

**LEWISVILLE ISD EDUCATION
FOUNDATION, INC.**

FINANCIAL STATEMENTS
AND
AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

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AMERICAN INSTITUTE OF
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ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS
Independent Auditors' Report

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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, 2021 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 2020 financial statements and, in our opinion dated May 25, 2021, 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, 2021, 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 21 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
Denton, Texas
August 8, 2022

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 480,366	\$ 625,382
Investments	5,442,429	4,517,838
Unconditional promises to give	45,295	15,092
Prepaid expenses	4,458	6,878
	<u>5,972,548</u>	<u>5,165,190</u>
Total Assets	<u>\$ 5,972,548</u>	<u>\$ 5,165,190</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$ -	\$ 15,693
	<u>-</u>	<u>15,693</u>
Total Liabilities	<u>-</u>	<u>15,693</u>
Net Assets:		
With donor restrictions:		
Subject to purpose restrictions	880,129	528,457
Not subject to appropriation or expenditure	3,640,588	3,359,769
Total with donor restrictions	<u>4,520,717</u>	<u>3,888,226</u>
Without donor restrictions:		
Undesignated	-	35,665
Designated for grants, scholarships, programs and operations	1,451,831	1,225,606
Total without donor restrictions	<u>1,451,831</u>	<u>1,261,271</u>
Total Net Assets	<u>5,972,548</u>	<u>5,149,497</u>
Total Liabilities and Net Assets	<u>\$ 5,972,548</u>	<u>\$ 5,165,190</u>

See accompanying notes to financial statements.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020

	Without Donor Restrictions	With Donor Restrictions		2021 Total	2020 Total
		Purpose Restrictions	Not Subject to Appropriation		
Revenues, Gains and Other Support:					
Contributions	\$ 197,037	\$ 722,656	\$ 98,107	\$ 1,017,800	\$ 661,169
Investment Income, net	1,685	-	27,320	29,005	49,943
Realized Gains on Investments	18,784	-	305,332	324,116	171,750
Unrealized Gains on Investments	5,210	-	84,497	89,707	258,933
Special event – Evening for Education	103,182	-	-	103,182	104,649
Special event – Golf tournament	69,295	-	-	69,295	69,625
PPP loan revenue	43,100	-	-	43,100	41,800
Scholarship administration fees	4,041	-	-	4,041	2,854
Total Revenues, Gains and Other Support	442,334	722,656	515,256	1,680,246	1,360,723
Net Assets Released from Restrictions:					
Satisfaction of Program restrictions	605,421	(300,106)	(305,315)	-	-
Transfers	-	(70,878)	70,878	-	-
Expenses:					
Functional Expenses:					
Program Activities	561,255	-	-	561,255	614,631
Management and General	164,785	-	-	164,785	124,410
Fundraising	82,550	-	-	82,550	81,383
Total	808,590	-	-	808,590	820,424
Special Events Expense:					
Evening for Education	31,468	-	-	31,468	27,901
Golf Tournament	17,137	-	-	17,137	24,746
Total	48,605	-	-	48,605	52,647
Total Expenses	857,195	-	-	857,195	873,071
Change in Net Assets	190,560	351,672	280,819	823,051	487,652
Net Assets – Beginning of Year	1,261,271	528,457	3,359,769	5,149,497	4,661,845
Net Assets – End of Year	\$ 1,451,831	\$ 880,129	\$ 3,640,588	\$ 5,972,548	\$ 5,149,497

See accompanying notes to financial statements.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020**

