

**FINANCIAL REPORT OF
MISSOURI 4-H FOUNDATION
JUNE 30, 2023**



MISSOURI 4-H FOUNDATION

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INDEPENDENT AUDITOR’S REPORT

To the Board of Trustees
Missouri 4-H Foundation
Columbia, Missouri

Professional Corporation
Certified Public Accountants

20 South Fifth Street
Columbia, MO 65201
(573) 449-1599
Fax: (573) 443-8603

www.gkccpas.com

Opinion

We have audited the accompanying financial statements of Missouri 4-H Foundation (a Missouri nonprofit corporation), which comprise the statement of assets, liabilities and net assets – modified cash basis as of June 30, 2023, and the related statement of support, revenue, expenses and other changes in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missouri 4-H Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Missouri 4-H Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

PARTNERS

Joseph E. Chitwood
Travis W. Hundley
Jeffrey A. Chitwood
Amy L. Watson
Benjamin E. Carrier

PARTNERS EMERITI

Robert A. Gerding
Fred W. Korte, Jr.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and to 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 Missouri 4-H Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Missouri 4-H Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Gerding, Korte & Chitwood

October 24, 2023

Gerding, Korte and Chitwood
Certified Public Accountants
Columbia, Missouri

**MISSOURI 4-H FOUNDATION
STATEMENT OF ASSETS, LIABILITIES & NET ASSETS
MODIFIED CASH BASIS
JUNE 30, 2023**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 249,998
Investments	9,772,045
Funds held by others	<u>52,540</u>

TOTAL CURRENT ASSETS	<u>10,074,583</u>
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NONCURRENT ASSETS

Cash surrender value of life insurance policies	<u>10,806</u>
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TOTAL NONCURRENT ASSETS	<u>10,806</u>
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TOTAL ASSETS	<u>\$ 10,085,389</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Annuity obligations	<u>\$ 22,453</u>
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TOTAL CURRENT LIABILITIES	<u>22,453</u>
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TOTAL LIABILITIES	<u>22,453</u>
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NET ASSETS

Without donor restrictions	5,509,113
With donor restrictions	<u>4,553,823</u>

TOTAL NET ASSETS	<u>10,062,936</u>
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TOTAL LIABILITIES NET ASSETS	<u>\$ 10,085,389</u>
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See auditor's report and accompanying notes to financial statements

MISSOURI 4-H FOUNDATION
STATEMENT OF SUPPORT, REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
REVENUES, GAINS AND OTHER SUPPORT			
Support from the public:			
Contributions	\$ 221,530	\$ 530,908	\$ 752,438
Membership and other fees	35,578	-	35,578
Total public support	257,108	530,908	788,016
Investment income:			
Investment return, net of investment expenses	427,203	496,451	923,654
Total investment income	427,203	496,451	923,654
Other revenue:			
Sale of calendars, net of expense	729	-	729
Total other revenue	729	-	729
Total revenue, gains and other support	685,040	1,027,359	1,712,399
NET ASSET RESTRICTION TRANSFERS			
Revenue released from restriction	1,228,054	(1,228,054)	-
Total revenue	1,913,094	(200,695)	1,712,399
EXPENSES			
Program	708,168	-	708,168
Management and general	238,920	-	238,920
Fundraising	65,558	-	65,558
Total expenses	1,012,646	-	1,012,646
CHANGE IN NET ASSETS	900,448	(200,695)	699,753
NET ASSETS, beginning of year - as restated	4,608,665	4,754,518	9,363,183
NET ASSETS, end of year	\$ 5,509,113	\$ 4,553,823	\$ 10,062,936

