

**SIMPLE GENEROSITY FOUNDATION  
CHARLESTON, SOUTH CAROLINA**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
JUNE 30, 2022 AND 2021**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Simple Generosity Foundation  
Charleston, South Carolina

### Opinion

We have audited the accompanying financial statements of the Simple Generosity Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 Simple Generosity Foundation as of June 30, 2022 and 2021, 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 Simple Generosity 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 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 Simple Generosity 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' 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 Simple Generosity 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 Simple Generosity 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.

*Glaser and Company, LLC*

Charleston, South Carolina  
November 16, 2022

**SIMPLE GENEROSITY FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
| <b><u>ASSETS</u></b>                     |              |              |
| <b><u>Current Assets</u></b>             |              |              |
| Cash and cash equivalents                | \$ 55,200    | \$ 205,517   |
| Accounts receivable, net                 | 25,913       | 79,719       |
| Short-term investments, at fair value    | 94,318       | 4,476,429    |
| Total current assets                     | 175,431      | 4,761,665    |
| <b><u>Non-current Assets</u></b>         |              |              |
| Investments, at fair value               | 2,726,674    | 212,747      |
| Total non-current assets                 | 2,726,674    | 212,747      |
| Total assets                             | \$ 2,902,105 | \$ 4,974,412 |
| <b><u>LIABILITIES AND NET ASSETS</u></b> |              |              |
| <b><u>Current Liabilities</u></b>        |              |              |
| Accounts payable                         | \$ 14,000    | \$ 15,536    |
| Total current liabilities                | 14,000       | 15,536       |
| <b><u>Net Assets</u></b>                 |              |              |
| Without donor restrictions               | 2,888,105    | 4,958,876    |
| Total net assets                         | 2,888,105    | 4,958,876    |
| Total liabilities and net assets         | \$ 2,902,105 | \$ 4,974,412 |

See accompanying notes to the financial statements.

**SIMPLE GENEROSITY FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022**

|   | <b>Without Donor<br/>Restrictions</b> | <b>With Donor<br/>Restrictions</b> | <b>Total</b>        |
|---|---------------------------------------|------------------------------------|---------------------|
| <b><u>Support and Revenues</u></b>                                  |                                       |                                    |                     |
| Contributions   | \$ 7,046,539                          | \$ -                               | \$ 7,046,539        |
| Administrative fees   | 356,162                               | -                                  | 356,162             |
| Investment income, net  | (188,039)                             | -                                  | (188,039)           |
|   | <u>7,214,662</u>                      | <u>-</u>                           | <u>7,214,662</u>    |
| Total Support and Revenues  | <u>7,214,662</u>                      | <u>-</u>                           | <u>7,214,662</u>    |
| Net assets released from restriction                                | <u>-</u>                              | <u>-</u>                           | <u>-</u>            |
| Total support and revenues and net assets released from restriction | <u>7,214,662</u>                      | <u>-</u>                           | <u>7,214,662</u>    |
| <b><u>Expenses</u></b>  |                                       |                                    |                     |
| Program services:   |                                       |                                    |                     |
| Grants  | 8,783,139                             | -                                  | 8,783,139           |
| Other program services  | 381,357                               | -                                  | 381,357             |
| Supporting services:  |                                       |                                    |                     |
| Administrative  | 118,443                               | -                                  | 118,443             |
| Fundraising   | 2,494                                 | -                                  | 2,494               |
|   | <u>9,285,433</u>                      | <u>-</u>                           | <u>9,285,433</u>    |
| Total expenses  | <u>9,285,433</u>                      | <u>-</u>                           | <u>9,285,433</u>    |
| Change in net assets  | (2,070,771)                           | -                                  | (2,070,771)         |
| Net assets, beginning of year                                       | <u>4,958,876</u>                      | <u>-</u>                           | <u>4,958,876</u>    |
| Net assets, end of year   | <u>\$ 2,888,105</u>                   | <u>\$ -</u>                        | <u>\$ 2,888,105</u> |

See accompanying notes to the financial statements.

