statement.

**AIM HIGHER FOUNDATION**  
Statement of Activities  
For the Year Ending June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support Income and Revenue:</b>			
Contributions	\$ 981,955	\$ 1,502,369	\$ 2,484,324
Night of Light Event Income:			
Table income	1,600	-	1,600
Ticket income	16,742	-	16,742
Sponsorship income	343,520	-	343,520
Auction income	66,520	-	66,520
Event expense	(84,208)	-	(84,208)
Total special event income	344,174	-	344,174
Investment income (loss)	(64,357)	(66,673)	(131,030)
Total revenue	1,261,772	1,435,696	2,697,468
<b>Net Assets Released from Restrictions:</b>			
Satisfaction of program restrictions	2,035,821	(2,035,821)	-
Total support income (loss) and revenue	3,297,593	(600,125)	2,697,468
<b>Expenses:</b>			
Program services:			
Student-based scholarships	2,222,388	-	2,222,388
Total program expenses	2,222,388	-	2,222,388
Supporting services expenses:			
General and administrative	321,446	-	321,446
Fundraising expenses	202,826	-	202,826
Total supporting services expenses	524,272	-	524,272
Total expenses	2,746,660	-	2,746,660
<b>Change in Net Assets</b>	550,933	(600,125)	(49,192)
<b>Net Assets - Beginning of Year</b>	25,243	4,479,053	4,504,296
<b>Net Assets - End of Year</b>	\$ 576,176	\$ 3,878,928	\$ 4,455,104

Notes to Financial Statements are an integral part of this Statement.

**AIM HIGHER FOUNDATION**  
Statement of Activities  
For the Year Ending June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support Income and Revenue:</b>			
Contributions	\$ 295,534	\$ 1,919,688	\$ 2,215,222
Night of Light Event Income:			
Table income	1,000	-	1,000
Ticket income	82	-	82
Sponsorship income	152,000	-	152,000
Auction income	30,540	-	30,540
Event expense	(36,873)	-	(36,873)
Total special event income	146,749	-	146,749
Investment income	(582)	190,471	189,889
Miscellaneous income	4,000	-	4,000
Total revenue	445,701	2,110,159	2,555,860
<b>Net Assets Released from Restrictions:</b>			
Satisfaction of program restrictions	2,568,245	(2,568,245)	-
Total support income and revenue	3,013,946	(458,086)	2,555,860
<b>Expenses:</b>			
Program services:			
Student-based scholarships	2,097,629	-	2,097,629
Total program expenses	2,097,629	-	2,097,629
Supporting services expenses:			
General and administrative	197,369	-	197,369
Fundraising expenses	236,829	-	236,829
Total supporting services expenses	434,198	-	434,198
Total expenses	2,531,827	-	2,531,827
<b>Change in Net Assets</b>	482,119	(458,086)	24,033
<b>Net Assets (Deficit) - Beginning of Year</b>	(456,876)	4,937,139	4,480,263
<b>Net Assets - End of Year</b>	\$ 25,243	\$ 4,479,053	\$ 4,504,296

Notes to Financial Statements are an integral part of this Statement.

**AIM HIGHER FOUNDATION**  
Statements of Cash Flows

For the years ended June 30,	2022	2021
<b>Cash Flows used for Operating Activities</b>		
Change in net assets	\$ (49,192)	\$ 24,033
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,654	1,579
Investment income (loss)	122,376	(189,648)
Deferred rent	(1,247)	(924)
Economic Injury Disaster Loan forgiveness	-	(4,000)
Donated stock	(17,874)	-
Change in assets and liabilities		
Contributions and grants receivable	431,015	794,759
Other current assets	(5,286)	(2,581)
Memorial designated scholarship receivable	18,002	20,916
Memorial designated scholarship payable	(15,864)	(14,516)
Accounts payable	(1,645)	5,027
Accrued compensation	2,873	4,783
Scholarships payable	75,000	110,500
Deferred sponsorship income	-	(1,000)
Net cash provided by operating activities	559,812	748,928
<b>Cash Flows used for Investing Activities</b>		
Proceeds of beneficial interest in community funds	23,600	10,400
Purchase of investments	(1,919,392)	-
Proceeds from the sale of investments	18,251	-
Net cash provided by (used for) investing activities	(1,877,541)	10,400
<b>Net Increase (Decrease) in Cash and Restricted Cash</b>	(1,317,729)	759,328
<b>Cash and Restricted Cash - Beginning of Year</b>	2,278,283	1,518,955
<b>Cash and Restricted Cash - End of Year</b>	\$ 960,554	\$ 2,278,283
<b>Reconciliation of Cash and Restricted Cash</b>		
Cash	\$ 698,387	\$ 2,018,253
Memorial scholarship program restricted cash - current portion	20,000	21,000
Memorial scholarship program restricted cash - long-term	242,167	239,030
	\$ 960,554	\$ 2,278,283
<b>Supplemental Disclosure of Non-cash Investing and Financing Activities</b>		
Donated stock	\$ 17,874	\$ -

Notes to Financial Statements are an integral part of this Statement.



