

**THE EPIPHANY SCHOOL FOUNDATION, INC.**

Financial Statements

For The Years Ended  
June 30, 2023 and 2022

**THE EPIPHANY SCHOOL FOUNDATION, INC.**

Financial Statements

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# **BERNSTEIN ROSEN & COMPANY, PC**

## **CERTIFIED PUBLIC ACCOUNTANTS**

### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The Epiphany School Foundation, Inc.

We have audited the accompanying financial statements of The Epiphany School Foundation, Inc. (a nonprofit organization) 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 Epiphany School 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Epiphany School 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.

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and 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 Epiphany School 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 Epiphany School 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.

*Bernstein Rosen & Company, CPAs, PC*

NEW YORK, NEW YORK  
January 5, 2024

THE EPIPHANY SCHOOL FOUNDATION, INC.

Statements of Financial Position

June 30,

	<u>2023</u>	<u>2022</u>
<b><u>Assets</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 231,517	\$ 264,007
Marketable securities (Note 3)	2,587,201	2,271,706
Contributions receivable	5,760	3,768
Prepaid expenses	<u>39,919</u>	<u>36,898</u>
Total Current Assets	<u>2,864,397</u>	<u>2,576,379</u>
Property and equipment (net of accumulated depreciation of \$9,480 and \$8,240, respectively)	<u>3,721</u>	<u>4,961</u>
Total Assets	<u><u>\$ 2,868,118</u></u>	<u><u>\$ 2,581,340</u></u>
<b><u>Liabilities and Net Assets</u></b>		
Liabilities:		
Grants payable	\$ 497,242	\$ 465,000
Accrued expenses	<u>480</u>	<u>378</u>
Total Liabilities	<u>497,722</u>	<u>465,378</u>
Net Assets:		
Without donor restrictions	2,236,678	2,012,731
With donor restrictions (Note 4)	<u>133,718</u>	<u>103,231</u>
Total Net Assets	<u>2,370,396</u>	<u>2,115,962</u>
Total Liabilities and Net Assets	<u><u>\$ 2,868,118</u></u>	<u><u>\$ 2,581,340</u></u>

# THE EPIPHANY SCHOOL FOUNDATION, INC.

## Statement of Activities

For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Activities:</b>			
<u>Revenues:</u>			
Contributions	\$ 195,966	\$ 41,887	\$ 237,853
Special events	402,832	72,342	475,174
Net assets released from restrictions (Note 4)	<u>83,742</u>	<u>(83,742)</u>	<u>-</u>
 Total Revenues	 <u>682,540</u>	 <u>30,487</u>	 <u>713,027</u>
 <u>Expenses:</u>			
Program Services:			
Grants to the Epiphany School	<u>370,242</u>	<u>-</u>	<u>370,242</u>
 Total Program Services	 <u>370,242</u>	 <u>-</u>	 <u>370,242</u>
Supporting Services:			
Management and administrative	72,071	-	72,071
Fund raising	<u>341,006</u>	<u>-</u>	<u>341,006</u>
 Total Supporting Services	 <u>413,077</u>	 <u>-</u>	 <u>413,077</u>
 Total Expenses	 <u>783,319</u>	 <u>-</u>	 <u>783,319</u>
 Change in Net Assets from Operating Activities	 <u>(100,779)</u>	 <u>30,487</u>	 <u>(70,292)</u>
 <b>Nonoperating Activities:</b>			
Investment income (Note 3)	<u>324,726</u>	<u>-</u>	<u>324,726</u>
 Change in Net Assets from Nonoperating Activities	 <u>324,726</u>	 <u>-</u>	 <u>324,726</u>
 Change in Net Assets	 223,947	 30,487	 254,434
Net Assets - beginning of year	<u>2,012,731</u>	<u>103,231</u>	<u>2,115,962</u>
Net Assets - end of year	<u>\$ 2,236,678</u>	<u>\$ 133,718</u>	<u>\$ 2,370,396</u>

See Independent Auditors' Report and accompanying notes to the financial statements

