



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

FINANCIAL STATEMENTS

June 30, 2023 and 2022



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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 statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 audits. 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 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
January 2, 2024



FINANCIAL STATEMENTS



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

<i>June 30,</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 2,238,165	\$ 1,828,469
Certificates of deposit	250,000	250,000
Promises to give	2,000	7,000
Prepaid expenses	29,514	-
Investments in marketable securities	238,556	219,510
Beneficial interest in assets held at the Community Foundation	247,864	234,457
Total assets	\$ 3,006,099	\$ 2,539,436
Liabilities and Net Assets		
Accounts payable	\$ 28,325	\$ 12,996
Refundable advance	27,725	-
Total liabilities	56,050	12,996
Net assets		
Without donor restrictions	1,640,205	1,075,424
With donor restrictions	1,309,844	1,451,016
Total net assets	2,950,049	2,526,440
Total liabilities and net assets	\$ 3,006,099	\$ 2,539,436

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, 2023</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	\$ 1,043,825	\$ 392,960	\$ 1,436,785
Contributions of non-financial assets	942,247	-	942,247
Special events	58,347	-	58,347
Investment income (loss), net	22,893	-	22,893
Investment income - beneficial interest	7,000	-	7,000
Gain (loss) on beneficial interest in assets held at the Community Foundation	-	13,407	13,407
Net assets released from restrictions	547,539	(547,539)	-
Total revenue and other support	2,621,851	(141,172)	2,480,679
Expenses			
Program services	1,793,539	-	1,793,539
General and administrative	207,352	-	207,352
Fundraising	56,179	-	56,179
Total expenses	2,057,070	-	2,057,070
Change in net assets	564,781	(141,172)	423,609
Net assets at beginning of year	1,075,424	1,451,016	2,526,440
Net assets at end of year	\$ 1,640,205	\$ 1,309,844	\$ 2,950,049

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, 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
Gain (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 Functional Expenses

For the year ended June 30, 2023

	Program Services	General and Administrative	Fundraising	Total Expenses
Local school support	\$ 1,464,437	\$ -	\$ -	\$ 1,464,437
Contributed services	199,394	123,491	35,401	358,286
Scholarships and awards	112,250	-	-	112,250
Professional fees	16,016	39,769	-	55,785
Conferences and meetings	-	28,776	-	28,776
Event expenses	-	-	17,881	17,881
Bank fees	-	6,183	-	6,183
Supplies	1,442	3,485	-	4,927
Insurance	-	1,931	2,897	4,828
Other	-	3,717	-	3,717
Total	\$ 1,793,539	\$ 207,352	\$ 56,179	\$ 2,057,070

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, 2022

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

<i>For the years ended June 30,</i>	2023	2022
Operating Activities		
Change in net assets	\$ 423,609	\$ 147,520
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	-	1,969
Unrealized and realized (gain) loss on investments	(14,336)	41,357
Change in beneficial interest	(13,407)	46,496
Changes in operating assets and liabilities		
Promises to give	5,000	3,110
Grant receivable	-	710,000
Prepaid expenses	(29,514)	-
Certificates of deposit	-	250,000
Accounts payable	15,329	246
Refundable advance	27,725	-
Due to affiliates	-	(710,000)
Net cash provided by (used in) operating activities	414,406	490,698
Investing Activities		
Purchase of investments	(46,609)	(39,547)
Proceeds from sale of investments	41,899	36,230
Net cash provided by (used in) investing activities	(4,710)	(3,317)
Net change in cash and cash equivalents	409,696	487,381
Cash and cash equivalents, at beginning of year	1,828,469	1,341,088
Cash and cash equivalents, at end of year	\$ 2,238,165	\$ 1,828,469

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 in marketable securities and beneficial interest in assets held at the Community Foundation, depreciation of property and equipment, contributions of non-financial assets and the allocation of functional expenses.

Program Services

The Foundation's program services consist of providing teacher grants and student scholarships and financial support to local schools and programs of Gwinnett County Public Schools.

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 statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements 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.

Beneficial Interest in Assets held at Community Foundation

GCPSF reports the fair value of the assets held and owned by a local Community Foundation as a 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 assets are reported as gains and losses in the statements of activities.

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

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.

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 direct expenses by functional category as a percentage of total 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 year ended June 30, 2022, advertising costs totaled \$950. There were no advertising costs during the year ended June 30, 2023.

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 did not have any unrelated business income for the years ended June 30, 2023 and 2022.

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, 2023 and 2022, 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.

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 2, 2024, 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 February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted this standard July 1, 2022. The adoption of this guidance had no effect on the financial statements.

Note 3: 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>	2023	2022
Total assets at year end	\$ 3,006,099	\$ 2,539,436
Less non-financial assets		
Prepaid expenses	29,514	-
Financial assets at year-end	3,035,613	2,539,436
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	(1,309,844)	(1,451,016)
Board designations	(1,054,169)	(777,381)
Financial assets available to meet cash needs for general expenditures within one year	\$ 671,600	\$ 311,039

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.

