

**LEWISVILLE ISD EDUCATION
FOUNDATION, INC.**

FINANCIAL STATEMENTS
AND
AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
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**HANKINS, EASTUP, DEATON,
TONN, SEAY & SCARBOROUGH**
A Limited Liability Company

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
FAX (940) 383-4746

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Lewisville ISD Education Foundation, Inc.
Lewisville, Texas

Opinion

We have audited the accompanying financial statements of Lewisville ISD Education Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The prior year comparative information has been derived from Lewisville ISD Education Foundation, Inc.'s 2021 financial statements and, in our opinion dated August 8, 2022, we expressed an unmodified opinion on those financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lewisville ISD Education Foundation, Inc. as of December 31, 2022, and the changes in its 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 Financials section of our report. We are required to be independent of Lewisville ISD Education Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lewisville ISD Education Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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. 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 general 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 judgement 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 Lewisville ISD Education Foundation, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lewisville ISD Education Foundation, Inc's ability to continue as a going concern for a reasonable period of time.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information of restricted net asset balances on pages 14 through 23 is 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.

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.



Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas
August 27, 2023

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 420,822	\$ 480,366
Investments	4,630,558	5,442,429
Unconditional promises to give	40,945	45,295
Prepaid expenses	<u>20,310</u>	<u>4,458</u>
Total Assets	<u>\$ 5,112,635</u>	<u>\$ 5,972,548</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>
Net Assets:		
With donor restrictions:		
Subject to purpose restrictions	808,027	880,129
Not subject to appropriation or expenditure	<u>3,272,029</u>	<u>3,640,588</u>
Total with donor restrictions	<u>4,080,056</u>	<u>4,520,717</u>
Without donor restrictions:		
Undesignated	-	-
Designated for grants, scholarships, programs and operations	<u>1,032,579</u>	<u>1,451,831</u>
Total without donor restrictions	<u>1,032,579</u>	<u>1,451,831</u>
Total Net Assets	<u>5,112,635</u>	<u>5,972,548</u>
Total Liabilities and Net Assets	<u>\$ 5,112,635</u>	<u>\$ 5,972,548</u>

See accompanying notes to financial statements.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR 2021

	Without Donor Restrictions	With Donor Restrictions		2022 Total	2021 Total
		Purpose Restrictions	Not Subject to Appropriation		
Revenues, Gains and Other Support:					
Contributions	\$ 278,622	\$ 498,249	\$ 174,891	\$ 951,762	\$ 1,017,800
Investment Income, net	43,229	-	-	43,229	29,005
Realized Gains on Investments	256,756	-	-	256,756	324,116
Unrealized Gains on Investments	-	-	-	-	89,707
Special event – Evening for Education	-	-	-	-	103,182
Special event – Golf tournaments	90,001	-	-	90,001	69,295
PPP loan revenue	-	-	-	-	43,100
Scholarship administration fees	6,789	-	-	6,789	4,041
Total Revenues, Gains and Other Support	675,397	498,249	174,891	1,348,537	1,680,246
Net Assets Released from Restrictions:					
Satisfaction of Program restrictions	655,990	(486,190)	(169,800)	-	-
Transfers	-	(84,161)	84,161	-	-
Expenses and Losses:					
Functional Expenses:					
Program Activities	763,183	-	-	763,183	561,255
Management and General	178,947	-	-	178,947	164,785
Fundraising	100,595	-	-	100,595	82,550
Total	1,042,725	-	-	1,042,725	808,590
Special Events Expense:					
Evening for Education	-	-	-	-	31,468
Golf Tournaments	45,335	-	-	45,335	17,137
Total	45,335	-	-	45,335	48,605
Total Expenses	1,088,060	-	-	1,088,060	857,195
Losses:					
Unrealized Losses on Investments	662,579	-	457,811	1,120,390	-
Total Expenses and Losses	1,750,639	-	457,811	2,208,450	857,195
Change in Net Assets	(419,252)	(72,102)	(368,559)	(859,913)	823,051
Net Assets – Beginning of Year	1,451,831	880,129	3,640,588	5,972,548	5,149,497
Net Assets – End of Year	<u>\$ 1,032,579</u>	<u>\$ 808,027</u>	<u>\$ 3,272,029</u>	<u>\$ 5,112,635</u>	<u>\$ 5,972,548</u>

See accompanying notes to financial statements.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 WITH COMPARATIVE TOTALS FOR 2021