# THE EPIPHANY SCHOOL FOUNDATION, INC.

## Statement of Activities

For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Activities:</b>			
<u>Revenues:</u>			
Contributions	\$ 179,919	\$ 64,984	\$ 244,903
Special events	369,565	64,154	433,719
Net assets released from restrictions (Note 4)	<u>72,104</u>	<u>(72,104)</u>	<u>-</u>
 Total Revenues	 <u>621,588</u>	 <u>57,034</u>	 <u>678,622</u>
 <u>Expenses:</u>			
Program Services:			
Grants to the Epiphany School	<u>358,604</u>	<u>-</u>	<u>358,604</u>
 Total Program Services	 <u>358,604</u>	 <u>-</u>	 <u>358,604</u>
Supporting Services:			
Management and administrative	78,450	-	78,450
Fund raising	<u>305,501</u>	<u>-</u>	<u>305,501</u>
 Total Supporting Services	 <u>383,951</u>	 <u>-</u>	 <u>383,951</u>
 Total Expenses	 <u>742,555</u>	 <u>-</u>	 <u>742,555</u>
 Change in Net Assets from Operating Activities	 <u>(120,967)</u>	 <u>57,034</u>	 <u>(63,933)</u>
 <b>Nonoperating Activities:</b>			
Investment income (Note 3)	<u>(300,384)</u>	<u>-</u>	<u>(300,384)</u>
 Change in Net Assets from Nonoperating Activities	 <u>(300,384)</u>	 <u>-</u>	 <u>(300,384)</u>
 Change in Net Assets	 (421,351)	 57,034	 (364,317)
Net Assets - beginning of year	<u>2,434,082</u>	<u>46,197</u>	<u>2,480,279</u>
Net Assets - end of year	<u>\$ 2,012,731</u>	<u>\$ 103,231</u>	<u>\$ 2,115,962</u>

See Independent Auditors' Report and accompanying notes to the financial statements

**THE EPIPHANY SCHOOL FOUNDATION, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2023

	<b>Program Services</b>	<b>Supporting Services</b>			
	<b>Grants to the Epiphany School</b>	<b>Management and Administrative</b>	<b>Fund raising</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>
Grants awarded	\$ 370,242	\$ -	\$ -	\$ -	\$ 370,242
Special events	-	-	169,892	169,892	169,892
Salaries and related expenses	-	34,420	137,680	172,100	172,100
Professional fees	-	11,510	-	11,510	11,510
Office and other expenses	-	26,141	33,434	59,575	59,575
Totals	<u>\$ 370,242</u>	<u>\$ 72,071</u>	<u>\$ 341,006</u>	<u>\$ 413,077</u>	<u>\$ 783,319</u>

**THE EPIPHANY SCHOOL FOUNDATION, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2022

	<b>Program Services</b>	<b>Supporting Services</b>			
	<b>Grants to the Epiphany School</b>	<b>Management and Administrative</b>	<b>Fund raising</b>	<b>Total Supporting Services</b>	<b>Total Expenses</b>
Grants awarded	\$ 358,604	\$ -	\$ -	\$ -	\$ 358,604
Special events	-	-	152,759	152,759	152,759
Salaries and related expenses	-	33,778	135,112	168,890	168,890
Professional fees	-	10,530	-	10,530	10,530
Office and other expenses	-	34,142	17,630	51,772	51,772
Totals	<u>\$ 358,604</u>	<u>\$ 78,450</u>	<u>\$ 305,501</u>	<u>\$ 383,951</u>	<u>\$ 742,555</u>

**THE EPIPHANY SCHOOL FOUNDATION, INC.**

Statements of Cash Flows

For the Years Ended June 30,

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>Cash Flows From Operating Activities:</u></b>		
Change in net assets	\$ 254,434	\$ (364,317)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,240	1,240
Donated marketable securities	(54,743)	(87,292)
Realized and unrealized (gain) loss from marketable securities	(208,860)	442,176
Changes in operating assets and liabilities:		
(Increase) decrease in contributions receivable	(1,992)	395
(Increase) decrease in prepaid expenses	(3,021)	30,218
Increase in grants payable	32,242	-
Increase in accrued expenses	<u>102</u>	<u>290</u>
Net Cash Flows Provided By Operating Activities	<u>19,402</u>	<u>22,710</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Purchases of property and equipment	-	(6,201)
Proceeds from sale of marketable securities	349,569	604,274
Purchase of marketable securities	<u>(401,461)</u>	<u>(732,931)</u>
Net Cash Flows (Used In) Investing Activities	<u>(51,892)</u>	<u>(134,858)</u>
Net (Decrease) In Cash and Cash Equivalents	(32,490)	(112,148)
Cash and Cash Equivalents - beginning of year	<u>264,007</u>	<u>376,155</u>
Cash and Cash Equivalents - end of year	<u><u>\$ 231,517</u></u>	<u><u>\$ 264,007</u></u>

# THE EPIPHANY SCHOOL FOUNDATION, INC.

## Notes to the Financial Statements

June 30, 2023 and 2022

### Note 1. Formation and Description of Organization

The Epiphany School Foundation, Inc. (the "Foundation") was organized in 1999 in the State of New York.

