



**Gwinnett County Public Schools
Foundation Fund, Inc.**

FINANCIAL STATEMENTS

June 30, 2022 and 2021



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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Gwinnett County Public Schools Foundation Fund, Inc.

Opinion

We have audited the accompanying financial statements of Gwinnett County Public Schools Foundation Fund, Inc. (a nonprofit organization) (the Foundation), which comprise the statement of financial position as of June 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022, and 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Foundation as of June 30, 2021, were audited by other auditors whose report dated November 30, 2021, expressed an unmodified opinion on those financial statements.

As part of our audit of the 2022 financial statements, we also audited adjustments described in Note 3 that were applied to restate the 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2021 financial statements of the Foundation other than with respect to the adjustments and, accordingly, we do not express an opinion or any other of assurance on the 2021 financial statements as a whole.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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, whether due to fraud or error, and to issue an auditors' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
May 3, 2023



FINANCIAL STATEMENTS



Gwinnett County Public Schools Foundation Fund, Inc.
Statements of Financial Position

<i>June 30,</i>	2022	Restated 2021
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Assets		
Cash and cash equivalents	\$ 1,828,469	\$ 1,341,088
Certificates of deposit	250,000	500,000
Pledges receivable	7,000	10,110
Grant receivable	-	710,000
Investments	219,510	257,550
Property and equipment, net	-	1,969
Beneficial interest in assets held at the Community Foundation	234,457	280,953
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Total assets	\$ 2,539,436	\$ 3,101,670
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Liabilities and Net Assets		
Accounts payable	\$ 12,996	\$ 12,750
Due to other organizations	-	710,000
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Total liabilities	12,996	722,750
Net assets		
Without donor restrictions	1,075,424	1,247,222
With donor restrictions	1,451,016	1,131,698
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Total net assets	2,526,440	2,378,920
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Total liabilities and net assets	\$ 2,539,436	\$ 3,101,670
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The accompanying notes are an integral part of these financial statements.

Gwinnett County Public Schools Foundation Fund, Inc.
Statements of Activities

<i>For the year ended June 30, 2022</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 416,532	\$ 721,203	\$ 1,137,735
Contributions of non-financial assets	712,806	-	712,806
Special events	170,902	-	170,902
Investment income (loss), net	(36,925)	-	(36,925)
Investment income - beneficial interest	5,000	-	5,000
Loss on beneficial interest in assets held at the Community Foundation	-	(46,496)	(46,496)
Net assets released from restrictions	355,389	(355,389)	-
Total revenue and other support	1,623,704	319,318	1,943,022
Expenses			
Program services	1,488,315	-	1,488,315
General and administrative	179,178	-	179,178
Fundraising	128,009	-	128,009
Total expenses	1,795,502	-	1,795,502
Change in net assets	(171,798)	319,318	147,520
Net assets at beginning of year	1,247,222	1,131,698	2,378,920
Net assets at end of year	\$ 1,075,424	\$ 1,451,016	\$ 2,526,440

The accompanying notes are an integral part of these financial statements.

Gwinnett County Public Schools Foundation Fund, Inc.
Statements of Activities (Continued)

<i>For the year ended June 30, 2021</i>	Without Donor Restrictions	With Donor Restrictions	Restated Total
Revenue and Other Support			
Contributions	\$ 2,223,203	\$ 336,635	\$ 2,559,838
Contributions of non-financial assets	2,323,634	-	2,323,634
Special events	43,528	-	43,528
Investment income (loss), net	8,909	-	8,909
Investment income - beneficial interest	7,700	-	7,700
Gain on beneficial interest in assets held at the Community Foundation	-	44,891	44,891
Net assets released from restrictions	200,449	(200,449)	-
Total revenue and other support	4,807,423	181,077	4,988,500
Expenses			
Program services	4,222,044	-	4,222,044
General and Administrative	151,075	-	151,075
Fundraising	45,212	-	45,212
Total expenses	4,418,331	-	4,418,331
Change in net assets	389,092	181,077	570,169
Net assets at beginning of year, as previously stated	864,790	943,961	1,808,751
Cumulative effect adjustment	(6,660)	6,660	-
Net assets at beginning of year, as restated	858,130	950,621	1,808,751
Net assets at end of year	\$ 1,247,222	\$ 1,131,698	\$ 2,378,920

The accompanying notes are an integral part of these financial statements.

