
The Thoracic Surgery Foundation

**Financial Report
December 31, 2022**

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Independent Auditor's Report

To the Board of Directors
The Thoracic Surgery Foundation

Opinion

We have audited the financial statements of The Thoracic Surgery Foundation (TSF or the "Foundation"), which comprise the statement of financial position as of December 31, 2022 and 2021 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022 and 2021 and the changes in its net assets, functional expenses, and 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 (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our 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.

Emphasis of Matter

As described in Note 11 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits 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 audits conducted in accordance with GAAS 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.

To the Board of Directors
The Thoracic Surgery Foundation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

May 1, 2023

Statement of Financial Position

December 31, 2022 and 2021

	2022	2021
		(As Restated)
Assets		
Current Assets		
Cash	\$ 2,563,652	\$ 1,929,452
Receivables - Net of allowances:		
Pledges receivable	578,441	591,396
Related party receivables	449,654	169,240
Prepaid expenses	6,340	3,319
Total current assets	3,598,087	2,693,407
Other Assets		
Investments	4,202,151	4,644,725
Pledges receivable - Net	289,167	378,147
Total assets	\$ 8,089,405	\$ 7,716,279
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 36,459	\$ 34,661
Contract liabilities - Deferred revenue	-	2,700
Grants payable	705,321	502,970
Total liabilities	741,780	540,331
Net Assets		
Without donor restrictions:		
Undesignated	1,892,107	1,951,976
Board designated	1,852,948	2,247,626
With donor restrictions	3,602,570	2,976,346
Total net assets	7,347,625	7,175,948
Total liabilities and net assets	\$ 8,089,405	\$ 7,716,279

The Thoracic Surgery Foundation

Statement of Activities and Changes in Net Assets

Years Ended December 31, 2022 and 2021

	2022			2021 - As Restated		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Contributions of financial assets	\$ 403,731	\$ 1,462,512	\$ 1,866,243	\$ 432,831	\$ 2,231,160	\$ 2,663,991
Contributed nonfinancial assets	311,993	-	311,993	283,346	-	283,346
Contributions from related party	710,798	-	710,798	310,586	-	310,586
Net realized and unrealized (losses) gains on investments	(923,549)	-	(923,549)	344,465	-	344,465
Interest and dividends - Net of investment fees of \$27,403 in 2022 and \$23,184 in 2021	102,068	-	102,068	96,528	-	96,528
Net assets released from restrictions	836,288	(836,288)	-	581,907	(581,907)	-
Total revenue, gains, and other support	1,441,329	626,224	2,067,553	2,049,663	1,649,253	3,698,916
Expenses						
Program services	1,613,634	-	1,613,634	1,134,789	-	1,134,789
General and administration	157,280	-	157,280	161,684	-	161,684
Fundraising	124,962	-	124,962	95,615	-	95,615
Total expenses	1,895,876	-	1,895,876	1,392,088	-	1,392,088
(Decrease) Increase in Net Assets	(454,547)	626,224	171,677	657,575	1,649,253	2,306,828
Net Assets - Beginning of year	4,199,602	2,976,346	7,175,948	3,542,027	1,327,093	4,869,120
Net Assets - End of year	\$ 3,745,055	\$ 3,602,570	\$ 7,347,625	\$ 4,199,602	\$ 2,976,346	\$ 7,175,948

The Thoracic Surgery Foundation

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services	Support Services		Total Support Services	Total
		General and Administration	Fundraising		
Grants and awards	\$ 1,509,058	\$ -	\$ -	\$ -	\$ 1,509,058
Fees and services	100,009	142,914	91,855	234,769	334,778
Office expense	204	4,100	5,117	9,217	9,421
Meetings expense	-	-	25,793	25,793	25,793
Travel expenses	2,197	2,264	2,197	4,461	6,658
Other expenses	2,166	8,002	-	8,002	10,168
Total functional expenses	<u>\$ 1,613,634</u>	<u>\$ 157,280</u>	<u>\$ 124,962</u>	<u>\$ 282,242</u>	<u>\$ 1,895,876</u>

The Thoracic Surgery Foundation

Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services	Support Services		Total Support Services	Total
		General and Administration	Fundraising		
Grants and awards	\$ 1,049,307	\$ -	\$ -	\$ -	\$ 1,049,307
Fees and services	83,778	153,700	80,315	234,015	317,793
Office expense	653	5,760	9,607	15,367	16,020
Meeting expense	-	-	4,642	4,642	4,642
Travel expenses	1,051	-	1,051	1,051	2,102
Other expenses	-	2,224	-	2,224	2,224
Total functional expenses	<u>\$ 1,134,789</u>	<u>\$ 161,684</u>	<u>\$ 95,615</u>	<u>\$ 257,299</u>	<u>\$ 1,392,088</u>