**AIM HIGHER FOUNDATION**  
Statement of Functional Expenses  
Year Ended June 30, 2022

	Program Expenses	Supporting Services			Total Expenses
	Scholarships	General & Administrative	Fundraising	Total Supporting Services	
Salaries and wages	\$ 73,865	\$ 196,332	\$ 142,530	\$ 338,862	\$ 412,727
Payroll taxes and benefits	6,745	13,687	13,007	26,694	33,439
Professional Services	8,001	52,095	17,420	69,515	77,516
Scholarships	2,121,360	-	-	-	2,121,360
Rent and utilities	6,024	14,108	11,626	25,734	31,758
Supplies and equipment	807	2,141	2,778	4,919	5,726
Telephone and internet	1,096	1,917	2,105	4,022	5,118
Printing	63	62	123	185	248
Postage	132	396	252	648	780
Computers and technology	1,382	2,868	2,673	5,541	6,923
Depreciation	229	987	438	1,425	1,654
Travel and meetings	-	1,859	-	1,859	1,859
Insurance	-	2,425	-	2,425	2,425
Marketing and advertising	2,684	3,949	9,874	13,823	16,507
Special event	-	91,708	-	91,708	91,708
Bank charges and filing fees	-	11,120	-	11,120	11,120
Uncollectible accounts	-	10,000	-	10,000	10,000
<b>Total functional expenses</b>	<b>2,222,388</b>	<b>405,654</b>	<b>202,826</b>	<b>608,480</b>	<b>2,830,868</b>
Less special event expenses, direct benefit to donor	-	(84,208)	-	(84,208)	(84,208)
<b>Totals</b>	<b>\$ 2,222,388</b>	<b>\$ 321,446</b>	<b>\$ 202,826</b>	<b>\$ 524,272</b>	<b>\$ 2,746,660</b>

Notes to Financial Statements are an integral part of this Statement.

**AIM HIGHER FOUNDATION**  
Statement of Functional Expenses  
Year Ended June 30, 2021

	Program Expenses	Supporting Services			Total Expenses
	Scholarships	General & Administrative	Fundraising	Total Supporting Services	
Salaries and wages	\$ 78,667	\$ 101,101	\$ 177,055	\$ 278,156	\$ 356,823
Payroll taxes and benefits	5,591	7,058	12,549	19,607	25,198
Professional Services	4,103	60,729	19,409	80,138	84,241
Scholarships	1,997,000	-	-	-	1,997,000
Rent and utilities	6,725	9,082	14,673	23,755	30,480
Supplies and equipment	552	2,203	1,283	3,486	4,038
Telephone and internet	1,428	1,953	2,989	4,942	6,370
Printing	-	-	-	-	-
Postage	177	259	667	926	1,103
Computers and technology	1,967	2,239	4,151	6,390	8,357
Depreciation	405	530	644	1,174	1,579
Travel and meetings	-	1,330	-	1,330	1,330
Insurance	-	2,198	-	2,198	2,198
Marketing and advertising	1,014	1,562	3,409	4,971	5,985
Special event	-	37,173	-	37,173	37,173
Bank charges and filing fees	-	6,825	-	6,825	6,825
Uncollectible accounts	-	-	-	-	-
Total functional expenses	2,097,629	234,242	236,829	471,071	2,568,700
Less special event expenses, direct benefit to donor	-	(36,873)	-	(36,873)	(36,873)
Totals	\$ 2,097,629	\$ 197,369	\$ 236,829	\$ 434,198	\$ 2,531,827

Notes to Financial Statements are an integral part of this Statement.

## AIM HIGHER FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Organization

Founded in 2013 as a volunteer organization, the Aim Higher Foundation is an independent 501(c)3 organization that strives to ensure that Catholic schools are accessible to children from all backgrounds. Originally formed as the AHF Catholic Education Foundation, the organization's name was changed in 2014 to the Aim Higher Foundation.

The Aim Higher Foundation provides student-based, tuition-assistance scholarships to children from families with demonstrated financial need to attend a Catholic school offering grades K-8 in the Archdiocese of Saint Paul and Minneapolis.

#### Basis of Presentation

The accompanying financial statements are prepared on the accrual basis. The Foundation reports information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of donor-imposed restrictions, as follows:

- Net assets without donor restrictions – net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions – net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature, such as those that can be fulfilled by actions of the Foundation pursuant to those stipulations or that expire by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### Contributions

The Foundation reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or 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.

Non-cash contributions of goods, which meet certain recognition requirements, are recorded at their estimated fair value at the date of receipt. Donated securities valued at approximately \$17,900 and \$0 were recorded for the years ended June 30, 2022 and 2021, respectively.

Certain Foundation programs and administrative functions are performed partially by volunteers. Accounting standards require donated services to be recognized only if they would typically need to be purchased, require a special skill, and are performed by an individual possessing that skill or in the event such services create or enhance a nonfinancial asset. These donated volunteer hours do not meet the requirements for recognition under generally accepted accounting standards and have therefore not been recognized in the accompanying financial statements.

#### Accounting Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant management estimates include the valuation of receivables and the related allowance for doubtful accounts, valuation of beneficial interests, the present value of contribution receivables, and the functional allocation of expenses. It is at least reasonably possible that these estimates will change in the near term.