The Foundation was formed to solicit contributions on behalf of The Epiphany School (the "School"), a parochial school located in New York City. These contributions are used by the School to strengthen academic programs, develop faculty, maintain and improve School facilities and other special projects.

### Note 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants ("AICPA") "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205, *Presentation of Financial Statements*, was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

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. The Foundation's Board of Directors ("Board") may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions 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.

#### Cash and Cash Equivalents

Cash consists of demand deposit accounts held at major financial institutions. The Foundation considers all highly liquid debt instruments with original maturities of three months or less when purchased to be cash equivalents. The cash balance was \$231,517 and \$264,007 for the years ended June 30, 2023 and 2022, respectively.

# THE EPIPHANY SCHOOL FOUNDATION, INC.

## Notes to the Financial Statements (Continued)

June 30, 2023 and 2022

### Note 2. Summary of Significant Accounting Policies (Continued)

#### Cash Credit Risk Concentration

The Foundation maintains balances in banks which may exceed the limits covered by Federal Deposit Insurance Corporation ("FDIC") at certain times during the year.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Property and Equipment

Property and equipment is recorded at cost or the fair market value on the date of purchase or donation. The Foundation capitalizes all acquisitions in excess of \$1,000. Depreciation has been provided in the financial statements utilizing the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are expensed as incurred.

Computer equipment	5 years
Website	3 years

#### Contributions and Donor Restrictions

Contributions are recognized when pledged and 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the asset and the assets are placed in service.

Contributions of donated noncash assets and services that meet the criteria for recognition in the financial statements are reflected as in-kind donations and are recorded at their estimated fair values at the date of the receipt. In-kind donations are reflected as contributions on the statement of activities.

Contributions related to special events are recognized in the period that the event occurs.

# THE EPIPHANY SCHOOL FOUNDATION, INC.

## Notes to the Financial Statements (Continued)

June 30, 2023 and 2022

### Note 2. Summary of Significant Accounting Policies (Continued)

#### Investments

Investments in marketable equity securities are carried at fair value. Donated investments are recorded at their fair market value at the date of donation. Investment securities, in general, are exposed to various risks such as interest rate, credit and overall volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on markets' fluctuations, and that such changes could materially affect the amounts reported in the Foundation's statement of activities and investment portfolio. Unrealized gains and losses are included in the change in net assets without donor restrictions.

#### Functional Allocation of Expenses

The costs of providing the Foundation's programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

#### Program Services

The Foundation's contributions are used by the School to strengthen academic programs, develop faculty, maintain and improve the School's facilities and other special projects.

#### Income Taxes and Uncertainties

The Foundation is exempt from federal and state income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been recorded in the accompanying financial statements. However, any unrelated business income may be subject to taxation. Currently, the Foundation has no obligation for any unrelated business income tax. Management believes that they will continue to be exempted from tax.

The Foundation's policy is to record interest expense and penalties in operating expenses. For the years ended June 30, 2023 and 2022, there was no interest and penalties expense recorded and no accrued interest and penalties. The Foundation's federal and state exempt status tax returns are open for examination for the years ended June 30, 2020, 2021 and 2022.

The Foundation follows the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*, which addresses the accounting for, and disclosure of more likely than not for recognition and de-recognition of tax positions taken or expected to be taken in a tax return.

#### Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing activities. Nonoperating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

# THE EPIPHANY SCHOOL FOUNDATION, INC.

## Notes to the Financial Statements (Continued)

June 30, 2023 and 2022

### Note 2. Summary of Significant Accounting Policies (Continued)

#### Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09 "Revenue from Contracts with Customers (Topic 606)" which requires an entity to recognize revenue when (or as) goods are transferred or services are provided to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. The Foundation adopted the new standard effective July 1, 2020, the first day of the fiscal year using the modified retrospective approach.

The adoption of Topic 606 does not result in changes to the manner in which the Foundation recognizes revenue.