	Program Activities	Supporting Activities		2021 Total	2020 Total
		Management and General	Fundraising		
Executive Director	\$ 11,824	\$ 47,297	\$ 59,121	\$ 118,242	\$ 101,453
Communication/Marketing Specialist	-	53,980	5,998	59,978	47,656
Program Coordinator	62,278	1,297	1,297	64,872	53,608
Total Salaries and Benefits	74,102	102,574	66,416	243,092	202,717
Scholarships	190,409	-	-	190,409	251,550
Grants	163,865	-	-	163,865	184,446
Awards and Fellowships	29,175	-	-	29,175	22,500
Back to School Fair	38,934	-	-	38,934	53,653
INCubatoredu	15,000	-	-	15,000	-
LISD One Time Programs	34,755	-	-	34,755	18,722
Be Kind Initiative	900	-	-	900	-
Community Connections	-	-	-	-	9,244
COVID-19 Expense	-	-	-	-	3,832
Guidance & Counseling Resources	-	-	-	-	1,282
New to Teaching	-	-	-	-	1,000
Accounting and Audit	-	10,431	-	10,431	9,579
Insurance	-	3,097	-	3,097	2,776
Bank and Credit Card Fees	-	9,316	-	9,316	6,334
Training/Conference	-	-	-	-	1,195
Postage and Office	-	6,119	-	6,119	5,997
Supplies	-	204	-	204	173
Meetings and Travel	-	3,407	-	3,407	2,825
Online Application System	14,115	-	-	14,115	6,793
Awards Administration	-	5,291	-	5,291	1,775
Professional Dues/Memberships	-	2,320	-	2,320	1,399
Website	-	2,074	-	2,074	403
Donor Database Management	-	-	5,956	5,956	5,606
Fundraising Software	-	-	2,076	2,076	13,195
Marketing/Promotional	-	19,952	-	19,952	7,410
LISD Employee Giving Campaign	-	-	8,102	8,102	6,018
Total Functional Expenses	\$ 561,255	\$ 164,785	\$ 82,550	\$ 808,590	\$ 820,424

See accompanying notes to financial statements.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE TOTALS FOR 2020

Cash Flows From Operating Activities	<u>2021</u>	<u>2020</u>
Change in Net Assets	\$ 823,051	\$ 487,652
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Unrealized Gains on Investments	(89,707)	(258,933)
Realized Gains on Investments	(324,116)	(171,750)
(Increase) Decrease in Unconditional Promises to Give	(30,203)	(1,397)
(Increase) Decrease in Prepaid Expenses	2,420	522
Increase (Decrease) in Accounts Payable	(15,693)	14,669
(Increase) Decrease in Accounts Receivable	<u>-</u>	<u>1,500</u>
Net Cash Provided By Operating Activities	<u>365,752</u>	<u>72,263</u>
 Cash Flows Provided (Used) By Investing Activities		
Redemptions of (Additions to) Investments (net)	<u>(510,768)</u>	<u>(31,539)</u>
Net Cash Provided (Used) By Investing Activities	<u>(510,768)</u>	<u>(31,539)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	(145,016)	40,724
 Cash and Cash Equivalents- Beginning of Year	<u>625,382</u>	<u>584,658</u>
 Cash and Cash Equivalents- End of Year	<u>\$ 480,366</u>	<u>\$ 625,382</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, 2021

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, 2021

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, 2021.

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, 2021 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, 2021 through August 8, 2022, 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, 2021

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, 2021 are composed of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Certificate of deposit	\$ 112,731	\$ 112,731	\$ -
Corporate bonds	371,982	371,399	(583)
U.S. Government secured obligations	897,629	895,932	(1,697)
Individual stocks	2,160,286	3,079,356	919,070
Stock mutual funds	398,515	441,772	43,257
Fixed income mutual funds	524,874	541,239	16,365
	<u>\$ 4,466,017</u>	<u>\$ 5,442,429</u>	<u>\$ 976,412</u>

NOTE 3 – ENDOWMENTS

The Foundation's endowments consist of 172 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, 2021.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 12/31/20	\$	3,359,769
Contributions		98,107
Investment earnings		417,149
Amounts appropriated for expenditure		(305,315)
Reclassification		<u>70,878</u>
Balance, 12/31/21	\$	<u><u>3,640,588</u></u>

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 – CONTRIBUTIONS AND OTHER RECEIVABLES

Unconditional promises to give as of December 31, 2021 are as follows:

Receivable in less than one year	\$ 39,572
Receivable in one to five years	<u>5,723</u>
Total Unconditional Promises to Give	45,295
Less allowance for uncollectible amounts	-0-
Less discounts to net present value	<u>-0-</u>
Net Unconditional Promises to Give	<u><u>\$ 45,295</u></u>

NOTE 5 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at December 31, 2021 include the following amounts designated by the Foundation's Board of Directors for grants, scholarships, programs and operations.

LISDEF Operational Fund	\$ 1,203,001
Area of Greatest Need	214,124
Earl Luna Memorial Grant	11,513
Pat Watts Honorary Grant	11,680
Janet Luttrell Honorary Grant	<u>11,513</u>
Total	<u><u>\$ 1,451,831</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.