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

#### Cash

The Foundation considers checking and money market accounts to be cash. The Foundation maintains its operating cash primarily at two financial institutions. At times throughout the year, the Foundation's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The long-term portion of the cash restricted for the John M. Nasseff Memorial Scholarship Program is reflected separately within long-term assets.

#### Contributions and Grants Receivable

Contributions, which include grants, are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Unconditional promises that are expected to be collected within one year are recorded at their net realizable value. The unconditional promises that are expected to be collected in future years are recorded at the present value of expected future cash flows, using the interest rate applicable to the year in which the promise is made. In subsequent years, amortization of the discount is included in contribution revenue in the statement of activities. Conditional promises to give are not included as support until the conditions are substantially met.

The Memorial Scholarship Program receivables are further discussed in Note 7.

The Foundation follows a policy of providing an allowance for doubtful accounts. Accounts are considered past due if payment is not made on a timely basis. Accounts considered uncollectible are written off. No allowance was recorded as of June 30, 2022 and 2021.

#### Investments and Beneficial Interests in Investments Held by Others

The Foundation has short-term agency funds and long-term beneficiary interest endowment funds held at the Catholic Community Foundation. These funds are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities, as well as limited marketability investments, including private equities, absolute return investments, and real estate. Funds held at the Catholic Community Foundation are reported at fair value as reported to the Aim Higher Foundation by the Catholic Community Foundation. Donated investments are initially recorded at the estimated fair value on the date of donation.

Investment income, including realized and unrealized gains and losses, is accounted for within the categories of without donor restriction and with donor restriction net assets, based upon the existence or absence of donor restrictions.

In general, the funds are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain funds, it is reasonably possible that changes in the values of the funds may occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

#### Fair Value of Financial Instruments

The Foundation's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adheres to the Financial Accounting Standards Board (FASB) fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

#### Property and Equipment

Property and equipment are recorded at cost, or if donated, at the fair value on the date of gift. Depreciation is provided over estimated useful lives for equipment on a straight-line basis. Major expenditures for property and equipment with determinable lives are capitalized at cost and depreciated. Repairs and maintenance are charged to expense when incurred. The estimated useful lives range from 3 to 5 years for equipment.

#### Special Event Income and Revenue

The Foundation receives special event revenue from its annual fundraising event, the Night of Light Celebration, which is held every Fall. The donations made at the event are generally received without donor restrictions. Table, ticket, and sponsorship income for the event is recorded net of the cost of the event dinner and other similar benefit provided to the donor. Table, ticket, and sponsorship revenue received in advance of the event is recorded as deferred income until the event is held, at which point it is recognized as revenue without donor restrictions.

In 2021, the Foundation facilitated a one-time auction for one of the Foundation's board members. The member instructed that the proceeds from the auction be given to the Foundation to be used for the Aim Ever Higher Campaign, discussed in Note 13.

#### Scholarships Payable

Student scholarships are recorded once approved to be paid by the Board of Directors. At June 30, 2022 and 2021, scholarships payable of approximately \$2,151,000 and \$2,076,000, respectively, were recorded. At both June 30, 2022, and 2021, this scholarship payable included \$400,000 of scholarships approved for the Catholic Services Appeal Foundation Scholarship Program as discussed in Note 8.

The Memorial Scholarship Program designated scholarships payable are agency-type funds and are further discussed in Note 7.

#### Functional Allocation of Expense

The financial statements report certain functional categories of expenses that are attributable to program or supporting services of the Foundation. When allocations are required, they are based on specific identification and/or time spent on program or supporting services activities. Administrative expenses typically include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. The primary expenses that are allocated include salaries, payroll taxes, and benefits and occupancy expenses which are allocated on the basis of estimates of time and effort.

## **AIM HIGHER FOUNDATION**

### Notes to Financial Statements

June 30, 2022 and 2021

#### Income Taxes

The Foundation is a nonprofit entity and therefore exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state statutes.

The Foundation follows guidance for accounting for uncertainty in income taxes and has evaluated whether they have any significant tax uncertainties that would require recognition or disclosure. Primarily due to the exempt status, the Foundation does not have any significant tax uncertainties that would require recognition or disclosure. The Foundation is no longer subject to U.S. federal, state, or local tax examinations for years before fiscal 2019.

#### Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for Profit Entities for Contributed Non-financial Assets*. This new guidance does not change the current recognition or measurement requirements; however, the new guidance requires non-profit foundations to report contributed non-financial assets (gifts-in-kind) as a separate line item in the statement of activities. The accounting guidance also requires certain disclosures for gifts-in-kind. The ASU is effective for annual periods beginning after June 15, 2021. The Foundation adopted this standard as of July 1, 2021, and the adoption of this standard did not have a material impact on the Foundation's financial statements.

#### Recently Issued Accounting Pronouncements

In March 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires entities to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for annual periods beginning after December 15, 2021, with early adoption permitted. The Foundation is currently evaluating the impact that the adoption of this guidance will have on the Foundation's financial statements but does not anticipate it to have a material impact.

