



# **Achievement Rewards for College Scientists Foundation, Inc.**

**Financial Statements with Report of Independent Auditors  
June 30, 2023 and 2022**

ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.  
JUNE 30, 2023 and 2022

TABLE OF CONTENTS

	<u>PAGE</u>
Report of Independent Auditors	1 -2
Financial statements:	
Statements of financial position	3
Statements of activities and changes in net assets	4-5
Statements of functional expenses	6
Statements of cash flows	7
Notes to the financial statements	8 - 15



## Report of Independent Auditors

To the Board of  
Achievement Rewards for College Scientists Foundation, Inc.:

### **Opinion**

We have audited the accompanying financial statements of Achievement Rewards for College Scientists Foundation, Inc., a California non-profit organization, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, 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 Achievement Rewards for College Scientists Foundation, Inc. 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 Achievement Rewards for College Scientists Foundation, Inc. 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 Achievement Rewards for College Scientists 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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Achievement Rewards for College Scientists 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 Achievement Rewards for College Scientists Foundation, Inc.'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.

*Novogradac & Company LLP*

Walnut Creek, California  
November 29, 2023

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
Cash and cash equivalents	\$ 121,527	\$ 82,830
Prepaid expenses	5,653	2,058
Investments, at fair value	4,917,297	2,561,962
Total assets	\$ 5,044,477	\$ 2,646,850

LIABILITIES AND NET ASSETS

<b>Liabilities</b>		
Accounts payable	\$ 5,383	\$ 692
Accrued expenses	1,600	-
Deferred revenue	-	48,305
Due to others	29,213	7,202
Total liabilities	36,196	56,199
<b>NET ASSETS</b>		
Without donor restrictions		
Unrestricted	127,797	132,239
Designated by the board	140,000	120,000
Total without donor restrictions	267,797	252,239
With donor restrictions	4,740,484	2,338,412
Total net assets	5,008,281	2,590,651
Total liabilities and net assets	\$ 5,044,477	\$ 2,646,850

see accompanying notes

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and revenue</u>			
Contributions and bequests	\$ 104,946	\$ 88,048	\$ 192,994
Grant revenue	2,000	2,000,000	2,002,000
Dues	39,165	-	39,165
Investment return, net	10,232	343,640	353,872
Other income	140,454	-	140,454
 Total support and revenue	 296,797	 2,431,688	 2,728,485
<u>Net assets released from restriction</u>			
Restrictions satisfied by payments	29,616	(29,616)	-
 Total support, revenue, and restriction releases	 326,413	 2,402,072	 2,728,485
<u>Expenses</u>			
Program services	227,204	-	227,204
Supporting services:			
Management and general	54,874	-	54,874
Fundraising	28,777	-	28,777
 Total expenses	 310,855	 -	 310,855
 Change in net assets	 15,558	 2,402,072	 2,417,630
 Net assets, beginning of year	 252,239	 2,338,412	 2,590,651
 Net assets, end of year	 \$ 267,797	 \$ 4,740,484	 \$ 5,008,281

see accompanying notes

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Support and revenue</u>			
Contributions and bequests	\$ 80,769	\$ 39,780	\$ 120,549
Dues	41,685	-	41,685
Investment return, net	53	(323,484)	(323,431)
Other income	2,560	-	2,560
 Total support and revenue	 125,067	 (283,704)	 (158,637)
 <u>Net assets released from restriction</u>			
Restrictions satisfied by payments	96,000	(96,000)	-
 Total support, revenue, and restriction releases	 221,067	 (379,704)	 (158,637)
 <u>Expenses</u>			
Program services	146,044	-	146,044
Supporting services:			
Management and general	37,780	-	37,780
Fundraising	23,481	-	23,481
 Total expenses	 207,305	 -	 207,305
 Change in net assets	 13,762	 (379,704)	 (365,942)
 Net assets, beginning of year - restated	 238,477	 2,718,116	 2,956,593
 Net assets, end of year	 \$ 252,239	 \$ 2,338,412	 \$ 2,590,651