**SIMPLE GENEROSITY FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

|   | <u>Without Donor<br/>Restrictions</u> | <u>With Donor<br/>Restrictions</u> | <u>Total</u>        |
|---|---------------------------------------|------------------------------------|---------------------|
| <b><u>Support and Revenues</u></b>                                  |                                       |                                    |                     |
| Contributions   | \$ 10,660,357                         | \$ -                               | \$ 10,660,357       |
| Administrative fees   | 460,065                               | -                                  | 460,065             |
| Investment income, net  | 134,461                               | -                                  | 134,461             |
|   | <u>11,254,883</u>                     | <u>-</u>                           | <u>11,254,883</u>   |
| Net assets released from restriction                                | <u>-</u>                              | <u>-</u>                           | <u>-</u>            |
| Total support and revenues and net assets released from restriction | <u>11,254,883</u>                     | <u>-</u>                           | <u>11,254,883</u>   |
| <b><u>Expenses</u></b>  |                                       |                                    |                     |
| Program services:   |                                       |                                    |                     |
| Grants  | 8,590,565                             | -                                  | 8,590,565           |
| Other program services  | 362,262                               | -                                  | 362,262             |
| Supporting services:  |                                       |                                    |                     |
| Administrative  | 103,241                               | -                                  | 103,241             |
| Fundraising   | 2,551                                 | -                                  | 2,551               |
|   | <u>9,058,619</u>                      | <u>-</u>                           | <u>9,058,619</u>    |
| Change in net assets  | 2,196,264                             | -                                  | 2,196,264           |
| Net assets, beginning of year                                       | <u>2,762,612</u>                      | <u>-</u>                           | <u>2,762,612</u>    |
| Net assets, end of year   | <u>\$ 4,958,876</u>                   | <u>\$ -</u>                        | <u>\$ 4,958,876</u> |

See accompanying notes to the financial statements.

**SIMPLE GENEROSITY FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2022**

|                               | <u>Program<br/>Services</u> | <u>General and<br/>Administrative</u> | <u>Fundraising</u> | <u>Total</u>        |
|-------------------------------|-----------------------------|---------------------------------------|--------------------|---------------------|
| Contract Labor                | \$ 223,689                  | \$ 11,000                             | \$ 1,500           | \$ 236,189          |
| Professional Fees             | 141,396                     | 90,926                                | -                  | 232,322             |
| Office Equipment and Supplies | 7,458                       | 1,492                                 | 994                | 9,944               |
| Travel and Conferences        | 505                         | -                                     | -                  | 505                 |
| Insurance                     | -                           | 627                                   | -                  | 627                 |
| Interest & Fees               | 8,309                       | 11,272                                | -                  | 19,581              |
| Miscellaneous                 | -                           | 3,126                                 | -                  | 3,126               |
| Grants                        | 8,783,139                   | -                                     | -                  | 8,783,139           |
|                               | <hr/>                       | <hr/>                                 | <hr/>              | <hr/>               |
| Total expenses                | <u>\$ 9,164,496</u>         | <u>\$ 118,443</u>                     | <u>\$ 2,494</u>    | <u>\$ 9,285,433</u> |

See accompanying notes to the financial statements.

**SIMPLE GENEROSITY FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

|                               | <u>Program<br/>Services</u> | <u>General and<br/>Administrative</u> | <u>Fundraising</u> | <u>Total</u>        |
|-------------------------------|-----------------------------|---------------------------------------|--------------------|---------------------|
| Contract Labor                | \$ 122,446                  | \$ 8,800                              | \$ 1,200           | \$ 132,446          |
| Professional Fees             | 218,794                     | 44,655                                | -                  | 263,449             |
| Office Equipment and Supplies | 10,131                      | 2,026                                 | 1,351              | 13,508              |
| Travel and Conferences        | 1,858                       | -                                     | -                  | 1,858               |
| Insurance                     | -                           | 597                                   | -                  | 597                 |
| Interest & Fees               | 9,033                       | 11,748                                | -                  | 20,781              |
| Miscellaneous                 | -                           | 35,415                                | -                  | 35,415              |
| Grants                        | 8,590,565                   | -                                     | -                  | 8,590,565           |
|                               | <u>8,590,565</u>            | <u>-</u>                              | <u>-</u>           | <u>8,590,565</u>    |
| Total expenses                | <u>\$ 8,952,827</u>         | <u>\$ 103,241</u>                     | <u>\$ 2,551</u>    | <u>\$ 9,058,619</u> |

See accompanying notes to the financial statements.