#### COVID-19 and Paycheck Protection Program

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act provided the Foundation with the opportunity to apply for a Paycheck Protection Program (PPP) forgivable loan to help entities with employee and rent expenses during the COVID-19 crisis. The Foundation received a PPP loan from the U.S. Government totaling approximately \$55,000 in fiscal year 2020. The Foundation also received an Economic Injury Disaster Advance (EIDL Advance) from the U.S. Government totaling \$4,000 in fiscal year 2020. The EIDL Advance was created by the Federal CARES Act to help meet financial obligations and operating expenses that were unable to be met due to COVID-19. The advance did not have to be repaid by the Foundation and was recorded within miscellaneous income on the Statement of Activities in fiscal year 2020. The EIDL Advance of \$4,000 was deducted from the PPP loan forgiveness amount and was recorded as debt at June 30, 2020.

In fiscal year 2021, the Small Business Administration passed a law that the EIDL Advance no longer reduces the PPP forgiveness amount. When the Foundation applied for forgiveness of the PPP Loan in fiscal year 2021, the \$4,000 EIDL Advance was included in the application for forgiveness. As such, the \$4,000 was forgiven during fiscal year 2021 and was recorded within miscellaneous income on the Statement of Activities.

#### Subsequent Events

The Foundation has evaluated all other subsequent events through January 24, 2023, the date which the financial statements were available to be issued.

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

#### 2. CONCENTRATIONS

During the year ended June 30, 2022, two donors represented 37% of total support and revenue; one of these donors serves on the Board of Directors for the Foundation. Contributions and grants receivable from four donors represented 67% of contributions and grants receivable at June 30, 2022, and two of these donors serve on the Board of Directors for the Foundation. Contributions received at the Night of Light event represented 3% of total support and revenue for the year ended June 30, 2022.

During the year ended June 30, 2021, two donors represented 41% of total support and revenue; one of these donors serves on the Board of Directors for the Foundation. Contributions and grants receivable from four donors represented 76% of contributions and grants receivable at June 30, 2021, and two of these donors serve on the Board of Directors for the Foundation. Contributions received at the Night of Light event represented 7% of total support and revenue for the year ended June 30, 2021. Contributions received at the one-time auction represented 6% of total support and revenue for the year ended June 30, 2021.

#### 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Total contributions receivable	\$ 2,803,638	\$ 3,234,653
Less: allowance for doubtful accounts	-	-
Net contributions receivable	<u>\$ 2,803,638</u>	<u>\$ 3,234,653</u>
	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 1,382,940	\$ 1,285,176
Receivable in 1-5 years	1,517,150	2,104,350
Total contributions receivable	2,900,090	3,389,526
Less: discount to net present value	(96,452)	(154,873)
Net contributions receivable	2,803,638	3,234,653
Less: current portion of contributions receivable	(1,382,940)	(1,285,176)
Long-term portion of contributions receivable	<u>\$ 1,420,698</u>	<u>\$ 1,949,477</u>

#### 4. GRANTS RECEIVABLE

Grants receivable consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 400,000	\$ 400,000
Receivable in 1-2 years	-	-
Total grants receivable	400,000	400,000
Less: discount to net present value	-	-
Net grants receivable	400,000	400,000
Less: current portion of grants receivable	(400,000)	(400,000)
Long-term portion of grants receivable	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2022 and 2021 grants receivable totaled \$400,000 and represent grant funds receivable from Catholic Services Appeal Foundation, which are further discussed in Note 8.

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

#### 5. INVESTMENTS AND BENEFICIAL INTEREST IN INVESTMENTS HELD BY OTHERS

Investments and beneficial interest in investments held by others, including those held in support of the Foundation's endowment programs (Note 14), are primarily held in three fund accounts at Catholic Community Foundation. Management holds funds for short-term purposes for support of general operations. Management also holds funds for the endowment programs as well as for the purpose of generating earnings over many years and consistently classifies these funds as long-term assets.

The Foundation transferred assets to the Catholic Community Foundation, which is holding them as an agency type fund for the benefit of the Foundation in a short-term capital preservation fund. This agreement can be terminated by either party, and any amount can be withdrawn from the fund, including principal and interest. No variance power over the fund has been given to the Catholic Community Foundation.

The Foundation also transferred assets to the Catholic Community Foundation, which is holding them as an endowed component fund for the benefit of the Foundation in two different long-term growth balanced funds. The Foundation has named themselves as beneficiary of the earnings and has granted the Catholic Community Foundation with variance power should the situation ever arise that the Foundation was no longer in business to utilize the distributions. The funds are subject to the Catholic Community Foundation's investment and spending policies, which currently result in a distribution to the Foundation of four percent, which is reviewed annually and considers market conditions. The Foundation reports the fair value of the funds as Beneficial Interest in Assets Held by Others in the Statement of Financial Position and reports distributions received as investment income. Changes in the value of the funds are reported as gains or losses in the Statement of Activities. The Foundation received \$23,600 and \$10,400 in distributions during fiscal year 2022 and 2021, respectively.

In fiscal 2022, the Foundation opened an investment account with a financial institution. The investment portfolio is comprised of fixed income and exchange traded funds which are considered Level 1 investments in the fair value hierarchy. The balance of this investment account was approximately \$1,864,000 as of June 30, 2022.