see accompanying notes

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			
	Program	Management and General	Fundraising	Total
Management and other professional fees	\$ 111,086	\$ 36,184	\$ 14,426	\$ 161,696
Website	31,578	-	-	31,578
Office and administrative	11,386	2,865	14,094	28,345
Communications	17,514	-	-	17,514
Meetings and conferences	50,847	15,730	-	66,577
Other	4,793	95	257	5,145
	<u>\$ 227,204</u>	<u>\$ 54,874</u>	<u>\$ 28,777</u>	<u>\$ 310,855</u>

	2022			
	Program	Management and General	Fundraising	Total
Management and other professional fees	\$ 89,306	\$ 35,753	\$ 11,036	\$ 136,095
Website	32,078	-	-	32,078
Office and administrative	6,884	766	12,445	20,095
Communications	17,626	-	-	17,626
Other	150	1,261	-	1,411
	<u>\$ 146,044</u>	<u>\$ 37,780</u>	<u>\$ 23,481</u>	<u>\$ 207,305</u>

see accompanying notes

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 2,417,630	\$ (365,942)
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities		
Dues received in prior fiscal year	-	(23,135)
Realized loss (gain) on sale of investments	11,406	(61,690)
Unrealized (gain) loss on investments	(285,431)	442,675
Increase in prepaid expenses	(3,595)	(2,058)
Increase in accounts payable	4,691	692
Increase in accrued expenses	1,600	-
(Decrease) increase in deferred revenue	(48,305)	48,305
Increase in due to others	22,011	5,058
Net cash and cash equivalents provided by operating activities	2,120,007	43,905
<u>Cash flows from investing activities</u>		
Income reinvested and purchases of investments	(4,488,052)	(853,650)
Proceeds from sale of investments	2,406,742	837,824
Net cash used by investing activities	(2,081,310)	(15,826)
Net increase in cash and cash equivalents	38,697	28,079
Cash and cash equivalents, beginning of year	82,830	54,751
Cash and cash equivalents, end of year	\$ 121,527	\$ 82,830

see accompanying notes

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 and 2022

1. Organization

Achievement Rewards for College Scientists Foundation, Inc., also known as ARCS Foundation, Inc., (the “Foundation”) is a California nonprofit organization. The Foundation advances science and technology in the United States by providing financial awards to academically outstanding U.S. citizens studying to complete degrees in science, engineering, and medical research.

In close collaboration with colleges and universities across the United States that are recognized leaders in educating students in the fields of science, engineering and medical research, 1,150 women volunteer members of 15 independently incorporated regional Foundation chapters fund the most promising scholars at the startup or “seed stage” of their work and discovery.

2. Summary of significant accounting policies

Basis of accounting

The Foundation prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Basis of presentation

The Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation’s management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition.

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 and 2022

2. Summary of significant accounting policies (continued)

Concentration of credit risk

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair value measurements

The Foundation applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

*Level 1:* Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

*Level 2:* Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

*Level 3:* Unobservable inputs that reflect the Foundation's own assumptions.

Investments

Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of individual lots. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

Investments are made according to the investment policy adopted by the Foundation's board of directors. The guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. Outside advisors are utilized by the Foundation for the purpose of providing investment and consulting advice.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023 and 2022

2. Summary of significant accounting policies (continued)

Income taxes

The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d).

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Foundation to report information regarding its exposure to various tax positions taken by the Foundation. The Foundation has determined whether any tax positions have met the recognition threshold and has measured the Foundation's exposure to those tax positions. Management believes that the Foundation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Foundation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Unconditional pledges to give are recorded as contributions when pledged at the net present value of the amounts expected to be collected. Unconditional pledges to give that are expected to be received in future periods are discounted annually using the current interest rate the funds would earn. Amortization of the discount is recorded as contribution revenue.

Revenue recognition

Revenue resulting from special events, fees charged by the Foundation, refunded grants and other income is recognized when performance obligations are met.