	Program Activities	Supporting Activities		2022 Total	2021 Total
		Management and General	Fundraising		
Executive Director	\$ 13,062	\$ 52,246	\$ 65,307	\$ 130,615	\$ 118,242
Communication/Marketing Specialist	-	62,585	6,954	69,539	59,978
Advancement Services Manager	34,226	713	713	35,652	-
Program Coordinator	10,069	210	210	10,489	64,872
Total Salaries and Benefits	57,357	115,754	73,184	246,295	243,092
Scholarships	283,150	-	-	283,150	190,409
Grants	173,823	-	-	173,823	163,865
Awards and Fellowships	24,000	-	-	24,000	29,175
Back to School Fair	36,676	-	-	36,676	38,934
STEM Truck	144,492	-	-	144,492	15,000
LISD One Time Programs	31,876	-	-	31,876	34,755
Be Kind Initiative	-	-	-	-	900
Career Out	2,817	-	-	2,817	-
COVID-19 Expense	688	-	-	688	-
FFA Livestock Show	2,840	-	-	2,840	-
Accounting and Audit	-	17,153	-	17,153	10,431
Insurance	-	3,546	-	3,546	3,097
Bank and Credit Card Fees	-	7,199	-	7,199	9,316
Training/Conference	-	630	-	630	-
Postage and Office	-	3,195	-	3,195	6,119
Supplies	-	435	-	435	204
Meetings and Travel	-	3,452	-	3,452	3,407
Online Application System	5,464	-	-	5,464	14,115
Awards Administration	-	7,580	-	7,580	5,291
Professional Dues/Memberships	-	2,907	-	2,907	2,320
Website	-	3,086	-	3,086	2,074
Donor Database Management	-	-	11,786	11,786	5,956
Fundraising Software	-	-	5,611	5,611	2,076
Marketing/Promotional	-	13,005	-	13,005	19,952
LISD Employee Giving Campaign	-	-	10,014	10,014	8,102
Donation	-	1,005	-	1,005	-
Total Functional Expenses	\$ 763,183	\$ 178,947	\$ 100,595	\$ 1,042,725	\$ 808,590

See accompanying notes to financial statements.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ (859,913)	\$ 823,051
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized Losses (Gains) on Investments	1,120,390	(89,707)
Realized Gains on Investments	(256,756)	(324,116)
(Increase) Decrease in Unconditional Promises to Give	4,350	(30,203)
(Increase) Decrease in Prepaid Expenses	(15,852)	2,420
Increase (Decrease) in Accounts Payable	<u>-</u>	<u>(15,693)</u>
Net Cash Provided (Used) By Operating Activities	<u>(7,781)</u>	<u>365,752</u>
Cash Flows Provided (Used) By Investing Activities		
Redemptions of (Additions to) Investments (net)	<u>(51,763)</u>	<u>(510,768)</u>
Net Cash Provided (Used) By Investing Activities	<u>(51,763)</u>	<u>(510,768)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(59,544)	(145,016)
Cash and Cash Equivalents- Beginning of Year	<u>480,366</u>	<u>625,382</u>
Cash and Cash Equivalents- End of Year	<u>\$ 420,822</u>	<u>\$ 480,366</u>
Supplemental Data:		
Interest Paid	-	-
Income Taxes Paid	-	-

See accompanying notes to financial statements.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Lewisville ISD Education Foundation, Inc. (Foundation) is a Texas nonprofit organization with the purpose of providing financial support to Lewisville Independent School District teachers and students. This purpose is accomplished by the Foundation receiving and managing cash donations from individuals and organizations, and awarding scholarships and grants.

Basis of Presentation

The financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues and related assets are recognized when earned, and expenses are recognized when the obligation is incurred. They are presented in accordance with the provisions of Financial Accounting Standards Board (“FASB”) ASU No. 2016-14, “Not-For-Profit Entities”.

FASB ASU 2016-14 establishes standards for general-purpose external financial statements for nonprofit organizations, including a statement of financial position, a statement of activities, a statement of functional expense and a statement of cash flows. FASB ASU 2016-14 requires the classification of net assets and its revenues, expenses, gains and losses into three categories, if applicable, based on existence or absence of donor-imposed restrictions. The categories are “without donor restrictions” and “with donor restrictions”.

Accordingly, net assets of the Foundation's and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations. Included in this classification are net assets earmarked by the Board for future purposes, such as the Foundation’s board-designation for scholarships and grants.

Net assets subject to purpose restrictions – Net assets subject to donor-imposed stipulations that specify a use that is more specific than broad limits relating to purposes under which the Foundation operates.