Gwinnett County Public Schools Foundation Fund, Inc.
Statements of Functional Expenses

For the year ended June 30, 2022

	Program Services	General and Administrative	Fundraising	Total Expenses
Scholarships and awards	\$ 112,925	\$ -	\$ -	\$ 112,925
Contributed services	198,038	125,369	34,093	357,500
Professional fees	8,151	27,712	-	35,863
Bank fees	-	10,505	-	10,505
Local school support	1,167,569	-	-	1,167,569
Conferences and meetings	-	12,445	-	12,445
Advertising and promotion	-	-	950	950
Insurance	-	1,931	2,897	4,828
Event expenses	-	-	89,929	89,929
Depreciation	1,632	197	140	1,969
Other	-	1,019	-	1,019
Total	\$ 1,488,315	\$ 179,178	\$ 128,009	\$ 1,795,502

The accompanying notes are an integral part of these financial statements.

Gwinnett County Public Schools Foundation Fund, Inc.
Statements of Functional Expenses (Continued)

For the year ended June 30, 2021

	Program Services	General and Administrative	Fundraising	Total Expenses
Scholarships and awards	\$ 87,350	\$ -	\$ -	\$ 87,350
Contributed services	191,742	125,179	32,852	349,773
Professional fees	14,502	15,523	-	30,025
Bank fees	-	6,462	-	6,462
Local school support	3,911,497	-	-	3,911,497
Conferences and meetings	14,450	-	390	14,840
Advertising and promotion	-	-	2,800	2,800
Supplies	-	148	-	148
Insurance	-	1,931	2,897	4,828
Event expenses	-	-	6,250	6,250
Depreciation	2,503	98	23	2,624
Other	-	1,734	-	1,734
Total	\$ 4,222,044	\$ 151,075	\$ 45,212	\$ 4,418,331

The accompanying notes are an integral part of these financial statements.

Gwinnett County Public Schools Foundation Fund, Inc.
Statements of Cash Flows

<i>For the years ended June 30,</i>	2022	2021
Operating Activities		
Change in net assets	\$ 147,520	\$ 570,169
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	1,969	2,624
Unrealized and realized (gain) loss on investments	41,357	(7,071)
Changes in operating assets and liabilities		
Pledges receivable	3,110	7,390
Grant receivable	710,000	(710,000)
Certificates of deposit	250,000	-
Accounts payable	246	(41,250)
Due to affiliates	(710,000)	710,000
Net cash provided by (used in) operating activities	444,202	531,862
Investing Activities		
Purchase of investments	(39,547)	(318,152)
Proceeds from sale of investments	36,230	67,675
Change in beneficial interest	46,496	(44,891)
Net cash provided by (used in) investing activities	43,179	(295,368)
Net change in cash and cash equivalents	487,381	236,494
Cash and cash equivalents at beginning of year	1,341,088	1,104,594
Cash and cash equivalents at end of year	\$ 1,828,469	\$ 1,341,088

The accompanying notes are an integral part of these financial statements.

Gwinnett County Public Schools Foundation Fund, Inc.

Notes to Financial Statements

Note 1: DESCRIPTION OF THE FOUNDATION

Gwinnett County Public Schools Foundation Fund, Inc. (the Foundation or GCPSF) is a nonprofit Foundation incorporated in 2006 under the laws of the state of Georgia. The Foundation commenced operations in July 2006. The Foundation's mission is to sustain the world-class standards of Gwinnett County Public Schools by strengthening internal and external community relationships and providing resources and support to improve the educational future of all students. The Foundation is supported primarily through contributions from local businesses and Gwinnett County Public Schools employees.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to the fair value of investments, depreciation of property and equipment, contributions in-kind and the allocation of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

Gwinnett County Public Schools Foundation Fund, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Foundation reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Net Assets

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

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, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and various programs.