Functional expenses

The Foundation allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly. Expenses common to several functions are allocated according to estimates developed by management.

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 and 2022**

2. Summary of significant accounting policies (continued)

Functional expenses (continued)

Program services are the activities that result in goods and services being distributed to beneficiaries, customers, or members that fulfill the purposes or mission for which the Foundation exists. General and administrative activities are activities that are not identifiable with a single program or fundraising activity but that are indispensable to the conduct of those activities and to the Foundation's existence. Fundraising activities are activities undertaken to induce potential donors to contribute money, securities, services, materials, facilities, other assets, or time.

Subsequent events

Subsequent events have been evaluated through November 29, 2023, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Investments

Investments measured and recognized at fair value are comprised of the following as of June 30, 2023 and 2022:

	2023			Fair Value Measurements
	Level 1	Level 2	Level 3	
Bank sweep	\$ 81,726	\$ -	\$ -	\$ 81,726
Bond and mutual funds	3,040,602	-	-	3,040,602
REITs	-	-	-	-
U.S. Treasuries	843,305	-	-	843,305
Corporate bonds	52,656	-	-	52,656
Exchange traded funds	899,008	-	-	899,008
Total assets	\$ 4,917,297	\$ -	\$ -	\$ 4,917,297
	2022			
	Level 1	Level 2	Level 3	Fair Value Measurements
Bank sweep	\$ 33,462	\$ -	\$ -	\$ 33,462
Bond and mutual funds	2,025,573	-	-	2,025,573
REITs	158,176	-	-	158,176
U.S. Treasuries	143,893	-	-	143,893
Corporate bonds	24,875	-	-	24,875
Exchange traded funds	175,983	-	-	175,983
Total assets	\$ 2,561,962	\$ -	\$ -	\$ 2,561,962

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 and 2022**

3. Investments (continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2023 and 2022:

	2023	2022
Interest and dividends	\$ 109,653	\$ 78,699
Realized (losses) gains	(11,406)	61,690
Unrealized gains (losses)	285,431	(442,675)
Investment management fees	(29,806)	(21,145)
Investment return, net	\$ 353,872	\$ (323,431)

4. Cash held for others

The Foundation receives donations intended for its chapters and distributes grants to the chapters on a monthly basis. In addition, the Foundation provides prescribed management services through Associated Services Group LLC on behalf of five chapters for an agreed upon monthly fee. All transactions processed by the Foundation on behalf of its chapters are included on the Foundation’s accompanying statement of assets, liabilities and net assets, as due to others totaling \$29,213 and \$7,202 as of June 30, 2023 and 2022, respectively.

5. National endowment fund

The National Endowment Fund (the “Endowment” or “Endowment Fund”) was established by the Foundation on June 2, 2001, to receive gifts that will provide a permanent source of endowment funds for the Foundation. The principal of the Endowment shall be preserved in perpetuity to maintain a permanent reserve for the Foundation. A portion of the total return of the Endowment fund each year may be used to assist the Foundation in meeting its annual operating expenses and may be used to provide financial support for special projects. The balance of the total return will remain in the Fund to provide for the growth of the Endowment.

Interpretation of relevant law:

The state of California adopted the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) in January 2009. The Endowment Fund Committee has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent the explicit donor stipulations to the contrary. Accordingly, the classification of net assets with donor restrictions includes the original value of gifts donated to the endowment and the original value of subsequent gifts to the endowment. The remaining portion of the endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for the expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the organization
- 7) The investment policies of the organization

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 and 2022**

5. National endowment fund (continued)

Investment return objectives and risk parameters and strategies:

The Endowment Fund committee of the Foundation has adopted investment policies which shall preserve the fund in perpetuity building a permanent reserve for the Foundation to supplement its annual operating expenses. The assets are liquid and available for working funds for present and future operations and should be invested in a high-quality portfolio which: preserves principal; meets liquidity needs; provides income and avoids imprudent investments and concentrations. Investment risk is measured in terms of the total Endowment Fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The portfolio is constructed based on the forecasted needs of the operations of the Foundation. Endowment assets include equity and debt securities, which are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution based on a three year annualized total return from the fund. All monies or assets contributed to the Endowment Fund are segregated from all other Foundation assets.