#### New Accounting Pronouncement

On February 25, 2016, the FASB issued ASU Update 2016-02, "Leases (Topic 842)", which requires lessees to recognize an asset and liability associated with the right to use a given asset and obligations to make payments pursuant to the terms of the lease. This standard was effective beginning January 1, 2022.

The adoption of ASU 2016-02 does not result in changes to the manner in which The Foundation accounts for leases as it does not hold any leases.

### Note 3. Investments

In accordance with GAAP, the Foundation measures its investments at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an 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. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The input levels used for valuing investments are not necessarily an indication of risk. The three levels in the fair value hierarchy are as follows:

*Level 1* – Inputs are quoted prices in active markets for identical assets or liabilities.

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

*Level 3* – Inputs are unobservable inputs based on the Foundation's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

# THE EPIPHANY SCHOOL FOUNDATION, INC.

## Notes to the Financial Statements (Continued)

June 30, 2023 and 2022

### Note 3. Investments (Continued)

The Foundation's marketable securities are considered Level 1 as of June 30, 2023 and 2022. The common stock, fixed income and equity mutual funds were valued based on quoted prices in active markets plus accrued dividends, if any, which approximates fair value. The following table provides the Level 1 marketable securities as of June 30, 2023 and 2022, respectively:

June 30, 2023				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common stock	\$ 982,335	\$ 982,335	\$ -	\$ -
Fixed income mutual funds	879,032	879,032	-	-
Equity mutual funds	<u>725,834</u>	<u>725,834</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,587,201</u>	<u>\$ 2,587,201</u>	<u>\$ -</u>	<u>\$ -</u>

  

June 30, 2022				
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common stock	\$ 893,140	\$ 893,140	\$ -	\$ -
Fixed income mutual funds	716,243	716,243	-	-
Equity mutual funds	<u>662,323</u>	<u>662,323</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,271,706</u>	<u>\$ 2,271,706</u>	<u>\$ -</u>	<u>\$ -</u>

Fair market value of donated investments at the time of donation were \$54,743 and \$87,292 for the years ended June 30, 2023 and 2022, respectively.

The following schedule summarizes the components of investment return in the statements of activities for the years ended June 30,

	<u>2023</u>	<u>2022</u>
Interest Income	\$ 34	\$ 52
Dividend income	65,401	54,198
Capital gains	50,431	87,542
Realized gain	7,360	1,956
Unrealized (loss) gain	<u>201,500</u>	<u>(444,132)</u>
Total Investment Income	<u>\$ 324,726</u>	<u>\$ (300,384)</u>

# THE EPIPHANY SCHOOL FOUNDATION, INC.

## Notes to the Financial Statements (Continued)

June 30, 2023 and 2022

### Note 4. Net Assets - With Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows at June 30,

	<u>2023</u>	<u>2022</u>
Capital Campaign for School Facility Improvements	\$ 72,342	\$ 62,904
Josephine Brown Scholarship Fund	9,900	7,700
Financial Aid	<u>1,500</u>	<u>1,500</u>
Total Net Assets Released from Restrictions	<u>\$ 83,742</u>	<u>\$ 72,104</u>

The ending fund balances for all programs are as follows at June 30,

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose:		
Josephine Brown Scholarship Fund	\$ 86,271	\$ 55,784
Capital Campaign for School Facility Improvements	37,046	37,046
Power Lunch Program	10,000	10,000
STEAM	<u>401</u>	<u>401</u>
Total Net Assets - With Donor Restrictions	<u>\$ 133,718</u>	<u>\$ 103,231</u>

### Note 5. Liquidity and Availability of Financial Assets

The Foundation regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

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

**THE EPIPHANY SCHOOL FOUNDATION, INC.**

Notes to the Financial Statements (Continued)

June 30, 2023 and 2022

**Note 5. Liquidity and Availability of Financial Assets (Continued)**

Financial assets:

Cash and cash equivalents	\$ 231,517
Marketable securities	2,587,201
Contributions receivable	<u>5,760</u>

Total financial assets	<u>2,824,478</u>
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Less those unavailable for general expenditures within one year	<u>76,271</u>
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Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,748,207</u>
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The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. As part of its liquidity management plan, The Foundation invests cash in excess of daily requirements in short-term investments, certificates of deposit, and money market funds.

**Note 6. Subsequent Events**

The Foundation has evaluated subsequent events and transactions for potential recognition of disclosure in the financial statements through January 5, 2024, the day the financial statements were available to be issued. No material subsequent events were identified.