See auditor's report and accompanying notes to financial statements

**MISSOURI 4-H FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

	Program	Supporting Services			Total
	Program Service	Management and General	Fundraising	Total Supporting Services	
Awards and grants	\$ 289,102	\$ 500	\$ -	\$ 500	\$ 289,602
Conference and meetings	17,555	9,856	-	9,856	27,411
Miscellaneous expenses	11,061	4,361	-	4,361	15,422
Personnel	28,767	131,217	47,787	179,004	207,771
Postage and shipping	9,681	1,292	1,292	2,584	12,265
Printing and Publications	12,369	8,496	8,495	16,991	29,360
Professional fees	77,714	49,339	-	49,339	127,053
Supplies	114,852	7,984	7,984	15,968	130,820
Telephone	110	-	-	-	110
Travel	146,957	25,875	-	25,875	172,832
	<u>\$ 708,168</u>	<u>\$ 238,920</u>	<u>\$ 65,558</u>	<u>\$ 304,478</u>	<u>\$ 1,012,646</u>

See auditor's report and accompanying notes to financial statements

**MISSOURI 4-H FOUNDATION
STATEMENTS OF CASH FLOWS
MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 699,753
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net realized and unrealized investment (gain)/loss	(724,104)
(Increase) decrease in assets:	
Funds held by others	(52,540)
Other assets	(287)
	(77,178)
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(77,178)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	(662,995)
Reinvested investment earnings	(228,985)
Payments for investment expenses	32,095
Payments for purchase of investments	867,192
	7,307

CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES **7,307**

CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES **-**

NET INCREASE (DECREASE) IN CASH **(69,871)**

CASH AT BEGINNING OF YEAR **319,869**

CASH AT END OF YEAR **\$ 249,998**

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

CASH PAID DURING THE YEAR FOR:

INTEREST **\$ -**

See auditor's report and accompanying notes to financial statements.

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Missouri 4-H Foundation (the “Foundation”) is a not-for-profit organization in Columbia, Missouri. The Foundation’s mission is to seek and manage contributions which will be used for positive youth development. One of the most significant means by which the Foundation seeks to accomplish this mission is partial funding of the 4-H Youth Development Programs which are administered by the University of Missouri Extension Office.

Basis of Accounting

These financial statements are presented on the modified cash basis of accounting. Revenues are recognized when received, not when earned, and expenses are recognized when paid, not when incurred. The modified cash basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America. The modifications to the cash basis are as follows: investments are reported at fair value, insurance contracts are reported at cash surrender value, and liabilities for annuity obligations are reported at their estimated net present value at the time the donation was received by the Foundation.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts and disclosures. Significant estimates include the allocation of expenses by function and calculation of net present value of annuity obligations. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets based upon the existence or absence of restrictions on use that are placed by donors: net assets without donor restrictions and net assets with donor restrictions.

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, designations set forth by the Foundation's Board of Trustees, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Foundation's donor-restricted endowment funds, including the unspent appreciation of the endowment fund and the portion of the donor-restricted endowment funds that the Foundation is committed to maintaining in perpetuity are classified in net assets with donor restrictions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. However, investments held for long-term purposes may include cash equivalent accounts held for the purpose of reinvestment. Funds held in these long-term investment accounts are not considered to be cash equivalents.

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

All contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. 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 support, revenues, expenses, and other changes in net assets – modified cash basis as released from restrictions. Contributions that are restricted by the donors are reported as an increase in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received.

Contributed Materials and Services

In accordance with the modified cash basis of accounting, the accompanying financial statements do not include the value of donated goods and services. A substantial number of volunteers donate significant amounts of time to the Foundation's projects, and the University of Missouri Extension Division provides the Foundation with the office space and some administrative support. Management has not attempted to determine the value of these items.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of assets, liabilities and net assets - modified cash basis. Unrealized gains and losses are included in the statement of support, revenues, expenses and other changes in net assets – modified cash basis.

Expense Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of support, revenues, expenses and other changes in net assets – modified cash basis. Expenses are charged directly to program services, management and general, or fundraising based on specific identification or are allocated between activities based on estimates of time or space usage. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. These costs are presented in further detail in the statement of functional expenses – modified cash basis.

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1: NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Missouri 4-H Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, for all open tax years are subject to examination by the IRS, generally for three years after they were filed.