Investments and beneficial interest in investments held by others consist of the following instruments at June 30:

	<u>2022</u>	<u>2021</u>
Investments:		
Fixed Income Funds:	\$ 727,305	\$ -
Exchange Traded Funds	1,136,716	-
Catholic Community Foundation – Investment Pool:		
Short-Term Pool for Capital Preservation	99,566	100,275
	<u>\$ 1,963,587</u>	<u>\$ 100,275</u>
Beneficial Interest:		
Catholic Community Foundation – Investment Pool:		
Long-Term Pool for Balanced Growth	<u>\$ 738,872</u>	<u>\$ 829,145</u>

Changes in the beneficial endowment funds for the year ended June 30, 2022 are as follows:

Beginning Balance, July 1, 2020	\$ 649,074
Amounts invested in funds	-
Share of appreciation of funds	190,471
Distributions received	(10,400)
Ending Balance, June 30, 2021	<u>\$ 829,145</u>
Amounts invested in funds	-
Share of appreciation (depreciation) of funds	(66,673)
Distributions received	(23,600)
Ending Balance, June 30, 2022	<u>\$ 738,872</u>



## AIM HIGHER FOUNDATION

Notes to Financial Statements

June 30, 2022 and 2021

### 6. FAIR VALUE

The following tables provide information on those assets that are measured at fair value on a recurring basis:

	June 30, 2022			
	Fair Value Carrying Amount in Statement of Financial Position	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Fixed Income Funds	\$ 727,305	\$ 727,305	\$ -	\$ -
Exchange Traded Funds	1,136,716	1,136,716	-	-
Catholic Community Foundation – Investment Pool: Short-Term Pool for Capital Preservation	99,566	-	-	99,566
Catholic Community Foundation – Investment Pool: Long-Term Pool for Balanced Growth	738,872	-	-	738,872
Total	<u>\$ 2,702,459</u>	<u>\$ 1,864,021</u>	<u>\$ -</u>	<u>\$ 838,438</u>
	June 30, 2021			
	Fair Value Carrying Amount in Statement of Financial Position	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Catholic Community Foundation – Investment Pool: Short-Term Pool for Capital Preservation	\$ 100,275	\$ -	\$ -	\$ 100,275
Catholic Community Foundation – Investment Pool: Long-Term Pool for Balanced Growth	829,145	-	-	829,145
Total	<u>\$ 929,420</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 929,420</u>

The Foundation determines the fair value of all Level 1 financial assets based on quoted market prices in an active market. There have been no changes in methodologies or transfers between fair value measurement levels during the years ended June 30, 2022 and 2021.

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

The reconciliation of beginning and ending balances for assets measured at fair value on a recurring basis using level three inputs is summarized as follows:

	<u>Short-Term Pool</u>	<u>Long-Term Pool</u>
Beginning Balance, July 1, 2020	\$ 101,098	\$ 649,074
Purchases	-	-
Withdrawals	-	(10,400)
Investment return, net	(823)	190,471
Ending Balance, June 30, 2021	<u>\$ 100,275</u>	<u>\$ 829,145</u>
Purchases	-	-
Withdrawals	-	(23,600)
Investment return, net	(709)	(66,673)
Ending Balance, June 30, 2022	<u><u>\$ 99,566</u></u>	<u><u>\$ 738,872</u></u>

As previously noted, investments and beneficial interest in investments held at the Catholic Community Foundation are pooled with other organizations' funds and invested in a diversified portfolio of marketable equity and fixed income securities as well as limited marketability investments, including private equities, absolute return investments, and real estate. A substantial portion of the underlying assets of the pooled investments at Catholic Community Foundation are measured at fair value using Level 1 and Level 2 inputs. Aim Higher Foundation's ownership in such investments is represented by an undivided interest in the above pooled investment portfolios managed by Catholic Community Foundation, not in the underlying assets themselves. The undivided interests in these pooled portfolios are not themselves publicly traded nor can they be valued based on observable direct or indirect inputs. Accordingly, these funds are reported as a Level 3 measurement.

### 7. JOHN M. NASSEFF MEMORIAL SCHOLARSHIP PROGRAM

In 2018, the Foundation created the John M. Nasseff Memorial Scholarship Program (Memorial Scholarship Program). Under the terms of the Memorial Scholarship Program, the Foundation receives a 2% administrative fee of all funds received, and the remaining net funds are then allocated 10% to Aim Higher student scholarships at St. Paul schools and 90% for scholarships at a specified school. The Foundation recognizes the 2% administrative fee as service revenue, the 10% allocated funds as Aim Higher contributions received with donor restrictions (restricted for scholarships at St. Paul schools), and the 90% allocated funds that are designated for scholarships at the specified school are considered agency-type funds. The agency-type funds are not recognized as the Foundation's contribution revenue but are rather recorded as a liability (the "Memorial Scholarship Program, designated scholarships") until they are paid. The terms of the Memorial Scholarship Program also specify that the Foundation is to hold unspent scholarship funds received as restricted cash within the Aim Higher Foundation accounts.