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, 2021 because of their relatively short maturity and market terms. The fair value of long term investments at December 31, 2021 is determined based on quoted market values for U.S. government securities, fixed income securities and equity securities.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 – FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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, 2021:

	Quoted Prices for Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
U.S. Government securities	\$ 895,932	\$ -	\$ 895,932
Equity securities	3,521,128	-	3,521,128
Fixed income securities	-	912,638	912,638
Certificate of deposit	-	112,731	112,731
Total	<u>\$ 4,417,060</u>	<u>\$ 1,025,369</u>	<u>\$ 5,442,429</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.

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.

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 - COMPONENTS OF INVESTMENT RETURN

Investment return for the year ended December 31, 2021, including interest and dividends on investments and interest earned on cash balances is summarized as follows:

Unrestricted investment return:	
Interest and dividend income	\$ 101,809
Unrealized gains on investments	89,707
Realized gains on investments	<u>324,116</u>
Total unrestricted investment return	515,632
Less investment management fees	<u>(72,804)</u>
Total Investment Gain - Net	<u><u>\$ 442,828</u></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, 2021 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 \$480,366 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 12/31/21 balance represents approximately seven 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, 2021

Scholarship/Grant

Aramark	\$ 11,513
Shannon Ardoin Memorial	24,117
Tom Cooper Memorial	11,513
Co Serv	247,107
Jared Louis Crane	14,036
DATCU	11,513
Betty and Carl Degan	11,513
Dr. Roy's Honorary	47,240
Sharon Dunning Memorial	12,648
Durham Transportation, Inc.	11,513
Dr. Robert Faulds Memorial	11,601
Charles Foughty Legacy	11,638
Kathy Goodridge Tech Grant	28,194
Bertha Wilson Griffin	11,544
Ron and Karen Harper	12,199
Holt/Walker Child Future	11,513
HSBC Teacher	17,200
Hughes/Manning Price	11,659
Library Lover's	12,962
Cynda Rea Mast Memorial	15,583
Alan MacMorran Memorial	11,513
Medical City Lewisville Science	11,513
Adiyi Mir Memorial	32,880
Jane Nelson Honorary	11,513
Gwendolyn Norris Memorial	11,513
Jane Rollin Literacy Memorial	12,002
Ryland Homes	11,513
Morris and Jenny Seay Classroom Development	22,933
Stantec	11,513
The Sheffield Family Grant	22,901
Jackie Dowling Stinemetz Memorial	23,003
Vocal Majority	19,500
Christine Nicole Smith Memorial	17,144
Waste Management Enrichment	11,513
Ron and Marilyn Allee Honorary	16,559
Kara Barfknecht Memorial	15,688
Ted Barnes Memorial	85,396
Carolyn Anne Lehwald Barth Memorial	26,232
Castle Hills Elementary PTA	12,034
Hunter Ray Berry	18,459
Independence Elementary PTA	10,972
Bluebonnet Elementary Alumni	17,926
Charles Emmett Bolin Memorial	30,108

LEWISVILLE ISD EDUCATION FOUNDATION. INC.

NET ASSETS NOT SUBJECT TO APPROPRIATION OR EXPENDITURE (CONTINUED)

DECEMBER 31, 2021

Scholarship/Grant

Jessica Gage Bonesio Memorial	\$ 27,829
Chester Boyd Honorary	14,371
Tommy Briggs Memorial	21,388
Elmo Brown Memorial	11,929
Carl and Patsy Buck	68,578
Eiler and Adlaine Buck	38,054
Cain Sczepanski Memorial	128,138
Robert Campbell Memorial	11,926
Greg & Angela Feldman Foundation	23,943
Hebron High School PTSA	11,519
Hicks Elementary PTA	11,513
Vanessa Close Donald PTA	18,331
Vanessa Dawn Close Memorial	17,701
Commercial Structures	11,513
Marcia F Cooley Memorial	12,044
Tom Cooper and Alan MacMorran Memorial	11,513
Corbitt Family	11,576
CoServ	11,519
C.L.A.S.S.	21,544
JK and Gertrude Delay Memorial	13,422
Clayton Downing Memorial	11,519
Lynn Feaster Memorial	11,971
Flower Mound HS Football Booster Club	12,641
Flower Mound HS All American Award	11,011
Flower Mound Elementary PTA	11,563
Flower Mound HS PTSA	34,639
Ronnie Gage Honorary	12,034
Gary Goldsmith/SRMS PTA	23,185
Marsha Hardesty Medcalf Memorial	13,481
Martha and Richard Gooding	28,566
The Grace Family	12,716
Meredith Gregory Memorial	40,129
Brandon Hamm Memorial	13,681
Tom Hammerle Memorial	36,978
Mary Hardinger/LISD Nursing	21,513
Trevor Nelson Heerwagen Memorial	11,513
JL Huffines	13,507
Doug Killough Honorary	17,657
Kristen Jackson Memorial	27,585
William Janvrin Memorial	34,307
Clint Keown Memorial	26,295
William King Memorial	22,962
Lewisville Council of PTAs	34,633
Lewisville FM Jaycees	58,098