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.

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. Contributions with donor restrictions that are both received and released within the same year are recorded as an increase in net assets with donor restrictions and as a satisfaction of program restrictions.

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue from program service fees under various contracts is recognized as revenue when performance obligations, under the terms of the contracts with customers are satisfied. Revenue received in advance is deferred and recognized over the periods to which the dates and fees relate.

A portion of the Foundation's grants and contracts are from government agencies. The benefits received by the public as a result of the assets transferred are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Grants and contracts are analyzed for measurable performance-related barriers or other barriers. Revenue is recognized as barriers are met. Funds received from non-exchange transactions in advance of barriers being met are recorded as refundable advances.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly removed the conditions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to contributed services are allocated based on actual percentage of time spent in each functional area. Other allocable expenses including depreciation are allocated across functional areas based on an allocation of direct expenses.

Advertising

The Foundation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended June 30, 2022 and 2021, advertising costs totaled \$950 and \$2,800, respectively.

Gwinnett County Public Schools Foundation Fund, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Foundation is exempt from taxes on income other than unrelated business income.

The Foundation utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of June 30, 2022 and 2021, the Foundation has no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications were made to prior year balances to conform with current year presentation.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 3, 2023, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU specifies requirements for the recognition and initial measurement of contributions and disclosure requirements for contributed services. This change in accounting principle did not have a material impact on the financial statements.

Accounting Guidance not yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Lease will be classified as either financial or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Foundation is currently evaluating the impact of the guidance on its financial statements.

Note 3: RESTATEMENT OF PRIOR PERIOD

As of July 1, 2020, the activity related to beneficial interest in assets held at the Community Foundation was reclassified from net assets without donor restrictions of \$6,660 to net assets with donor restrictions perpetual in nature resulting in a restatement of classification in net assets. In addition, as of and for the year ended June 30, 2021, the accompanying financial statements were restated to reclassify the activity related to beneficial interest in assets held at the Community Foundation from net assets without donor restrictions of \$12,174 to net assets with donor restrictions perpetual in nature.

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 4: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY

The Foundation maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Foundation's expenditures come due. The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

<i>June 30,</i>	2022	2021
Total assets at year end	\$ 2,539,436	\$ 3,101,670
Less non-financial assets		
Property and equipment, net	-	(1,969)
Financial assets at year-end	2,539,436	3,099,701
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions		
Restricted by donor with time or purpose restrictions	(1,451,014)	(1,131,698)
Board designations	(764,684)	(631,967)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,088,422	\$ 1,968,003

The Foundation is principally supported by contributions. In addition to financial assets available to meet general expenditures over the next twelve months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 5: PROMISES TO GIVE

Promises to give consist of the following:

<i>June 30,</i>	2022	2021
Receivable within one year	\$ 7,000	\$ 5,110
Receivable within one to five years	-	5,000
Promises to give, net	\$ 7,000	\$ 10,110

Management considers these to be fully collectable, and no allowance for uncollectible was deemed necessary at June 30, 2022 and 2021.

Note 6: GRANT RECEIVABLE AND DUE TO AFFILIATES

During the year ended June 30, 2021, the Foundation received a government grant for \$758,000. The grant receivable was \$710,000 at June 30, 2021, and was considered collectible therefore, no allowance for doubtful accounts was deemed necessary. Two organizations, affiliates of the Foundation provided the services under the grant. The amount due to other organizations was \$710,000 at June 30, 2021.