Statement of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 171,677	\$ 2,306,828
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Realized and unrealized losses (gains) on investments	896,145	(367,649)
Bad debt expense (recovery)	7,500	(750)
Contributions of securities	(194,116)	(337,707)
Changes in operating assets and liabilities that provided (used) cash:		
Pledges receivable	94,435	(753,543)
Prepaid expenses	(3,021)	4,358
Due (to) from related party	(280,414)	453,795
Accounts payable	1,798	2,091
Deferred revenue	(2,700)	1,853
Grants payable	<u>202,351</u>	<u>154,220</u>
Net cash provided by operating activities	893,655	1,463,496
Cash Flows from Investing Activities		
Proceeds from sales of investments	2,386,939	2,686,833
Purchases of investments	<u>(2,646,394)</u>	<u>(3,504,888)</u>
Net cash used in investing activities	<u>(259,455)</u>	<u>(818,055)</u>
Net Increase in Cash	634,200	645,441
Cash - Beginning of year	<u>1,929,452</u>	<u>1,284,011</u>
Cash - End of year	<u><u>\$ 2,563,652</u></u>	<u><u>\$ 1,929,452</u></u>

December 31, 2022 and 2021

Note 1 - Nature of Organization

The Thoracic Surgery Foundation (TSF or the "Foundation") was first established in 1988 as a 501(c)(3) not-for-profit charitable organization. TSF supports research and educational initiatives to advance the broad spectrum of cardiothoracic surgery. The mission of TSF is to foster the development of surgeon scientists in cardiothoracic surgery, increasing knowledge and innovation to benefit patient care.

On October 1, 2014, TSF became the charitable arm of The Society of Thoracic Surgeons (STS). STS issues consolidated financial statements that include TSF's activity.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the basis of generally accepted accounting principles (GAAP).

Cash

The Foundation maintains its cash in U.S. bank accounts. The Foundation believes it is not exposed to any significant credit risk on cash.

Pledges Receivable

Cash contributions are recognized in the period received. Pledges are recognized in the period pledged. Contributions to be received over more than one year are recorded by the Foundation as pledges receivable at fair value. An allowance for uncollectible pledges receivable is provided based on management's judgment considering factors such as prior collection history, type of contribution, and nature of fundraising activity.

Investments

Investments are carried at fair value. Contributions of investments are recorded at fair value as of the date of the gift. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The Foundation's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of the investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Grants Payable

The Foundation awards grants to selected individuals and organizations for research and educational initiatives to advance the broad spectrum of cardiothoracic surgery, which may be granted for periods that extend beyond one fiscal year. Unconditional grants are recorded by the Foundation in the period awarded and approved by the board of directors. The expenditures included in the accompanying financial statements include the amounts expensed for the years ended December 31, 2022 and 2021. Conditional grants, if any, are expensed when such conditions are substantially met. There were no conditional grants awarded as of December 31, 2022 and 2021.

Classification of Net Assets

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation. Board-designated net assets are net assets without donor restrictions designated by the board primarily for specific uses, as directed by the board. These designations are based on board actions, which can be altered or revoked at a future time by the board.

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, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Contributions of Financial Assets

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the gift is received are both reported as contributions without donor restrictions.

Contributed Nonfinancial Assets

Certain donated services are recognized as revenue and expense in the statement of activities and changes in net assets. The value of these services is determined based on estimated fair value. See Note 9 for the categorization and valuation techniques applied to all donated services.

Major Contributors

For the year ended December 31, 2022, contributions in excess of 10 percent of total operating and nonoperating contribution revenue were from two donors in the amount of \$1,000,000. The receivable balance from these donors amounted to \$333,000 at December 31, 2022.

For the year ended December 31, 2021, contributions in excess of 10 percent of total operating and nonoperating contribution revenue were from two donors in the amount of \$1,590,000. The receivable balance from these donors amounted to \$662,293 at December 31, 2021.

Federal Income Taxes

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Costs are charged to program services and support services on an actual basis when available. In addition, certain costs have been allocated among program and support services functions based on various allocation methods and estimates, such as fees and services, which are allocated based a percentage of employee headcount. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts.

December 31, 2022 and 2021

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Adoption of New Accounting Pronouncement

As of January 1, 2022, the Foundation adopted Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions that charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category, within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. See Note 9 related to the adoption of this standard.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including May 1, 2023, which is the date the financial statements were available to be issued.