During the year ended June 30, 2022, the Foundation received on behalf of the Memorial Scholarship Program a net total of approximately \$2,000 comprised of funds received from donors as well as a multi-year pledge receivable from donors to the Memorial Scholarship Program. Under the terms of the Program, of the total funds received and receivable in fiscal year 2022, approximately \$1,800 has been recorded within the Memorial Scholarship Program designated scholarship liability for the 90% allocation of funds designated for the specified school; approximately \$200 has been recognized as Foundation donor-restricted contribution revenue for the 10% allocation of funds that are donor-restricted for scholarships at St. Paul schools; and the remainder has been recognized as administrative fee revenue. A total of approximately \$18,000 of Memorial Scholarship Program scholarships were paid in fiscal year 2022.

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

During the year ended June 30, 2021, the Foundation received on behalf of the Memorial Scholarship Program a net total of approximately \$3,000 comprised of funds received from donors as well as a multi-year pledge receivable from donors to the Memorial Scholarship Program. Under the terms of the Program, of the total funds received and receivable in fiscal year 2021, approximately \$2,700 has been recorded within the Memorial Scholarship Program designated scholarship liability for the 90% allocation of funds designated for the specified school; approximately \$250 has been recognized as Foundation donor-restricted contribution revenue for the 10% allocation of funds that are donor-restricted for scholarships at St. Paul schools; and the remainder has been recognized as administrative fee revenue. A total of approximately \$19,000 of Memorial Scholarship Program scholarships were paid in fiscal year 2021.

At June 30, 2022 and 2021, the Foundation had cash totaling approximately \$288,000 and \$289,000, respectively, held in support of this Program, of which approximately \$262,000 and \$260,000, respectively, is recorded as segregated restricted cash (both current and long term) on the statement of financial position, and the remaining amounts are included within operating cash.

At June 30, 2022 and 2021, the Memorial Scholarship Program grant receivable was as follows.

	2022	2021
Memorial Scholarship Program grant receivable		
Receivable in less than one year	\$ 24,353	\$ 22,400
Receivable in 1-5 years	1,000	22,000
Total grant receivable	25,353	44,400
Less: discount to net present value (rate of 5%)	(48)	(1,093)
Net Memorial Scholarship Program grant receivable	25,305	43,307
Less: current portion of grant receivable	(24,353)	(22,400)
Long-term portion of grant receivable	\$ 952	\$ 20,907

The balance of the Memorial Scholarship Program designated scholarship liability was as follows at June 30, 2022 and 2021:

	2022	2021
Memorial Scholarship Program, designated scholarship liability		
Current portion	\$ 20,000	\$ 21,000
Long-term portion	267,473	282,337
Total	\$ 287,473	\$ 303,337

Additionally, the net asset balance of the unspent donor-restricted Aim Higher Foundation Memorial Scholarship Program funds was approximately \$29,000 at both June 30, 2022 and 2021 (see Note 10).

## 8. CATHOLIC SERVICES APPEAL FOUNDATION SCHOLARSHIP PROGRAM

The Foundation entered into an agreement with Catholic Services Appeal Foundation (CSAF) in which the Foundation collaborates with CSAF to facilitate additional student scholarships with funds CSAF provides. The agreement is ongoing but may be terminated at any time by mutual consent of the parties. Under this program, the Foundation determines and approves which students will receive these scholarships and submits a funding request to CSAF. Upon funding approval by CSAF, the Foundation recognizes a grant receivable and related donor restricted contribution and also records the scholarship payable and related scholarship expense for the approved scholarships to the students. The grant receivable is then satisfied when the grant funds are received from CSAF, and the scholarship payable is satisfied when the funds are disbursed by the Foundation for the student scholarships.

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

During fiscal 2022, the Foundation approved \$400,000 of such scholarships which will be paid during fiscal year 2023, and CSAF has approved the grant funds for these scholarships. At June 30, 2022, the Foundation has therefore recorded a \$400,000 grant receivable and related contribution revenue from CSAF. The Foundation recorded a \$400,000 scholarship payable and scholarship expense for the student scholarships approved prior to June 30, 2022 but which will be paid in fiscal year 2023. A total of \$400,000 contribution revenue and \$400,000 related scholarship expense has been recognized during the year ended June 30, 2022 related to this program.

During fiscal 2021, the Foundation approved \$400,000 of such scholarships which was paid during fiscal year 2022, and CSAF has approved the grant funds for these scholarships. At June 30, 2021, the Foundation has therefore recorded a \$400,000 grant receivable and related contribution revenue from CSAF. The Foundation recorded a \$400,000 scholarship payable and scholarship expense for the student scholarships approved prior to June 30, 2021 of which were paid in fiscal year 2022. A total of \$400,000 contribution revenue and \$400,000 related scholarship expense has been recognized during the year ended June 30, 2021 related to this program.