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS NOT SUBJECT TO APPROPRIATION OR EXPENDITURE (CONTINUED)
DECEMBER 31, 2021

Scholarship/Grant

Lewisville 100 Year Alumni	\$ 12,034
Lewisville Noon Rotary Club	12,015
Malcolm Carroll Grant	11,513
Long Family	12,034
McKamy MS PTA	23,572
Shaunna McNatt Memorial	14,219
Aubrey Butts	12,239
Marcus Heart of Excellence	19,719
Marcus Swim/Dive Booster	35,338
Tom Naug Memorial	12,034
Jay, Scott, Jimmy Nelson	36,313
Rick Niell Memorial	12,034
John Paul Nix Memorial	15,155
Dominic Pendola Memorial	63,605
Mary Ann Ritchie Memorial	11,525
Larry Sigler Honorary	14,363
Sr Citizens of The Colony	11,638
Chad Tinsley Memorial	16,612
Larry Stover Memorial	11,945
Kyle Tilley Memorial	38,267
Sydney Bjornberg FAB	11,631
Sue Dickens Memorial	15,359
Timbercreek Elementary PTA	11,588
Tyler Stevenson Memorial	24,292
Ulichnie Family	12,034
Kristen Webb Memorial	11,531
Woojae Leana Kim	12,106
Colby Wilson Athletic	12,297
Colby Wilson Debate	11,515
Neal Wilson Memorial Scholarship	26,148
Melanie Gillan Young Athenians	41,284
Bruno Zimmerer Memorial	11,519
The Nelson Family Grant	16,535
Dr. Penny Reddell Scholarship	12,034
Dr. Robert White Memorial	23,943
Spc Philip S Schiller	11,519
Carl Buck Principal of Year	23,038
Dr. Susan Menking Award of Excellence	11,519
Evelyn Buck Teacher of Year	23,038
Patsy Buck Elem Principal of Year	23,038
Wendell Gregg Memorial	11,532
Mack and Minnie Bogard	11,519
Nick and Sonal Jani	28,673
Scott Nelson Grant	11,529

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS NOT SUBJECT TO APPROPRIATION OR EXPENDITURE (CONTINUED)
DECEMBER 31, 2021

<u>Scholarship/Grant</u>	
Alpha Omega Industries	\$ 35,875
Anne Harvey Memorial STEM	11,663
Chris Asing Memorial	36,494
Homestead PTA Mustangs	11,994
The Blasko Family	11,649
William "Kyle" O'Brien Soccer	65,186
Zack Almand Memorial	12,083
Visionary Financial "Follow You"	11,039
Ms. Carle Bluebonnet ES PTA	11,790
Marty Kidd Memorial	13,653
Sean Branson Memorial	11,513
Amanda Drinkwater Honorary	15,348
BJ Gash Trades Memorial	14,623
Caren Linn Placke Memorial	12,205
Christian Durham Memorial	20,697
Highland Village Lions Club Foundation	24,778
The Dr. Nandlan and Sheila Sing Grant	11,513
Marjorie Kent Vickory Memorial	11,580
The Buck Family Honorary	12,730
Ashlee Sessions Legacy	12,620
Brandon Canova Memorial	14,228
Jenna Sigety Memorial Volleyball	12,353
Penny Lemoine Gooding Memorial	20,124
The Buck Family	72,088
Tim Mummey Memorial	29,700
Neal & Audrey Scheitel Memorial	11,358
Better Together PJ & KC	53,428
Gavin A Fleten Memorial	10,633
Jacob Mowl Memorial	14,159
OA & RD Jossart's Journey	13,602
Rick McGee Memorial LHS Band	10,741
Sulo Legacy	19,567
Rowena Buck McReynolds Memorial	28,148
Gail Martin Memorial Art Teacher	9,396
William McGrady Memorial	21,429
Judy Peterson Memorial	10,608
Greater Lewisville Lions Fund	11,133
Coach Marcia Cooke Memorial	9,946
TIAA Scholarship	9,797
Mike & Debbie Campbell Honorary	11,353
Courtney and Alex Mitchell	10,500
	<u>3,630,388</u>
Unconditional Promises to Give	<u>10,000</u>
Total	<u>\$ 3,640,388</u>