Net assets not subject to appropriation or expenditure – Net assets subject to donor-imposed restrictions that must be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for the specific donor purpose.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public Support and Revenue

In the absence of a donor's explicit stipulation or circumstances surrounding the receipt of a contribution that make clear the donor's implicit restriction on use, contributions are reported as revenues or gains without donor restrictions, which increase net assets without donor restrictions. All donor-restricted contributions are reported as either net assets subject to purpose restrictions or net assets not subject to appropriation or expenditure, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), such restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recorded as received. Contributions receivable due in the next year are recorded at their net realizable value. Contributions receivable due in subsequent years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are received to discount the amounts. The calculated discount to present value was not materially different from the face value of the contributions receivable at December 31, 2022.

Foundation management evaluates the collectability of contributions on an ongoing basis and writes off any contributions receivable considered uncollectible. There were no contributions as of December 31, 2022 that were considered uncollectible and written off based on management's review.

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. Although individuals volunteer their time and perform a variety of tasks that assist the Foundation, these services do not meet the criteria for recognition as donated services.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments, primarily checking and money market accounts, to be cash equivalents.

Subsequent Events

Management has reviewed events subsequent to December 31, 2022 through August 27, 2023, which is the date the financial statements were available to be issued. No subsequent events were identified that were required to be recorded or disclosed in the financial statements.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 – INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. All non cash contributions are recorded at fair value at the date of receipt. Stock is recorded at the average of the high and low selling price on the date received. Investments sold are recorded at amount received on the trade date.

Investment income and realized gains and losses are reported as increases in unrestricted net assets unless the donor placed restrictions on the income's use. The change in fair value between years along with realized gains or losses are reflected in the statement of activities in the year of the change.

Investments other than certificates of deposit are held in an investment brokerage account in the name of the Foundation, and are managed by investment managers of the brokerage firm. No single investment exceeds five percent of the Foundation's net assets.

Investments as of December 31, 2022 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Certificate of deposit	\$ 113,466	\$ 113,466	\$ -
Corporate bonds	299,773	260,352	(39,421)
U.S. Government secured obligations	954,931	866,329	(88,602)
Individual stocks	2,380,279	2,526,540	146,261
Stock mutual funds	446,970	396,844	(50,126)
Fixed income mutual funds	506,959	467,027	(39,932)
	<u>\$ 4,702,378</u>	<u>\$ 4,630,558</u>	<u>\$ (71,820)</u>

NOTE 3 – ENDOWMENTS

The Foundation's endowments consist of 186 individual funds established for a variety of purposes. The endowments include donor-restricted funds established by individual donors, corporations and nonprofit agencies, and funds designated by the board of directors to function as endowments. Net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

Funds with Deficiencies – From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. The Foundation did not have any net deficiencies of this nature as of December 31, 2022.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 – ENDOWMENTS (Continued)

Return Objectives and Risk Parameters – The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in equity securities, fixed-income securities and short-term reserves with asset allocation within defined acceptable ranges, while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return sufficient to fund an annual scholarship or grant equal to 5% of the endowment balance. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Foundation has a policy of appropriating for distribution each year in scholarships or grants approximately five percent of each endowment fund's fund corpus. The fund corpus is determined by 20% minus the original gift. Funds in excess of the fund corpus will be used for scholarships or grants during a three-year maturation period and administrative costs to establish the endowed fund. Percentages for expenditures, accumulation and reclassification are calculated based on a three-year trailing average of return as deemed by the board-approved fund manager. Thresholds for awarding are \$125 per \$2,500 should an individual endowment grow beyond the original fund corpus through accumulation or additional contributions. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to continue to grow. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

A reconciliation of donor-restricted endowment funds is as follows:

Balance, 12/31/21	\$ 3,640,588
Contributions	174,891
Investment earnings (loss)	(457,811)
Amounts appropriated for expenditure	(169,800)
Reclassification	<u>84,161</u>
Balance, 12/31/22	<u>\$ 3,272,029</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform State Prudent Management of Institutional Funds Act (UPMIFA) requires the organization to retain as a fund of perpetual duration.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 – ENDOWMENTS (Continued)

Deficiencies of this nature existed in most donor-restricted endowment funds, which together have an original gift value of \$3,437,423, a current fair value of \$3,272,029 and a deficiency of \$165,394 at December 31, 2022.

This deficiency resulted from unfavorable market conditions in 2022 that resulted in significant losses that occurred in the investment account holding the endowment funds.