Note 3 - Pledges Receivable

Pledges receivable are composed of the following amounts due as of December 31, 2022 and 2021:

	2022	2021
Amounts due in:		
Less than one year	\$ 578,441	\$ 591,396
One to five years	333,667	410,147
More than five years	16,500	21,500
Less allowance for uncollectible pledges	(61,000)	(53,500)
Less allowance for uncollectible pledges	\$ 867,608	\$ 969,543

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information on the Foundation's assets measured at fair value on a recurring basis at December 31, 2022 and 2021 and the valuation techniques used by the Foundation to determine those values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals. The Foundation utilizes no Level 2 inputs.

December 31, 2022 and 2021

Note 4 - Fair Value Measurements (Continued)

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset. The Foundation utilizes no Level 3 inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Assets Measured at Fair Value on a Recurring Basis at
December 31, 2022

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at December 31, 2022
Assets					
Investments:					
Money market funds	\$ 166,974	\$ -	\$ -	\$ -	\$ 166,974
Fixed income - Mutual funds	1,175,939	-	-	-	1,175,939
Equities - Mutual funds	1,430,486	-	-	-	1,430,486
Other - Mutual funds	1,428,752	-	-	-	1,428,752
Total	\$ 4,202,151	\$ -	\$ -	\$ -	\$ 4,202,151

Assets Measured at Fair Value on a Recurring Basis at
December 31, 2021

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at December 31, 2021
Assets					
Investments:					
Money market funds	\$ 89,212	\$ -	\$ -	\$ -	\$ 89,212
Fixed income - Mutual funds	1,252,977	-	-	-	1,252,977
Equities - Mutual funds	1,397,929	-	-	-	1,397,929
Other - Mutual funds	1,904,607	-	-	-	1,904,607
Total	\$ 4,644,725	\$ -	\$ -	\$ -	\$ 4,644,725

Note 5 - Investment Income

The details of the Foundation's investment income are as follows at December 31:

	2022	2021
Interest and dividends	\$ 129,471	\$ 119,712
Net realized (losses) gains on investments	(173,636)	338,006
Unrealized (losses) gains on investments	(749,913)	6,459
Investment fees	(27,403)	(23,184)
Total	\$ (821,481)	\$ 440,993

December 31, 2022 and 2021

Note 6 - Grants Payable

Total grants awarded for the years ended December 31, 2022 and 2021 amounted to \$1,509,058 and \$1,049,307, respectively. The grants awarded in 2022 and payable in 2023 amounted to \$705,321 as of December 31, 2022. The grants awarded in 2021 and payable in 2022 amounted to \$502,970 as of December 31, 2021.

Note 7 - Net Assets

Net assets without donor restrictions consist of the following as of December 31:

	2022	2021
Board-designated net assets:		
Braunwald Fund	\$ 490,066	\$ 573,103
Alley Sheridan Fund	191,833	241,797
Carolyn Reed Fund	123,210	174,082
Davidson Fellowship	280,936	370,946
Research grants	388,998	472,645
Database Clinical Research Scholarship	120,000	-
Replogle Fellowship	64,192	115,331
Saha Scholarship	36,128	73,191
Vivien Thomas Symposium	122,232	157,121
Quadri/Bavaria Translational Research and Innovation Award	17,362	-
Sarn Terumo Perfusion Education Fellowship Award	30,626	69,410
Kouchoukos Award	(12,635)	-
Total board-designated net assets	1,852,948	2,247,626
Undesignated net assets	1,892,107	1,951,976
Total net assets without donor restrictions	<u>\$ 3,745,055</u>	<u>\$ 4,199,602</u>

Net assets with donor restrictions as of December 31 are available for the following purposes:

	2022	2021
Subject to expenditures for a specified purpose:		
Nina-Starr Braunwald Memorial Fund	\$ 724,195	\$ 890,895
Alley-Sheridan Fund	107,641	114,141
Carolyn Reed Traveling Fellowship Fund	46,385	65,035
Replogle Traveling Fellowship	185,674	194,699
Sarn Terumo Perfusion Education Fellowship Award	210,000	220,000
Michael Davidson Fellowship	121,234	169,884
Kouchoukos Award	188,151	166,651
Watkins Fellowship	50,150	45,550
Surgical Outreach Missions	13,585	8,235
STS Research Grant	150	350
Edwards Lifesciences Every Heartbeat Matters Fund	315,000	245,000
TSF Travel Awards	50,297	56,605
TSF International Medical Volunteer Scholarship	30,000	27,500
Saha Scholarship	215,951	216,701
Bavaria Latin America Scholarship	10,000	5,000
Advanced Robotic Cardiac Surgery Fellowship	75,000	75,000
AstraZeneca Lung Cancer Research Award	100,000	100,000
Underrepresented Robotic General Thoracic Surgeon Development Award	10,600	20,600
Hank Edmunds Award	750	750
Every Heartbeat Matters Structural Heart Diversity Fellowship	80,000	90,000
AstraZeneca Minority Health Disparity Research Award	100,000	100,000
STSA Resident Research Award	80,000	80,000