The Foundation has applied the provisions of the FASB's ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state, and local income tax. As of June 30, 2023, the Foundation had no substantial uncertain income tax positions.

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30, 2023:

Checking account	\$ 201,910
Money market account	48,088
Total cash and cash equivalents	<u>\$ 249,998</u>

As of June 30, 2023, the Foundation's deposits were fully covered by the Federal Deposit Insurance Corporation (FDIC).

NOTE 3: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation strives to maintain liquid financial assets in order to cover general expenditures, liabilities, and other obligations that come due. As part of the Foundation's liquidity management, the Board designated the assets in the Investment Fund to be used for general expenditures.

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 3: LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

The following reflects the Foundation’s financial assets as June 30, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2023.

Cash and cash equivalents	\$	249,998
Investment accounts		9,772,045
Funds held by others		52,540
Total financial assets		10,074,583
Donor-imposed restrictions:		
Time and/or purpose restrictions		(1,932,552)
Endowment corpus		(2,621,271)
Financial assets available to meet cash needs for general expenditures within one year	\$	5,520,760

NOTE 4: FAIR VALUE MEASUREMENTS

The Foundation reports investments in accordance with Accounting Standards Codification 820-10, *Fair Value Measurements and Disclosures* (ASC820-10), which provides a framework for measuring fair value. That framework establishes a 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 unobservable inputs (Level 3 measurements). The Foundation reports money market funds held by a broker in a managed portfolio as investments.

The fair value measurements and levels within the fair value hierarchy of those measurements for investments held for long-term purposes reported at fair value on a recurring basis at June 30, 2023, are as follows:

	Cost	Fair Value	Valuation Hierarchy Level
Assets:			
Money market funds	\$ 951,042	\$ 951,042	1
Equity securities	4,959,704	6,407,710	1
Fixed income securities	2,585,703	2,413,293	1
Total investments	\$ 8,496,449	\$ 9,772,045	
Liabilities			
Annuity obligations		\$ 22,453	2

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 4: FAIR VALUE MEASUREMENTS (Continued)

Level 2 input: Charitable gift annuity agreements require the Foundation to pay beneficiaries fixed payments during the beneficiaries' lives, in accordance with the respective agreements. Contribution revenues for charitable gift annuities are recognized at the date the agreements are established, net of present value of the estimated future payments to be made to the beneficiaries. Internal Revenue Service (IRS) valuation tables were used for the discount rates and actuarial assumptions used in calculating the present value of the liabilities. The change in value of annuities payable is included in realized gain/(loss) on investments.

Investment income for investments held for long-term purposes for the year ended June 30, 2023, is as follows:

Interest and dividends	\$ 231,826
Realized gains/(losses)	(118,403)
Unrealized gains/(losses)	843,699
Investment fees	(33,468)
Net investment return	<u>\$ 923,654</u>

NOTE 5: CASH VALUE OF LIFE INSURANCE

The Foundation once utilized a life insurance endowment program, whereby individuals contributed money to the Foundation for purposes of purchasing life insurance contracts on the donor, for which the Foundation is the owner and beneficiary. The face value of these contracts totaled approximately \$61,980 as of June 30, 2023.

Cash surrender values were approximately \$10,806 at June 30, 2023. Changes in the cash surrender value are included in the net realized and unrealized gains/(losses) on investments as shown on the statement of support, revenues, expenses, and other changes in net assets – modified cash basis.

NOTE 6: DONOR-RESTRICTED ENDOWMENTS

The Foundation endowment consists of several program and scholarship funds that are donor and board-restricted endowment funds. As required by the modified-cash basis of accounting, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 6: DONOR-RESTRICTED ENDOWMENTS (continued)

Absent explicit donor stipulations to the contrary, the Board of Trustees of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the endowment funds. As a result of this interpretation, the Foundation retains in perpetuity and classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds. The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, 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 various funds, (2) the purposes of the donor-restricted endowment funds, (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, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions, while growing the funds if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Foundation has a spending policy, which includes the following spending rates:

- Endowed Funds: Authorized expenditures shall be no less than 4.00% and no greater than 6.00% of the average fair market value of the endowment for the trailing three-year period ending December 31.
- Board Designated Funds: Up to 2.65% may be allocated for general operations. Up to 3.35% may be allocated for programs.
- Donor Restricted Funds: Up to 5.00% may be allocated for programs.