NOTE 4 – CONTRIBUTIONS AND OTHER RECEIVABLES

Unconditional promises to give as of December 31, 2022 are as follows:

Receivable in less than one year	\$ 25,150
Receivable in one to five years	<u>15,795</u>
Total Unconditional Promises to Give	40,945
Less allowance for uncollectible amounts	-0-
Less discounts to net present value	<u>-0-</u>
Net Unconditional Promises to Give	<u><u>\$ 40,945</u></u>

NOTE 5 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at December 31, 2022 include the following amounts designated by the Foundation's Board of Directors for grants, scholarships, programs and operations.

LISDEF Operational Fund	\$ 893,706
Area of Greatest Need	109,755
Earl Luna Memorial Grant	9,659
Pat Watts Honorary Grant	9,659
Janet Luttrell Honorary Grant	<u>9,800</u>
Total	<u><u>\$ 1,032,579</u></u>

NOTE 6 – INCOME TAX STATUS

The Foundation has received a letter of determination from the Internal Revenue Service advising that it qualifies as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to income tax. The Foundation is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 7 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Foundation has estimated fair value of financial instruments in accordance with requirements of SFAS No. 157. The estimated fair value amounts have been determined by the Foundation, using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Foundation could realize in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value amounts. The carrying amount of cash and cash equivalents, and receivables approximated fair market value at December 31, 2022 because of their relatively short maturity and market terms. The fair value of long term investments at December 31, 2022 is determined based on quoted market values for U.S. government securities, fixed income securities and equity securities.

Financial instruments are considered Level 1 when their values are determined using quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1, such as quoted prices for similar assets in active or inactive markets, inputs other than quoted prices that are observable for the asset, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial instruments also include those for which the determination of fair value requires significant management judgment or estimation.

In accordance with these definitions, the following table represents the Foundation's fair value hierarchy for its investments measured at fair value as of December 31, 2022:

	Quoted Prices for Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. Government securities	\$ 866,329	\$ -	\$ 866,329
Equity securities	2,923,384	-	2,923,384
Fixed income securities	-	727,379	727,379
Certificate of deposit	-	113,466	113,466
Total	<u>\$ 3,789,713</u>	<u>\$ 840,845</u>	<u>\$ 4,630,558</u>

The estimated fair value of investments was determined by the Foundation in accordance with its investment policy. Estimated fair value is determined by the Foundation based on a number of factors, including: comparable publicly traded securities, the costs of investments to the Foundation, as well as the current and projected operating performance. Changes in unrealized appreciation or depreciation of the investments are recognized as unrealized gains and losses in the statement of activities. Because of the inherent uncertainty of these valuations, the estimated values may differ from the actual fair values that may or may not be ultimately realized.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 8 – FUNCTIONAL EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the accompany statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. Salaries and benefits are allocated based on estimates of time spent by personnel in each program or supporting activity. All other expenses are reported based on the program or supporting activity that benefits from the expense.

NOTE 9 - COMPONENTS OF INVESTMENT RETURN

Investment return for the year ended December 31, 2022, including interest and dividends on investments and interest earned on cash balances is summarized as follows:

Unrestricted investment return:	
Interest and dividend income	\$ 108,073
Unrealized gains (losses) on investments	(1,120,390)
Realized gains on investments	<u>256,756</u>
Total unrestricted investment return (loss)	(755,561)
Less investment management fees	<u>(64,844)</u>
Total Investment Gain (Loss) - Net	<u>\$ (820,405)</u>

NOTE 10 – CREDIT RISK

Certain financial instruments potentially subject the Foundation to concentrations of credit risk. These financial instruments consist primarily of cash and cash equivalents, and investments. The cash policy of the Foundation limits the amount of credit exposure, and requires that cash be placed with high credit quality financial institutions. Credit risk on investments is limited due to wide diversification of the investment portfolio. From time to time during the year bank balances exceeded the FDIC insured limits. However, at December 31, 2022 there were no uninsured bank balances. Money market funds are maintained with an investment brokerage firm that maintains the Foundation's funds in an interest bearing account and all such funds are backed by high quality short term financial instruments.

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation has \$420,822 of financial assets at the statement of financial position date, consisting of cash in its operating bank accounts and investment accounts. None of this cash is subject to donor restrictions, time restrictions or other contractual restrictions that makes it unavailable for general expenditure within one year of the statement of financial position date. This 12/31/22 balance represents approximately five months of normal operating expenses. As part of its liquidity management, the Foundation structures its financial assets to be available as its general expenses, liabilities and other obligations come due. Cash in excess of daily requirements is invested in certificates of deposit and various short-term investments, with most of the investments managed by Merrill Lynch.