December 31, 2022 and 2021

Note 7 - Net Assets (Continued)

	2022	2021
Mathisen Fellowship	\$ 180,937	\$ -
Quadri/Bavaria Translational Research and Innovation Award	650,000	-
Total subject to expenditures for a specified purpose	3,545,700	2,892,596
Subject to the passage of time - Time restricted - Pledges receivable	56,870	83,750
Total	<u>\$ 3,602,570</u>	<u>\$ 2,976,346</u>

Note 8 - Related Party Transactions

During the years ended December 31, 2022 and 2021, STS made contributions to TSF totaling \$1,012,841 and \$593,932, respectively. In-kind contributions represented \$302,043 and \$283,346 of the STS contributions for the years ended December 31, 2022 and 2021, respectively. TSF had a total of \$449,654 and \$169,240 due from STS as of December 31, 2022 and 2021, respectively.

Note 9 - Contributed Nonfinancial Assets

The Foundation recorded the following contributed nonfinancial assets on the consolidated statement of activities and changes in net assets for the years ended December 31, 2022 and 2021 as follows:

	2022	2021
Management services	\$ 302,043	\$ 283,346
Exhibit booths	9,950	-
Total	<u>\$ 311,993</u>	<u>\$ 283,346</u>

The Foundation recognized contributed nonfinancial assets within revenue, including management services and exhibit booths. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed management fees are valued and reported at their estimated fair value in the financial statements based on current rates for similar professional services.

Contributed exhibit booths are valued and reported at its estimated fair value in the financial statements based on market rental rates for similar events.

December 31, 2022 and 2021

Note 10 - Liquidity and Availability of Resources

The following reflects the Foundation's financial assets as of December 31, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash	\$ 2,563,652	\$ 1,929,452
Pledges receivable	867,608	969,543
Related party receivables	449,654	169,240
Investments	<u>4,202,151</u>	<u>4,644,725</u>
Financial assets - At year end	8,083,065	7,712,960
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	3,602,570	2,976,346
Board designations	<u>1,852,948</u>	<u>2,247,626</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,627,547</u>	<u>\$ 2,488,988</u>

The Foundation is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors.

The Foundation maintains financial assets, which consist of cash, on hand to meet one year of normal operating expenses. The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Foundation also realizes there could be unanticipated liquidity needs.

Note 11 - Prior Period Adjustment

The accompanying financial statements for 2021 have been restated to properly present accumulated investment earnings as board-designated rather than donor-restricted. The following financial statement line items as of December 31, 2021 and for the year then ended were affected by the change:

**Statement of Activities and Changes in Net Assets
Year Ended December 31, 2021**

	<u>As Originally Reported</u>	<u>As Restated</u>	<u>Effect of Change</u>
Net assets with donor restrictions - Beginning of year	\$ 2,223,616	\$ 1,327,093	\$ (896,523)
Net assets without donor restrictions - Beginning of year	2,645,504	3,542,027	896,523
Net realized and unrealized gains on investments - With donor restrictions	214,777	-	(214,777)
Net realized and unrealized gains on investments - Without donor restrictions	129,688	344,465	214,777
Interest and dividends - With donor restrictions	57,969	-	(57,969)
Interest and dividends - Without donor restrictions	38,559	96,528	57,969
Net assets with donor restrictions - End of year	4,145,615	2,976,346	(1,169,269)
Net assets without donor restrictions - End of year	3,030,333	4,199,602	1,169,269

December 31, 2022 and 2021

Note 11 - Prior Period Adjustment (Continued)

Statement of Financial Position
December 31, 2021

	As Originally Reported	As Restated	Effect of Change
Net assets without donor restrictions - Board designated	\$ 1,078,357	\$ 2,247,626	\$ 1,169,269
Net assets with donor restrictions	4,145,615	2,976,346	(1,169,269)
Total net assets	<u>\$ 5,223,972</u>	<u>\$ 5,223,972</u>	<u>\$ -</u>