**SIMPLE GENEROSITY FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

|   | <b>2022</b>    | <b>2021</b>  |
|---|----------------|--------------|
| <b><u>Cash Flows from Operating Activities:</u></b>   |                |              |
| Change in net assets  | \$ (2,070,771) | \$ 2,196,264 |
| Adjustments to reconcile change in net assets to<br>net cash (used for) provided by operating activities: |                |              |
| Unrealized and realized losses (gains) investments, net   | 223,074        | (131,850)    |
| Decrease (increase) in assets:  |                |              |
| Accounts receivable   | 53,806         | (71,652)     |
| Decrease in liabilities:  |                |              |
| Account payable   | (1,536)        | (30,929)     |
| Accrued expenses  | -              | (28,743)     |
| Net cash (used for) provided by operating activities  | (1,795,427)    | 1,933,090    |
| <b><u>Cash Flows from Investing Activities:</u></b>   |                |              |
| Proceeds from sales of investments  | 5,300,000      | 7,475,000    |
| Purchases of investments  | (3,654,890)    | (9,207,819)  |
| Net cash provided by (used for) investing activities  | 1,645,110      | (1,732,819)  |
| Net (decrease) increase in cash and cash equivalents  | (150,317)      | 200,271      |
| Cash and cash equivalents, beginning of year  | 205,517        | 5,246        |
| Cash and cash equivalents, end of year  | \$ 55,200      | \$ 205,517   |

See accompanying notes to the financial statements.

**SIMPLE GENEROSITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Simple Generosity Foundation (formerly the GoodCoin Foundation and the “Foundation”) was established in 2015 as a nonprofit corporation in Delaware. The Foundation’s mission is to provide funding and assistance to charities in their efforts to engage and encourage the next generation of philanthropists through partnerships with for-profits and for-benefit corporations. The Foundation accepts charitable contributions from donors, pools such contributions for investment management and administrative purposes, and make distributions to tax-exempt or other qualifying organizations under the Internal Revenue Code of 1986, as amended (the “Code”).

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation 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; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by 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.

Classification of Net assets without donor restrictions

Foundation Funds

These funds are further classified as:

Discretionary Funds represent funds available for expenditure at the Board’s discretion.

Donor Advised Funds represent funds given by contributors who may from time to time suggest that the Board consider a request for a particular grant distribution. The contributors may make recommendations as to which charities should receive grants. These recommendations are advisory only and are subject to the Board of Directors’ approval.

Administrative Fund

This fund is used for the management and administration of the Foundation, including general, financial and development activities, legal and accounting fees, and other operating expenses.

**SIMPLE GENEROSITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of market risks exist for cash and cash equivalents. Cash and cash equivalents are held in major financial institutions and in the regular course of business, the Foundation may maintain operating cash balances at a bank in excess of federally insured limits. The Foundation believes it mitigates the risk of concentration by depositing at major financial institutions. The Foundation has not experienced any losses in such accounts.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. All acquisitions of property and equipment in excess of \$1,000 are capitalized.

Contributions Receivable

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 future years are recorded at the present value of their estimated 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. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Investments

Investments consist of mutual funds, exchange traded funds, and debt and equity securities all carried at fair value. Investments donated to the Foundation are initially recorded at their estimated fair value on the date of gift. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost of the investments sold using the average cost of the investments sold. Unrealized gains and losses are included in the change in net assets in the statements of activities.

Administrative Fees

Administrative fees include management fee income and support fee income transferred to the administrative fund.

Donated Assets and Services

The Foundation records the value of donated goods or services when there is an objective basis available to measure their value. The Foundation reflects donated materials and equipment as contributions in the accompanying statements at their estimated fair values at the date of receipt. Assets donated with explicit restrictions are reported as restricted contributions. Absent donor stipulations regarding the length of time such assets must be maintained, the Foundation reports expirations of donor restrictions when the asset is placed in service.

Income Taxes

The Foundation is exempt from federal income tax under Section 509(a)(1) of the IRC. The Foundation is classified by the IRS as other than a private foundation under Section 509(a)(1) and, therefore, is exempt from federal and state income taxes.

**SIMPLE GENEROSITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

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.

Expenses

Grants Expenses

Grants include gifts for charitable purposes and distributions to designated recipients in accordance with the intentions of the originating donor organization or individual and the Foundation's Board of Directors. Grants are recorded as expenses when they are approved by the Foundation's Board for payment.