SUPPLEMENTARY INFORMATION

LEWISVILLE ISD EDUCATION FOUNDATION. INC.

NET ASSETS NOT SUBJECT TO APPROPRIATION OR EXPENDITURE
DECEMBER 31, 2022

Scholarship/Grant

Aramark	\$ 9,659
Shannon Ardoin Memorial	19,716
Tom Cooper Memorial	9,659
Co Serv	206,960
Jared Louis Crane	11,773
DATCU	9,659
Betty and Carl Degan	9,659
Dr. Roy's Honorary	37,109
Sharon Dunning Memorial	10,598
Durham Transportation, Inc.	9,659
Dr. Robert Faulds Memorial	9,734
Charles Foughty Legacy	9,764
Kathy Goodridge Tech Grant	23,628
Bertha Wilson Griffin	9,685
Ron and Karen Harper	15,264
Holt/Walker Child Future	9,659
HSBC Teacher	14,409
Hughes/Manning Price	9,782
Library Lover's	10,865
Cynda Rea Mast Memorial	13,062
Alan MacMorran Memorial	9,659
Medical City Lewisville Science	9,659
Adiyi Mir Memorial	27,563
Jane Nelson Honorary	9,659
Gwendolyn Norris Memorial	9,659
Jane Rollin Literacy Memorial	10,072
Ryland Homes	9,659
Morris and Jenny Seay Classroom Development	19,218
Stantec	9,659
The Sheffield Family Grant	19,191
Jackie Dowling Stinemetz Memorial	19,277
Vocal Majority	16,334
Christine Nicole Smith Memorial	14,362
Waste Management Enrichment	9,659
Ron and Marilyn Allee Honorary	13,322
Kara Barfknecht Memorial	13,150
Ted Barnes Memorial	70,125
Carolyn Anne Lehwald Barth Memorial	21,989
Castle Hills Elementary PTA	9,595
Hunter Ray Berry	14,795
Independence Elementary PTA	9,201
Bluebonnet Elementary Alumni	14,345
Charles Emmett Bolin Memorial	25,227

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS NOT SUBJECT TO APPROPRIATION OR EXPENDITURE (CONTINUED)

DECEMBER 31, 2022

Scholarship/Grant

Jessica Gage Bonesio Memorial	\$ 22,393
Chester Boyd Honorary	12,056
Tommy Briggs Memorial	17,932
Elmo Brown Memorial	9,486
Carl and Patsy Buck	57,448
Eiler and Adlaine Buck	31,889
Cain Szczepanski Memorial	123,591
Robert Campbell Memorial	9,988
Greg & Angela Feldman Foundation	21,082
Hebron High School PTSA	9,664
Hicks Elementary PTA	9,659
Vanessa Close Donald PTA	15,366
Vanessa Dawn Close Memorial	14,267
Commercial Structures	9,659
Marcia F Cooley Memorial	10,087
Tom Cooper and Alan MacMorran Memorial	9,659
Corbitt Family	18,756
CoServ	9,212
C.L.A.S.S.	19,269
JK and Gertrude Delay Memorial	11,254
Clayton Downing Memorial	9,212
Lynn Feaster Memorial	10,025
Flower Mound HS Football Booster Club	10,603
Flower Mound HS All American Award	9,234
Flower Mound Elementary PTA	10,206
Flower Mound HS PTSA	29,009
Ronnie Gage Honorary	9,647
Gary Goldsmith/SRMS PTA	18,980
Marsha Hardesty Medcalf Memorial	11,303
Martha and Richard Gooding	22,808
The Grace Family	10,152
Meredith Gregory Memorial	34,578
Brandon Hamm Memorial	11,020
Tom Hammerle Memorial	34,622
Mary Hardinger/LISD Nursing	17,563
Trevor Nelson Heerwagen Memorial	9,659
JL Huffines	10,873
Doug Killough Honorary	14,117
Kristen Jackson Memorial	23,114
William Janvrin Memorial	28,739
Clint Keown Memorial	22,022
William King Memorial	19,243
Lewisville Council of PTAs	29,005
Lewisville FM Jaycees	47,335

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS NOT SUBJECT TO APPROPRIATION OR EXPENDITURE (CONTINUED)