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

Note 4: PROMISES TO GIVE

Promises to give consist of the following:

<i>June 30,</i>	2023	2022
Receivable within one year	\$ 2,000	\$ -
Receivable in one to five years	-	7,000
Promises to give	\$ 2,000	\$ 7,000

Management considers these to be fully collectable, and no allowance for uncollectible was deemed necessary at June 30, 2023 and 2022.

Note 5: INVESTMENTS

Investments in marketable securities consist of the following:

<i>June 30, 2023</i>	Market Value
Mutual funds and exchanged traded products - fixed income	\$ 80,280
Mutual funds and exchanged traded products - equity	85,298
Equity stocks	70,329
Money market funds	2,649
Total investments in marketable securities	\$ 238,556

<i>June 30, 2022</i>	Market Value
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

Note 6: 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.

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

Note 6: BENEFICIAL INTEREST IN ASSETS HELD AT THE COMMUNITY FOUNDATION (Continued)

Changes in the Funds for the years ended June 30, 2023 and 2022 are as follows:

<i>June 30,</i>	2023	2022
Balance at the beginning of the year	\$ 234,457	\$ 280,953
Share of appreciation of funds	20,407	(41,496)
Distributions received	(7,000)	(5,000)
Balance at the end of the year	\$ 247,864	\$ 234,457

Note 7: PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30, 2023 and 2022:

	Estimated Useful Lives (in years)	2023	2022
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)	(37,554)
Total property and equipment, net		\$ -	\$ -

Depreciation expense for the year ended June 30, 2022, amounted to \$1,969. There was no depreciation expense for the year ended June 30, 2023 as all assets are fully depreciated.

Note 8: NET ASSETS

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

<i>June 30,</i>	2023	2022
Undesignated	\$ 586,036	\$ 298,043
Board designated		
Executive Board reserve fund	238,556	219,510
Foundation initiative funds	176,991	177,551
School cluster and program funds	638,622	380,320
Total net assets without donor restrictions	\$ 1,640,205	\$ 1,075,424

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

Note 8: NET ASSETS (Continued)

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

<i>June 30,</i>	2023	2022
Purpose restrictions:		
Gwinnett school of math, science and technology	\$ 513	\$ 2,170
Local school support	329,016	459,813
Education enrichment and enhancements	5,423	5,423
Scholarships	352,211	344,066
Entrepreneurship program	100,000	100,000
Community based mentoring program	22,274	103,412
Self-sufficiency program	25,000	25,000
Sponsorships for future fundraising events	2,000	7,000
Teacher of the year award	152,228	122,589
Other programs and awards	73,315	47,086
Total purpose restrictions	1,061,980	1,216,559
Perpetual restriction - beneficial interest in assets held at the Community Foundation	247,864	234,457
Total net assets with donor restrictions	\$ 1,309,844	\$ 1,451,016

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

<i>For the years ended June 30,</i>	2023	2022
Purpose restrictions:		
Community based mentoring program	\$ 8,714	\$ 41,333
Scholarships	205,702	83,172
Gwinnett school of math, science and technology	2,016	2,790
Local school support	296,730	182,381
Teacher of the year award	18,861	17,140
Special events sponsorship	4,000	2,000
Other programs and awards	11,516	26,573
Total net assets released from donor restrictions	\$ 547,539	\$ 355,389

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

Note 9: CONTRIBUTIONS OF NON-FINANCIAL ASSETS

All donated services and supplies were utilized by the Foundation’s program and supporting services. 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, 2023 and 2022:

<i>For the year ended June 30, 2023</i>	Donated Services	Donated Supplies	Total
Program services	\$ 199,394	\$ 583,961	\$ 783,355
General and administrative	123,491	-	123,491
Fundraising	35,401	-	35,401
Total contributed services and supplies	\$ 358,286	\$ 583,961	\$ 942,247

<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

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 10: 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 10: 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, 2023 and 2022.

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 Stocks: 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, consist of the following as of June 30, 2023:

<i>June 30, 2023</i>	Level 1	Level 2	Level 3	Total
Mutual funds and exchanged traded products - fixed income	\$ 80,280	\$ -	\$ -	\$ 80,280
Mutual funds and exchanged traded products - equity	85,298	-	-	85,298
Equity stocks	70,329	-	-	70,329
Money market funds	2,649	-	-	2,649
Beneficial interest in assets held at the Community Foundation	-	-	247,864	247,864
Total assets measured at fair value	\$ 238,556	\$ -	\$ 247,864	\$ 247,864

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

Note 10: FAIR VALUE MEASUREMENTS (Continued)

Assets and liabilities measured at fair value on a recurring basis, consist of the following as of 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 assets measured at fair value	\$ 219,510	\$ -	\$ 234,457	\$ 234,457

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, 2023 and 2022, 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, 2023 and 2022:

<i>June 30,</i>	2023	2022
Balance at the beginning of the year	\$ 234,457	\$ 280,953
Share of appreciation of funds	20,407	(41,496)
Distributions received	(7,000)	(5,000)
Balance at the end of the year	\$ 247,864	\$ 234,457

Note 11: CONCENTRATIONS

The Foundation maintains cash deposits with financial institutions at June 30, 2023 and 2022, in excess of federally insured limits of \$1,635,378 and \$1,148,866, respectively. Based on the strength of the financial institutions, management believes the credit risk related to these balances is not significant.