Other Program Services

Program expenses include certain administrative, educational, and direct services provided for the benefit of other civic and not-for-profit organizations and their beneficiaries by the Foundation.

Administrative Expenses

Administrative expenses include the general, administrative, and operating costs of the Foundation.

Fundraising Expenses

Expenses associated with cultivation and donor relationships for the Foundation.

Income Tax Uncertainties

The Foundation has adopted Financial Accounting Standards Board ("FASB") guidance related to accounting for uncertainty in income taxes which clarifies the accounting for income taxes by prescribing the minimum recognition threshold that a tax position is required to meet before being recognized in the Foundation's financial statements. The interpretation also provides guidance on derecognition classification, interest and penalties, disclosure, and transition.

In accordance with the interpretation, the Foundation discloses the expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the facts of the Foundation's position and records unrecognized tax benefits or liabilities for known or anticipated tax issues based on the Foundation's analysis of whether additional taxes would be due to the authority given their full knowledge of the tax position. The Foundation has completed its assessment and determined that there were no tax positions which would require recognition under the interpretation.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-02, *Leases (Subtopic 842)*, which will require entities to recognize lease assets and lease liabilities on the balance sheet

**SIMPLE GENEROSITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

and disclose key information about the leasing arrangements. For non-profit organizations, this standard is effective for annual reporting periods beginning after December 15, 2021, and early adoption is permitted. The Foundation is currently evaluating the impact of this standard.

Other accounting standards that have been issued or proposed by the FASB or other standards-setting bodies are not expected to have a material impact on the Foundation's net assets or changes in net assets.

**Risks and Uncertainties**

The COVID-19 pandemic has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent and duration to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the Foundation's and its customers' giving, supported organizations, and the U.S. economy. Furthermore, there is a possibility of closure by government or state order for a period of time in response to COVID-19. The full impact on the operational and financial activity cannot be estimated at this time.

**2. CONCENTRATIONS**

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents and marketable securities. Cash and cash equivalents are maintained at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000 or the Securities Investors Protection Corporation up to \$500,000. Deposits may at times exceed the federally insured limits, and credit exposure is limited to deposits at any one institution in excess of this limit. The Foundation has not experienced any losses on its cash and cash equivalents. The Foundation had no uninsured cash balances as of June 30, 2022 and 2021. The Foundation invests in a variety of investments which are subject to fluctuations in market values and expose the Foundation to a certain degree of interest and credit risk.

During the years ended June 30, 2022 and 2021, the Foundation received approximately 74% and 79% of its contributions from one donor, respectfully.

**3. FAIR VALUE OF FINANCIAL INSTRUMENTS**

In accordance with ASC 958, Section 320, *Not-for-Profit Entities, Investments – Debt and Equity Securities*, the Foundation's investments are stated at fair market value. Fair market value is defined 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. ASC 820, *Fair Value Measurements and Disclosures*, also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The standard describes three levels of inputs that may be used to measure fair value:

**Level 1** Quoted prices in active markets for identical assets or liabilities.

**Level 2** Observable inputs other than Level 1 prices. They can be quoted prices for similar or identical instruments in markets that are not active, they can be observable inputs (not quoted prices) such as yield curves, interest rates, or default rates, among others, which are observable at commonly quoted intervals, or they can be market corroborated inputs.

**SIMPLE GENEROSITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**3. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued**

**Level 3** Pricing inputs are unobservable inputs used in cases where financial instruments are considered illiquid, with no significant market activity and little or no pricing information on the date of measurement.

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

- *Cash and cash equivalents*: The carrying amounts approximate fair value because of the short maturity of these instruments.
- *Shares of registered investment companies (mutual funds)*: Valued at the quoted net asset value (NAV) of shares held by the Foundation at year end.
- *Money market funds*: Stated using amortized cost which approximates fair value.
- *United States Treasury Notes*: Valued by reference to quoted market prices and other relevant information generated by market transactions.