DECEMBER 31, 2022

Scholarship/Grant

Lewisville 100 Year Alumni	\$ 9,647
Lewisville Noon Rotary Club	10,063
Malcolm Carroll Grant	9,659
Long Family	10,099
McKamy MS PTA	19,307
Shaunna McNatt Memorial	11,928
Aubrey Butts	10,332
Marcus Heart of Excellence	17,051
Marcus Swim/Dive Booster	35,003
Tom Naug Memorial	9,647
Jay, Scott, Jimmy Nelson	31,868
Rick Niell Memorial	10,099
John Paul Nix Memorial	12,699
Dominic Pendola Memorial	53,733
Mary Ann Ritchie Memorial	9,217
Larry Sigler Honorary	12,029
Sr Citizens of The Colony	9,765
Chad Tinsley Memorial	13,932
Larry Stover Memorial	9,500
Kyle Tilley Memorial	34,273
Sydney Bjornberg FAB	9,306
Sue Dickens Memorial	13,223
Timbercreek Elementary PTA	9,722
Tyler Stevenson Memorial	20,348
Ulichnie Family	9,595
Kristen Webb Memorial	9,739
Woojae Leana Kim	10,670
Colby Wilson Athletic	10,108
Colby Wilson Debate	9,660
Neal Wilson Memorial Scholarship	21,469
Melanie Gillan Young Athenians	34,581
Bruno Zimmerer Memorial	9,664
The Nelson Family Grant	13,867
Dr. Penny Reddell Scholarship	9,647
Dr. Robert White Memorial	19,064
Spc Philip S Schiller	9,664
Carl Buck Principal of Year	18,319
Dr. Susan Menking Award of Excellence	9,159
Evelyn Buck Teacher of Year	18,319
Patsy Buck Elem Principal of Year	18,319
Wendell Gregg Memorial	9,675
Mack and Minnie Bogard	9,159
Nick and Sonal Jani	24,034
Scott Nelson Grant	9,673

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS NOT SUBJECT TO APPROPRIATION OR EXPENDITURE (CONTINUED)
DECEMBER 31, 2022

Scholarship/Grant

Alpha Omega Industries	\$	28,689
Anne Harvey Memorial STEM		9,786
Chris Asing Memorial		32,307
Homestead PTA Mustangs		9,594
The Blasko Family		9,774
William "Kyle" O'Brien Soccer		56,112
Zack Almand Memorial		10,121
Visionary Financial "Follow You"		9,258
Ms. Carle Bluebonnet ES PTA		9,894
Marty Kidd Memorial		12,458
Sean Branson Memorial		9,659
Amanda Drinkwater Honorary		12,232
BJ Gash Trades Memorial		12,417
Caren Linn Placke Memorial		10,296
Christian Durham Memorial		17,551
Highland Village Lions Club Foundation		19,750
The Dr. Nandlan and Sheila Sing Grant		9,659
Marjorie Kent Vickory Memorial		11,887
The Buck Family Honorary		10,668
Ashlee Sessions Legacy		10,575
Brandon Canova Memorial		11,483
Jenna Sigety Memorial Volleyball		21,163
Penny Lemoine Gooding Memorial		16,942
The Buck Family		60,377
Tim Mummey Memorial		25,720
Neal & Audrey Scheitel Memorial		9,527
Better Together PJ & KC		43,849
Gavin A Fleten Memorial		8,914
Jacob Mowl Memorial		12,140
OA & RD Jossart's Journey		11,405
Rick McGee Memorial LHS Band		8,501
Sulo Legacy		17,045
Rowena Buck McReynolds Memorial		23,590
Gail Martin Memorial Art Teacher		7,868
William McGrady Memorial		22,993
Judy Peterson Memorial		8,388
Greater Lewisville Lions Fund		8,885
Coach Marcia Cooke Memorial		12,855
TIAA Scholarship		8,207
Mike & Debbie Campbell Honorary		11,520
Courtney and Alex Mitchell		9,500
Corbitt Family Grant for Enrichment		8,367
Wayne & Judy Kay Ferguson Family		10,000
Spence Nelson Memorial		18,834

LEWISVILLE ISD EDUCATION FOUNDATION. INC.