Spending policy:

Annually, the Endowment Fund committee shall distribute an amount equal to 60% of the average annual total return for the Endowment Fund during the three immediately preceding fiscal years (“Total Annual Distribution Amount”). The Endowment Fund committee may reduce the distribution in any given year, if the Committee reasonably determines that such distribution would contravene the prudent investor standard under UPMIFA or impair the growth of the Endowment Fund. The Foundation’s board may request a supplemental distribution of Endowment Fund assets by petitioning the Endowment Fund committee, in writing, stating the proposed uses and expected outcomes to be achieved by the Endowment Fund resources. The Endowment Fund committee, subject to UPMIFA, shall determine whether funding of the proposed uses of the Endowment assets comports with the Endowment Fund’s mandate and whether distribution, in whole or in part, shall be funded.

The composition of and changes in the endowment are as follows for the year ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Endowment net assets, beginning	\$ 2,311,211	\$ 2,690,915
Contributions	2,088,048	39,780
Investment gains (losses)	362,514	(303,306)
Investment fees	(18,874)	(20,178)
Appropriation for expenditure	<u>(29,616)</u>	<u>(96,000)</u>
Endowment net assets, end	<u>\$ 4,713,283</u>	<u>\$ 2,311,211</u>

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 and 2022**

6. Net asset restrictions

Net assets with donor restrictions as of June 30, 2023 and 2022, consistent of the following:

	2023		
	Nature of Restriction		
	Purpose	Perpetuity	Total
Endowment fund	\$ 604,153	\$ 4,109,130	\$ 4,713,283
New chapter development	27,201	-	27,201
Total	\$ 631,354	\$ 4,109,130	\$ 4,740,484
	2022		
	Nature of Restriction		
	Purpose	Perpetuity	Total
Endowment fund	\$ 290,129	\$ 2,021,082	\$ 2,311,211
New chapter development	27,201	-	27,201
Total	\$ 317,330	\$ 2,021,082	\$ 2,338,412

Net assets designated by the board of directors as of June 30, 2023 and 2022, consist of the following:

	2023	2022
Operating	\$ 70,000	\$ 60,000
Website	70,000	60,000
Total	\$ 140,000	\$ 120,000

7. Management fee

The Foundation entered into a management contract with Association Services Group, LLC, an unrelated third party, to provide management services including office and administrative support, program support, and financial services. Association Services Group LLC receives a management fee of \$10,129 per month, plus reimbursements for other costs incurred. During the year ended June 30, 2023 and 2022, management fees expensed totaled \$121,548 and \$117,446, respectively.

**ACHIEVEMENT REWARDS FOR COLLEGE SCIENTISTS FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023 and 2022**

8. Liquidity and availability of resources

The Foundation's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 and 2022, comprise the following:

Financial assets available for general expenditure within one year:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 121,527	\$ 82,830
Investments	<u>4,917,297</u>	<u>2,561,962</u>
Total financial assets	5,038,824	2,644,792
Less: board-designated funds	(140,000)	(120,000)
Less: donor-imposed purpose restrictions	(4,740,484)	(2,338,412)
Plus: appropriation from endowment for next fiscal year	<u>96,079</u>	<u>29,616</u>
Total	<u>\$ 254,419</u>	<u>\$ 215,996</u>

The Foundation monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. In addition to the \$254,419 and \$215,996 of financial assets available for general expenditure within one year of June 30, 2023 and 2022, respectively, the Foundation operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient contributions, meeting revenues, and by appropriating the investment return on its donor-restricted endowment, as needed.

Amounts not considered available for general expenditure include a board-designated fund not considered in the annual operating budget. These funds have been designated for special purpose use by the Foundation.