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 6: DONOR-RESTRICTED ENDOWMENTS (continued)

- Non-Endowed Funds: Quasi-restricted funds are non-endowed funds, however, they are long-term investments and are expected to remain intact for a minimum of five years, after which the income and principal may be spent. Accordingly, all withdrawals of the income and principal are subject to approval by the Foundation’s Board of Trustees.

The Foundation’s Executive Committee shall have discretion over whether or not distributions are made. If it is determined that a distribution is not needed in a current fiscal year, the Executive Committee may waive the distribution for the year.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. 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.

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 or SPMIFA requires the Foundation to retain as a fund of perpetual duration. These deficiencies are reported in unrestricted and temporarily restricted net assets. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriations for certain programs that were deemed prudent by the Board of Trustees.

At June 30, 2023, endowment net assets consisted of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 2,621,271	\$ 2,621,271
Accumulated investment gains		1,290,480	1,290,480
Board-designated endowment funds	5,202,209	-	5,202,209
Total endowment funds	<u>\$ 5,202,209</u>	<u>\$ 3,911,751</u>	<u>\$ 9,113,960</u>

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 6: DONOR-RESTRICTED ENDOWMENTS (continued)

Activities attributable to donor-restricted endowment funds were as follows for the year ended June 30, 2023:

Balance, June 30, 2022 (restated)	\$ 3,520,922
Donations, net of fees	165,675.00
Interest and dividends	92,771.00
Net gains/(losses)	234,295.00
Investment fees	(13,340.00)
Expenditure appropriations	(88,572.00)
Balance, June 30, 2023	\$ 3,911,751

NOTE 7: RESTRICTIONS/LIMITATIONS ON NET ASSETS

Board-Designated Net Assets

The governing board of the Foundation has designated net assets without donor restrictions for the following purposes:

Board Designated Net Assets

General use - greatest needs	\$ 385,424
Total board designated net assets	\$ 385,424

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purpose:

Subject to expenditure for specified purpose:

Educational programs	\$ 642,073
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Endowments:

Perpetual in nature, earnings from which are subject to endowment spending policy and appropriations:

Restricted by donors for:

Scholarships	1,656,636
4-H Congress	298,319
Educational programs	1,362,563
Internships	124,003
Kids Helping Kids	125,623
Facility improvements	151,585
Key Awards	93,570
General use	99,451
Total endowments	3,911,751
Total net assets with donor restrictions	\$ 4,553,823

MISSOURI 4-H FOUNDATION
NOTES TO FINANCIAL STATEMENTS

NOTE 8: PRIOR PERIOD RESTATEMENT – NET ASSETS

The reported net assets as of and for the year ended June 30, 2022, have been restated to report a prior period adjustment to properly report the annuity payable obligation and expenses. Additionally, the classification of net assets between with donor restrictions and without donor restrictions were updated to reflect the underlying donor agreements. The corrections resulted in the following restatement of net assets:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets
Previously Reported Net Assets - 6/30/2022	\$ 8,305,667	\$ 1,070,804	\$ 9,376,471
Adjustment to correct annuity payable	(12,384)	-	(12,384)
Adjustment to correct opening balance	(904)	-	(904)
Reclassification based on restrictions	(3,683,714)	3,683,714	-
Restated net assets - 6/30/2022	<u>\$ 4,608,665</u>	<u>\$ 4,754,518</u>	<u>\$ 9,363,183</u>

NOTE 9: SUBSEQUENT EVENTS

The preparation of financial statements in conformity with the modified cash basis of accounting requires a review of subsequent events which could result in disclosure of events materially impacting these financial statements. Subsequent events have been evaluated through October 24, 2023, the date the financial statements were available to be issued.