NET ASSETS NOT SUBJECT TO APPROPRIATION OR EXPENDITURE (CONTINUED)
DECEMBER 31, 2022

Scholarship/Grant

Neil E Grant Family	\$	20,583
Cross Timbers Rotary Club Endowed		10,089
Donald Elementary PTA Endowment		10,635
Dr. Kevin Rogers Honorary Fellowship		9,842
Dr. Kevin Rogers Endowed		14,763
Flower Mound Jaguars Water Polo Booster		10,635
HBCU		10,000
Nurse Romaine Knapp Lee Honorary		10,122
Sally Squibb Honorary		18,088
Ralph Naser Memorial		10,050
Tom Shearer Memorial		18,159
		<u>3,272,029</u>
		-
Unconditional Promises to Give		
Total		<u>\$ 3,272,029</u>

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

**NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS
DECEMBER 31, 2022**

<u>Scholarship/Grant</u>	
Flower Mound HS Boys Soccer	\$ 9,000
Flower Mound HS Cheerleader	3,000
Flower Mound HS AFJROTC Academic	500
Flower Mound HS AFJROTC Community Service	500
Flower Mound HS AFJROTC Jaguar	500
Katie Steiner FMHS Volleyball Booster	8,000
Flower Mound HS Rosettes Drill Team	5,000
Flower Mound Elementary	655
Jostens	500
Coach Gary Cox Legacy Memorial	4,804
Creek Valley MS PTA	500
David Landry Hopkins Memorial	3,866
Degan NEU	1,500
Doug Killough Memorial	1,385
LHS Harmon AVID	1,760
Heritage Flying Hawks	1,920
Hebron HS PTSA	6,560
Hebron Band Booster Club	2,000
Helga Marin Memorial	421
Honey Dudes	1,000
Highland Village Women's Club	4,710
Martha & Richard Gooding Annual	2,500
Amelia Schmidt Memorial	1,000
Judy Brodigan Honorary	600
Lake Park Men's Golf	2,000
LHS Men of Distinction	1,052
LISD Council of PTA's	5,000
LISD Farmerette Drill Team	500
LHS Chin Student	10,118
Karen Dyer Memorial	320
Tom Stauffer Memorial	3,759
Land O'Lakes Quilt Guild	1,500
The Henry Foundation	1,311
Belinda Nikkel-Heritage Elem	65
Gordon Lee Christensen Memorial	778
Gregory Veal Science/Technology	1,311
LHS Baseball Booster Club	1,000
Hebron Hawks Volleyball Booster	4,000
Lewisville Morning Rotary	2,000
Lewisville Noon Rotary	1,155
Lewisville HS Class of 1970	200
Jessica Martinet Memorial	973
MSU-Texas Excellence Fellowship	1,000
David Orr Memorial Sub of the Year	2,510

LEWISVILLE ISD EDUCATION FOUNDATION. INC.

NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS (CONTINUED)

DECEMBER 31, 2022

<u>Scholarship/Grant</u>	
Rotary of Flower Mound	\$ 15
Jose Dominguez Memorial	1,970
Atmos Energy STEM Grant	10
Downing MS PTA	500
Southridge Elementary	1,110
Tim Winter Memorial	10,157
Elizabeth Kerns Marcus AVID	500
Kayla Gawalek Memorial	1
Killian Middle School PTA	4,596
Debbie Campbell Memorial	1,500
Jeana Walker Memorial	1,250
Loretta Keane Honorary	500
Creekside Elementary No Excuses	1,857
William McGrady Memorial	780
Medical City Lewisville	3,000
Connie Gail Memorial	5,538
Beau Moon Memorial Soccer	5,683
Dennis Winborn Fellowship	370
Jo Haney Special Education	11,527
Becky Nelson Chin Ministry	22,312
Janet Pursley Davis	3,858
Wayne Trammell Diagnostician Fellowship	2,555
Josh Marshall Memorial	2,210
TCHS PTSA	135
Lewisville Masonic Lodge No. 201	6,600
Bridges Outreach Scholarship	622
Cecilia K Vecchio Memorial	2,075
Barbara Hamric Memorial	7,715
Hebron Valley Elem PTA	600
Hebron HS FBC Video Tech	1,500
Hebron HS Football Award of Excellence	6,422
Hebron HS Football Booster Club	5,000
Hebron HS Golf	2,500
Hebron HS Cross Country Booster	1,000
Hebron HS Track & Field Booster	1,000
Hebron HS Football Booster Trainer	500
Hebron Black Student Union Senior	120
Ethridge Faculty	713
Hebron HS Theatre BC	3,500
Visionary Financial "Follow Your Dreams"	500
Suzanne Barnard Honorary	8,705
WO, Sandra & Sharia Allmon Family Music	15,200
Vicki Annis Memorial	6,344
Caren Linn Placke Memorial	2,536

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS (CONTINUED)