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 7: INVESTMENTS

Investment in marketable securities consist of the following:

<u><i>June 30, 2022</i></u>	<u>Market Value</u>
Mutual funds and exchanged traded products - fixed income	\$ 81,121
Mutual funds and exchanged traded products - equity	72,553
Equity stocks	61,389
Money market funds	4,447
Total investments in marketable securities	\$ 219,510

<u><i>June 30, 2021</i></u>	<u>Market Value</u>
Mutual funds and exchanged traded products - fixed income	\$ 87,765
Mutual funds and exchanged traded products - equity	91,641
Equity stocks	74,992
Money market funds	3,152
Total investments in marketable securities	\$ 257,550

Note 8: PROPERTY AND EQUIPMENT

The components of property and equipment at June 30, 2022 and 2021, are as follows:

	Estimated Useful Lives (in years)	2022	2021
Computer software	3	\$ 24,429	\$ 24,429
Website design and development	5	13,125	13,125
Total depreciable property and equipment		37,554	37,554
Less accumulated depreciation		(37,554)	(35,585)
Total depreciable property and equipment, net		\$ -	\$ 1,969

Depreciation expense for the years ended June 30, 2022 and 2021, amounted to \$1,969 and \$2,624, respectively.

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 9: NET ASSETS

A summary of net assets without donor restrictions consists of the following:

<i>June 30,</i>	2022	Restated 2021
Undesignated	\$ 310,740	\$ 615,255
Board designated		
Executive Board reserve fund	219,510	257,550
Foundation initiative funds	177,551	28,616
School cluster and program funds	367,623	345,801
Total net assets without donor restrictions	\$ 1,075,424	\$ 1,247,222

A summary of net assets with donor restrictions consists of the following:

<i>June 30,</i>	2022	Restated 2021
Purpose/time restrictions:		
Gwinnett school of math, science and technology	\$ 2,170	\$ 4,600
Local school support	459,813	281,064
Education enrichment and enhancements	5,423	5,423
Scholarships	344,066	182,287
Entrepreneurship program	100,000	100,000
Community based mentoring program	103,412	93,856
Self-sufficiency program	25,000	25,000
Sponsorships for future fundraising events	7,000	10,000
Teacher of the year award	122,589	104,729
Other programs and awards	47,086	43,786
Total purpose/time restrictions	1,216,559	850,745
Perpetual restriction - beneficial interest in assets held at the Community Foundation	234,457	280,953
Total net assets with donor restrictions	\$ 1,451,016	\$ 1,131,698

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 9: NET ASSETS (Continued)

A summary of the release of donor restrictions consists of the following:

<i>For the years ended June 30,</i>	2022	2021
Community based mentoring program	\$ 41,333	\$ 17,580
Scholarships	83,172	64,375
Gwinnett school of math, science and technology	2,790	1,546
Local school support	182,381	94,541
Teacher of the year award	17,140	7,796
Special events sponsorship	2,000	7,500
Other programs and awards	26,573	7,111
Total net assets released from donor restrictions	\$ 355,389	\$ 200,449

Note 10: BENEFICIAL INTEREST IN ASSETS HELD AT THE COMMUNITY FOUNDATION

GCPSF has transferred assets to the Community Foundation for Northeast Georgia (the Foundation) which is holding them as three separate endowed component funds (the Funds) for the benefit of GCPSF. GCPSF has granted the Foundation variance power that gives the Foundation's Board the power to use the Funds for other purposes in certain circumstances. The Funds are subject to the Foundation's investment and spending policies. GCPSF reports the fair value of the Funds as beneficial interest in assets held at Community Foundation in the statements of financial position and reports distributions received as investment income. Changes in the value of the Funds are reported as gains or losses in the statements of activities.