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS
DECEMBER 31, 2021

Scholarship/Grant

Flower Mound HS Boys Soccer	\$ 10,500
Flower Mound HS Cheerleader	2,000
Flower Mound HS AFJROTC Academic	1,000
Flower Mound HS AFJROTC Community Service	1,000
Flower Mound HS AFJROTC Jaguar	1,500
Katie Steiner FMHS Volleyball Booster	9,000
Flower Mound HS Rosettes Drill Team	4,000
Flower Mound Elementary	900
Flower Mound Rotary	5,000
Coach Gary Cox Legacy Memorial	3,644
Darren Ryan Memorial Teacher	576
David Landry Hopkins Memorial	3,607
Degan NEU	2,000
Doug Killough Memorial	885
LHS Harmon AVID	2,425
Heritage Flying Hawks	1,420
Hebron HS PTSA	5,560
Hebron Band Booster Club	5,000
Highland Village Rotary Club	1,000
Highland Village Women's Club	1,525
Martha & Richard Gooding Annual	2,000
Amelia Schmidt Memorial	1,000
Judy Brodigan Honorary	50
Lake Park Men's Golf	1,000
LHS Men of Distinction	1,007
LISD Council of PTA's	6,550
LISD Farmerette Drill Team	1,500
LHS Chin Student	10,952
Karen Dyer Memorial	320
Tom Stauffer Memorial	3,759
Land O'Lakes Quilt Guild	500
The Henry Foundation	1,281
Belinda Nikkel-Heritage Elem	30
Gordon Lee Christensen Memorial	532
Gregory Veal Science/Technology	1,311
LHS Baseball Booster Club	1,000
Cross Timbers Rotary	500
Lewisville Morning Rotary	1,500
Lewisville Noon Rotary	400
Anne Harvey SLP Memorial	331
Jessica Martinet Memorial	908
MSU-Texas Excellence Fellowship	1,000
David Orr Memorial Sub of the Year	2,510
Rotary of Flower Mound	15

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS (CONTINUED)
DECEMBER 31, 2021

<u>Scholarship/Grant</u>	
Atmos Energy STEM Grant	\$ 10
Downing MS PTA	500
Southridge Elementary	400
Tim Winter Memorial	7,825
Elizabeth Kerns Marcus AVID	500
Kayla Gawalek Memorial	1
Killian Middle School PTA	4,596
Nurse Romaine Knapp Lee Honorary	5,200
Jeana Walker Memorial	1,250
Loretta Keane Honorary	1,000
Creekside Elementary No Excuses	2,281
William McGrady Memorial	390
Medical City Lewisville	1,500
City of Highland Village	6
Jenna Sigety	600
Dennis Winborn Fellowship	370
Jo Haney Special Education	11,907
Becky Nelson Chin Ministry	30,312
Janet Pursley Davis	4,358
Wayne Trammell Diagnostician Fellowship	2,540
Josh Marshall Memorial	2,210
TCHS PTSA	635
Lewisville Masonic Lodge No. 201	2,100
Bridges Outreach Scholarship	622
Griffin Middle School Band	100
Barbara Hamric Memorial	5,209
Hebron Valley Elem PTA	600
Hebron HS FBC Video Tech	500
Hebron HS Football Award of Excellence	2,422
Hebron HS Football Booster Club	1,500
Hebron HS Golf	4,000
Hebron Black Student Union Senior	20
Ethridge Faculty	1,053
Hebron HS Theatre BC	3,000
Visionary Financial "Follow Your Dreams"	500
Suzanne Barnard Honorary	4,705
WO, Sandra & Sharia Allmon Family Music	20,200
Vicki Annis Memorial	4,645
Caren Linn Placke Memorial	3,004
Spark Scholarship	500
Chandler Fetteroff Music	4,234
Dr. Paula Walker Special Education Fellowship	165
Dr. Clayton Downing Leadership	500
Dr. Kevin Rogers Honorary	17,445

LEWISVILLE ISD EDUCATION FOUNDATION, INC.

NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS (CONTINUED)
DECEMBER 31, 2021

Scholarship/Grant

CoServ Charitable	\$ 26,353
Rachel Forester Honorary	1,200
Richard LaMotte Memorial	5,000
Darla Martene Memorial	1,000
Emory Fitzpatrick Memorial	7,063
Make Anything Possible	1,051
Jeff Willard Memorial	4,192
MHS Kyle Tilley Memorial	2,536
MS Mac Legacy of Love	1,872
Ruth Eidenier (Camey PTA)	215
Krystal Atkins-Frazier Memorial	100
Angie Deaton Memorial	3,292
Arbor Creek MS PTA	6,040
BB Owen ES PTA	551
Be Kind Initiative	237
John Kulick Memorial	1,250
Charlie Haynes Memorial	1,000
Christa McAuliffe Elementary	550
Fred O Placke III Memorial	2,360
FMHS Boys Basketball	5,000
Hebron Cheer Boosters	3,500
Highland Village Elementary Vikings	500
Jill Bradley Swimming	1,000
Juan Sandoval Memorial	6,200
Lewisville HS AVID	1,368
Lewisville HS Killough AVID	14,231
Marcus Memorial Student	860
Ron Rossetti Memorial	1,950
TCHS AVID	1,295
TCHS Leadership and Comm Service	1,000
TCHS Cross Country Boosters	1,000
TCHS Track Boosters	1,000
Topcats Booster Club	500
Briarhill MS PTA	1,000
John Walsdorf, Sr Memorial	40
Lewisville ISD Tennis	6,350
Marcus Tennis	7,850
Marcus HS PTSA	5,000
Hebron HS AVID	1,936
Timothy Palone Memorial	8,980
Jenna Sigety Memorial Volleyball	18,667
Christopher Williams Memorial	4,527
Lewisville Softball Paul Arden Rodgers	1,138
Steve Allen Memorial	55,000

LEWISVILLE ISD EDUCATION FOUNDATION. INC.

NET ASSETS SUBJECT TO PURPOSE RESTRICTIONS (CONTINUED)

DECEMBER 31, 2021

<u>Scholarship/Grant</u>	
Collin/Allen Golf Event	\$ 44,210
Delay MS Alumni	5,119
Dr. King Service Award	5,245
FMHS Lady Jaguars Basketball	6,500
Forever a Bobcat-Hedrick Elementary	9,890
Guru Academic Advising College	500
Carlos Ray Cordero Texas A&M Memorial	30
Jonathan Barnwell Memorial	170
Lakeland Elementary	74
Linda Holman Student Legacy	7,311
LISD Number Sense Tournament	500
TCHS Tennis Boosters	500
Paul & Mary Jane Ratliff Manilo	500
Rockbrook Elementary	2,635
Point Bank Fund a Future	(4,990)
The Wilhite AVID	2,546
Theatre at The Colony	270
Scheels All Sports "Team Player"	5,000
Karen and William Keeney Memorial	1,930
Back to School Fair	33,234
LISD Convocation	10,958
LISD Unspent Grant Funds	3,423
INCubatoredu - LHS	9,295
INCubatoredu - TCHS	9,650
COVID-19 Relief Fund	3,639
Bosch Community Fund	1
Counseling & Social Work Fund	618
LISD Social Services Fund	928
2022 Lewisville FFA Livestock Show	981
ABM District Support Fund	30,960
Career Out Program	1,719
Collegiate Academy Emergency Relief Fund	4,835
Creek Valley MS 3D Printer Fund	1,700
Delay MS Omaha Creative Group Fund	4,791
Fine Arts Program - TIAA Fund	170
Focus on the Future Fund	5,000
New to LISD Employee/Teaching	1,500
STEM Truck - LISD Special Program	150,000
Sue Mabie Helping Hands Fund	2,325
TECC West HVAC Program	5,000
Wonder Wagon (LISD STEM Truck)	2,500
	<u>844,834</u>
Unconditional Promises to Give	<u>35,295</u>
Total	<u><u>\$ 880,129</u></u>