DECEMBER 31, 2022

Scholarship/Grant

Spark Scholarship	\$ 500
Chandler Fetteroff Music	3,474
Dr. Paula Walker Special Education Fellowship	165
Dr. Clayton Downing Leadership	1,000
Dr. Kevin Rogers Honorary	548
Mike and Debbie Campbell Honorary	2,645
RL Crawford Memorial	5,658
Peng Chin Thang LHS JROTC	530
CoServ Charitable	20,003
Rachel Forester Honorary	1,000
Richard LaMotte Memorial	5,000
Darla Martene Memorial	2,000
Emory Fitzpatrick Memorial	7,736
Make Anything Possible	551
Jeff Willard Memorial	3,862
MHS Kyle Tilley Memorial	2,636
MS Mac Legacy of Love	2,522
Ruth Eidenier (Camey PTA)	215
Krystal Atkins-Frazier Memorial	100
Angie Deaton Memorial	2,307
Arbor Creek MS PTA	6,540
BB Owen ES PTA	51
Be Kind Initiative	237
John Kulick Memorial	1,250
Charlie Haynes Memorial	1,000
Christa McAuliffe Elementary	590
Fred O Placke III Memorial	2,410
FMHS Boys Basketball	5,000
Hebron Cheer Boosters	4,500
Diane Corbitt Memorial	25
Jill Bradley Swimming	3,500
Juan Sandoval Memorial	11,015
Lewisville HS AVID	1,110
Lewisville HS Killough AVID	13,416
Marcus Memorial Student	860
Ron Rossetti Memorial	3,050
TCHS AVID	1,795
TCHS Leadership and Comm Service	500
TCHS Cross Country Boosters	500
TCHS Track Boosters	500
Topcats Booster Club	1,000
Thierry Bueno Memorial	220
Timothy Grange Memorial	100
Briarhill MS PTA	1,000

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS (CONTINUED)

DECEMBER 31, 2022

<u>Scholarship/Grant</u>	
John Walsdorf, Sr Memorial	\$ 280
Lewisville ISD Tennis	8,350
Marcus Tennis	9,850
Marcus HS PTSA	5,000
Hebron HS AVID	936
Sheila Hackler Memorial	9,607
Spence Nelson Memorial	1,000
The Rao Foundation	3,000
Timothy Palone Memorial	10,035
Jenna Sigety Memorial Volleyball	13,548
Christopher Williams Memorial	7,662
Lewisville Softball Paul Arden Rodgers	1,138
Steve Allen Memorial	42,500
Collin/Allen Golf Event	103,222
Delay MS Alumni	2,389
Dr. King Service Award	5,310
FMHS Lady Jaguars Basketball	6,000
Forever a Bobcat-Hedrick Elementary	9,865
Lone Star Scholarship	6,000
Carlos Ray Cordero Texas A&M Memorial	30
Jonathan Barnwell Memorial	170
Lakeland Elementary	74
Linda Holman Student Legacy	7,426
LISD Number Sense Tournament	500
TCHS Tennis Boosters	500
Paul & Mary Jane Ratliff Manilo	1,000
Rockbrook Elementary	1,815
LISD Employee Giving Campaign	(557)
The Wilhite AVID	2,069
Theatre at The Colony	270
Scheels All Sports "Team Player"	3,000
Karen and William Keeney Memorial	2,095
Back to School Fair	12,039
LISD Convocation	10,958
LISD Unspent Grant Funds	6,290
INCubatoredu - LHS	8,121
INCubatoredu - TCHS	12,649
COVID-19 Relief Fund	3,639
Bosch Community Fund	1
Counseling & Social Work Fund	1,438
LISD Social Services Fund	928
ABM District Support Fund	20,000
Career Out Program	4,752
Collegiate Academy Emergency Relief Fund	3,442

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS (CONTINUED)

DECEMBER 31, 2022

<u>Scholarship/Grant</u>	
Creek Valley MS 3D Printer Fund	\$ 1,700
Delay MS Omaha Creative Group Fund	20,238
Employee Excellence Award	(10,000)
Fall Teacher Grant Fund Campaign - OC	30
HBCU College Fair	2,650
Summer Internships	110
Fine Arts Program - TIAA Fund	170
Focus on the Future Fund	5,000
New to LISD Employee/Teaching	1,250
STEM Truck - LISD Special Program	8,008
Sue Mabie Helping Hands Fund	4,145
TECC West HVAC Program	<u>5,000</u>
	767,082
Unconditional Promises to Give	<u>40,945</u>
	<u>\$ 808,027</u>