Changes in the Funds for the years ended June 30, 2022 and 2021, are as follows:

June 30, 2022

Balance at June 30, 2021	\$ 280,953
Share of depreciation of funds	(41,496)
Distributions received	(5,000)
Balance at June 30, 2022	\$ 234,457

June 30, 2021

Balance at June 30, 2020	\$ 236,062
Share of appreciation of funds	52,591
Distributions received	(7,700)
Balance at June 30, 2021	\$ 280,953

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 11: CONTRIBUTIONS IN-KIND

All donated services and supplies were utilized by the Foundation’s program and supporting service. There were no donor-imposed restrictions associated with the contributed services and supplies.

The components of donated services and supplies contributed to the Foundation consists of the following for the years ended June 30, 2022 and 2021:

<i>For the year ended June 30, 2022</i>	Donated Services	Donated Supplies	Total
Program Services	\$ 198,038	\$ 355,306	\$ 553,344
General and administrative	125,369	-	125,369
Fundraising	34,093	-	34,093
Total contributed services and supplies	\$ 357,500	\$ 355,306	\$ 712,806

<i>For the year ended June 30, 2021</i>	Donated Services	Donated Supplies	Total
Program Services	\$ 191,742	\$ 1,973,861	\$ 2,165,603
General and administrative	125,179	-	125,179
Fundraising	32,852	-	32,852
Total contributed services and supplies	\$ 349,773	\$ 1,973,861	\$ 2,323,634

Donated services are valued using the payroll data from Gwinnett County Public Schools. Donated supplies are valued at the wholesale prices that would be received for selling similar products.

Note 12: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 12: FAIR VALUE MEASUREMENTS (Continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Mutual funds and exchange traded products: Valued at the daily closing prices as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Equity Stock: Value at the closing price reported on the active market on which the individual securities are traded.

Money market funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Beneficial interest in assets held at the Community Foundation: The fair value of beneficial interest in assets held at the Community Foundation is based upon the net present value of expected future cash flows. The Foundation does not have the ability to redeem this beneficial interest and withdrawals are limited to the terms of the Foundation's agreement with the Community Foundation.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value on a recurring basis, are summarized for the year ended June 30, 2022:

<i>June 30, 2022</i>	Level 1	Level 2	Level 3	Total
Mutual funds and exchanged traded products - fixed income	\$ 81,121	\$ -	\$ -	\$ 81,121
Mutual funds and exchanged traded products - equity	72,553	-	-	72,553
Equity stocks	61,389	-	-	61,389
Money market funds	4,447	-	-	4,447
Beneficial interest in assets held at the Community Foundation	-	-	234,457	234,457
Total investments at fair value	\$ 219,510	\$ -	\$ 234,457	\$ 234,457

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 12: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis, are summarized for the year ended June 30, 2021:

<i>June 30, 2021</i>	Level 1	Level 2	Level 3	Total
Mutual funds and exchanged traded products - fixed income	\$ 87,765	\$ -	\$ -	\$ 87,765
Mutual funds and exchanged traded products - equity	91,641	-	-	91,641
Equity stocks	74,992	-	-	74,992
Money market funds	3,152	-	-	3,152
Beneficial interest in assets held at the Community Foundation	-	-	280,953	280,953
Total investments at fair value	\$ 257,550	\$ -	\$ 280,953	\$ 280,953

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2022 and 2021, there were no significant transfers in or out of Levels 1, 2 or 3.

The following tables represent a reconciliation of the activities for Level 3 financial instruments for the years ended June 30, 2022 and 2021:

June 30, 2022

Beginning balance	\$ 280,953
Share of depreciation of funds	(41,496)
Distributions received	(5,000)
Ending balance	\$ 234,457

June 30, 2021

Beginning balance	\$ 236,062
Share of appreciation of funds	52,591
Distributions received	(7,700)
Ending balance	\$ 280,953

Gwinnett County Public Schools Foundation Fund, Inc.
Notes to Financial Statements

Note 13: CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash deposits with financial institutions at June 30, 2022 and 2021, in excess of federally insured limits of \$1,148,866 and \$868,946, respectively. Based on the strength of the financial institutions, management believes the credit risk related to these balances is not significant.