### 9. SCHOLARSHIPS PAYABLE

Scholarships payable consist of the following at June 30:

	2022	2021
CSAF scholarship program	\$ 400,000	\$ 400,000
Board approved Aim Higher Foundation scholarships	1,751,000	1,676,000
Total scholarship payable	<u>\$ 2,151,000</u>	<u>\$ 2,076,000</u>

### 10. NET ASSETS

#### Net Assets Without Donor Restrictions – Board Designated Reserve Fund

The Board of Directors has established a board designated Reserve Fund to help families in unforeseen circumstances outside of the regular application period. Because these funds are designated by the Foundation board rather than funds restricted by a donor, this Reserve Fund is included within net assets without donor restrictions. The related cash supporting the board designated fund is included within operating cash. At June 30, 2022 and 2021, this board designated Reserve Fund totaled approximately \$0 and \$98,000, respectively.

#### Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods at June 30, 2022 and 2021:

	2022	2021
<u>Subject to Expenditure for Specified Purposes:</u>		
Memorial Scholarship Program	\$ 29,076	\$ 29,017
Capital Campaign and Night of Light pledges, time restrictions	2,868,757	3,375,667
Student scholarships	246,300	249,300
	<u>\$ 3,144,133</u>	<u>\$ 3,653,984</u>
<u>Subject to Foundation Spending Policy and Appropriation (Endowments):</u>		
Invested in perpetuity, endowments	\$ 633,407	\$ 635,336
Unappropriated amounts above original gifts and required accumulations:		
Accumulated investment income	101,388	189,733
	<u>734,795</u>	<u>825,069</u>
Total net assets with donor restrictions	<u>\$ 3,878,928</u>	<u>\$ 4,479,053</u>

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

#### Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses or otherwise satisfying the restrictions specified by donors as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
CSAF Scholarship Program:		
Scholarships approved and accrued	\$ 400,000	\$ 400,000
Total CSAF Scholarship Program	400,000	400,000
Other student scholarships	3,000	-
Expiration of time restrictions; Campaign, Night of Light, and operating grants	1,632,821	2,168,245
Total	<u>\$ 2,035,821</u>	<u>\$ 2,568,245</u>

## 11. LEASE OBLIGATIONS

### Operating Lease

The Foundation had an operating lease for office space that commenced December 1, 2017 and was to expire February 28, 2023. In May 2022, this office lease was amended and extended to February 28, 2026. The lease requires monthly base rent, plus additional amounts for a pro rata share of operating expenses. In accordance with generally accepted accounting principles, the Foundation recognizes rental expense on a straight-line basis and records the difference between the accumulated monthly lease payments and the accumulated straight-line expense incurred as deferred rent. The Foundation also leases certain office equipment under an operating lease. The Foundation has the following minimum lease payments required by fiscal year as follows:

2023	\$ 21,200
2024	20,100
2025	20,400
2026	13,700
Total	<u>\$ 75,400</u>

During the years ended June 30, 2022 and 2021, the Foundation recorded approximately \$16,000 in rent expense.

## 12. RELATED PARTY INFORMATION

Contributions received from Aim Higher Foundation Board members totaled approximately \$556,000 and \$880,000 for the years ended June 30, 2022 and 2021, respectively. Contributions and grants receivable from Aim Higher Foundation Board members were approximately \$1,371,000 and \$1,749,000 at June 30, 2022 and 2021, respectively.

Contributions received from Aim Higher Foundation employees totaled approximately \$39,000 and \$82,000 for the years ended June 30, 2022 and 2021, respectively. Contributions and grants receivable from employees were approximately \$74,000 and \$61,000 at June 30, 2022 and 2021, respectively.

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

#### 13. AIM EVER HIGHER CAMPAIGN

During fiscal year 2020, the Foundation began a capital fund-raising campaign, the “Aim Ever Higher Campaign,” to raise additional funding to enable the Foundation to increase the number of need-based, tuition-assistance scholarships. The significant multimillion-dollar campaign was to raise additional funding over an 18-month period. Pledges to the campaign were typically received over a three to five-year period and were recognized as time-restricted revenue when the donor makes a firm commitment to give.

During the years ending June 30, 2022 and 2021, the Foundation received approximately \$1,180,000 and \$1,012,000, respectively, in contributions from donors related to the campaign. At June 30, 2022 and 2021, approximately \$2,799,000 and \$3,080,000, respectively, is a contribution receivable, net of an approximate discount to present value of \$94,000 and \$148,000, respectively.

The Foundation incurred approximately \$174,000 and \$199,000 in expenses related to the campaign during fiscal years 2022 and 2021, respectively. The total amount of expenses is included within the fundraising expenses shown in the Statement of Functional Expenses for fiscal years 2022 and 2021.

#### 14. ENDOWMENT FUNDS

The Foundation’s endowments consist of various donor-restricted funds established primarily for scholarships. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Net assets subject to donor-imposed restrictions are recorded within net assets with donor restrictions.

##### Interpretation of Relevant Law

Minnesota has enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which provides guidelines for donor-restricted endowment funds. The Foundation’s Board of Directors has interpreted the Minnesota UPMIFA as 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. As a result of this interpretation, the Foundation retains in perpetuity (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. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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 preservation of the fund
- (2) The purposes 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

##### Return Objectives and Risk Parameters

As approved by the Board of Directors, the Foundation’s endowment funds are held in pooled investment accounts at the Catholic Community Foundation managed according to the Board of Directors’ investment policies. The Foundation has adopted investment and spending policies for endowments that are designed to ensure sustainability of assets in perpetuity while providing reasonable stability and predictability of distributions for beneficiaries.

## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

#### Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on an asset allocation mix, currently at the Catholic Community Foundation, that will be consistent with the risk posture established by the Foundation, in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

#### Spending Policy and How the Investment Objectives Relate to Spending Policy

As approved by the Board of Directors, the Foundation determines the amounts appropriated for expenditure from the investment funds. In accordance with the donor agreements for their #55100B beneficiary endowment fund, the Foundation is to use the earnings for the Aim Ever Higher Campaign. In accordance with the donor agreements for their #55100A beneficiary endowment fund, the Foundation was to reinvest all earnings on the endowment until the fund reached \$100,000. The fund reached \$100,000 in fiscal year 2019. Subsequently, the Board of Directors has an informal policy of appropriating for distribution sufficient funds to achieve program objectives while considering the long-term expected return on its investment assets, considering the nature and duration of the endowment funds and the possible effects of inflation.

These spending policies are consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity and to provide a consistent and predictable funding stream to support the endowment purposes specified, as well as to provide additional growth through investment return.

#### Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the Foundation is required to retain as a fund of perpetual duration. No such deficiencies existed at June 30, 2022 or 2021.

#### Endowment and Restricted Net Asset Composition by Type of Fund

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Beneficiary endowment funds	\$ -	\$ 738,872	\$ 738,872
Total	\$ -	\$ 738,872	\$ 738,872

  

	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Beneficiary endowment funds	\$ -	\$ 829,145	\$ 829,145
Total	\$ -	\$ 829,145	\$ 829,145

**AIM HIGHER FOUNDATION**

Notes to Financial Statements

June 30, 2022 and 2021

Changes in Endowment and Restricted Net Assets

	Year Ended June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - beginning of year	\$ -	\$ 829,145	\$ 829,145
Investment income (loss)	-	(66,673)	(66,673)
Release of board designations	-	-	-
Contributions	-	-	-
Appropriation of endowment assets for expenditure	-	(23,600)	(23,600)
Net assets - end of year	<u>\$ -</u>	<u>\$ 738,872</u>	<u>\$ 738,872</u>

  

	Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets - beginning of year	\$ -	\$ 649,074	\$ 649,074
Investment loss	-	190,471	190,471
Release of board designations	-	-	-
Contributions	-	-	-
Appropriation of endowment assets for expenditure	-	(10,400)	(10,400)
Net assets - end of year	<u>\$ -</u>	<u>\$ 829,145</u>	<u>\$ 829,145</u>

Net investment income is comprised of interest, dividends, fees, and both realized and unrealized gains and losses.



## AIM HIGHER FOUNDATION

### Notes to Financial Statements

June 30, 2022 and 2021

#### 15. LIQUIDITY AND AVAILABILITY

The following represents the Foundation's financial assets at June 30, 2022 and 2021, reduced by amounts not available for general expenditure within one year because of donor restrictions, board designations, or other contractual considerations:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 698,000	\$ 2,018,000
Current maturities of contributions receivable	1,383,000	1,285,000
Current maturities of grants receivable (\$400,000 specified for scholarship payable)	400,000	400,000
Memorial Scholarship Program		
Restricted cash	20,000	21,000
Grant receivable, current portion	24,000	22,000
Investments, short-term	100,000	100,000
Investments, long-term	1,864,000	-
Non-current contributions receivable	1,421,000	1,949,000
Total financial assets	<u>5,910,000</u>	<u>5,795,000</u>
Less amounts unavailable for general expenditure within one year:		
Grants receivable, committed to specified scholarships payable	(400,000)	(400,000)
Memorial Scholarship Program		
Restricted cash	(20,000)	(21,000)
Grant receivable	(24,000)	(22,000)
Board designated Reserve Fund (Note 10)	-	(98,000)
Donor restricted net assets, subject to expenditures for specified purposes (Note 10)	(3,144,000)	(3,654,000)
Investments, long-term	<u>(1,864,000)</u>	<u>-</u>
Total financial assets not available for general expenditures within one year	<u>(5,452,000)</u>	<u>(4,195,000)</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 458,000</u>	<u>\$ 1,600,000</u>

Net assets with donor restrictions are specifically restricted for use towards the Foundation's program services and are not available to meet general expenditures. Although such funds may ultimately be used within one year, their use is restricted by the donors and therefore the funds are not considered available for the general use of the Foundation. The contribution receivables of approximately \$2,799,000 and \$3,080,000 at June 30, 2022 and 2021, respectively, related to the Aim Ever Higher campaign are subject to time restrictions and are included within net assets with donor restrictions. When these contribution receivables are received, they are available for general expenditures. The Memorial Scholarship Program restricted cash and grant receivables are subject to restrictions imposed by the grantors to the Fund and are not available for the general use of the Foundation. The board designated Reserve Fund was established by the Foundation board to provide funds for families in unforeseen circumstances rather than to meet general expenditures; however, board designated amounts could be made available, if necessary.

The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation has policies in place to manage cash flow, liquidity, and risk. Cash in excess of daily requirements is invested in short-term investments and money market funds.