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30:

|   | <b>2022</b>  |  |  |
|---|--|--|--|
|   | <b>Level 1<br/>Quoted Prices<br/>in Active<br/>Markets</b> | <b>Level 2<br/>Significant<br/>Observable<br/>Inputs</b> | <b>Level 3<br/>Significant<br/>Unobservable<br/>Inputs</b> |
| Cash equivalents:                               |  |  |  |
| Cash equivalents in investment accounts         | \$ 817   | \$ -   | \$ -   |
| Treasury money market funds                     | 93,501   | -  | -  |
| Total cash equivalents                          | <u>94,318</u>  | <u>-</u>   | <u>-</u>   |
| Shares of registered investment companies:      |  |  |  |
| Stock funds                                     | 148,446  | -  | -  |
| Bond funds                                      | 2,578,228  | -  | -  |
| Total shares of registered investment companies | <u>2,726,674</u>   | <u>-</u>   | <u>-</u>   |
| Total assets at fair value                      | <u>\$ 2,820,992</u>  | <u>\$ -</u>  | <u>\$ -</u>  |

**SIMPLE GENEROSITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**3. FAIR VALUE OF FINANCIAL INSTRUMENTS – continued**

|   | <b>2021</b>  |  |  |
|---|--|--|--|
|   | <b>Level 1<br/>Quoted Prices<br/>in Active<br/>Markets</b> | <b>Level 2<br/>Significant<br/>Observable<br/>Inputs</b> | <b>Level 3<br/>Significant<br/>Unobservable<br/>Inputs</b> |
| Cash equivalents:                               |  |  |  |
| Cash equivalents in investment accounts         | \$ 529   | \$ -   | \$ -   |
| Treasury money market funds                     | 4,475,900  | -  | -  |
| Total cash equivalents                          | <u>4,476,429</u>   | <u>-</u>   | <u>-</u>   |
| Shares of registered investment companies:      |  |  |  |
| Growth funds                                    | 153,078  | -  | -  |
| International emerging market equities          | 12,955   | -  | -  |
| Balanced funds                                  | 46,714   | -  | -  |
| Total shares of registered investment companies | <u>212,747</u>   | <u>-</u>   | <u>-</u>   |
| Total assets at fair value                      | <u>\$ 4,689,176</u>  | <u>\$ -</u>  | <u>\$ -</u>  |

**4. PAYCHECK PROTECTION PROGRAM**

On April 23, 2020, the Foundation was issued a \$35,415 Paycheck Protection Program Promissory Note under terms provided by the U.S. Small Business Administration (“SBA”). The promissory note bears interest at 1% and matures April 23, 2022. The promissory note, under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), is forgivable upon terms provided by the SBA under the CARES Act. The Foundation anticipated it would fully comply with the CARES Act terms of this forgiveness and accordingly had recognized the note as governmental support for the year ended June 30, 2020. Upon review of the terms of the agreement and review of the Foundation’s compensation arrangements, the Foundation returned the full amount of the note during the year ended June 30, 2021, and has included this amount in miscellaneous expense for the year ended June 30, 2021.

**5. CLASSIFICATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS**

The Foundations’ governing board has designated net assets without donor restrictions for the following purposes as of June 30:

|                        | <b>2022</b>         | <b>2021</b>         |
|------------------------|---------------------|---------------------|
| Foundation funds       |                     |                     |
| Discretionary fund     | \$ -                | \$ 154,857          |
| Donor advised fund     | 2,972,190           | 4,765,704           |
| Total foundation funds | <u>2,972,190</u>    | <u>4,920,561</u>    |
| Administrative fund    | <u>(84,085)</u>     | <u>38,315</u>       |
|                        | <u>\$ 2,888,105</u> | <u>\$ 4,958,876</u> |

**SIMPLE GENEROSITY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**6. AVAILABILITY AND LIQUIDITY**

The following represents the Foundation's financial assets at June 30:

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
| Financial assets at year end:  |             |             |
| Cash and cash equivalents  | \$ 55,200   | \$ 205,517  |
| Accounts receivable  | 25,913      | 79,719      |
| Investments, at fair value   | 2,820,992   | 4,689,176   |
| Total financial assets   | 2,902,105   | 4,974,412   |
| Less amounts not available to be used within one year, due to:                         |             |             |
| Board designations:  |             |             |
| Donor advised funds  | (2,972,190) | (4,765,704) |
| Financial assets available to meet general expenditures<br>over the next twelve months | \$ (70,085) | \$ 208,708  |

Amounts not available include net assets with board designations that could be drawn upon if the governing board approves that action.

**7. SUBSEQUENT EVENTS**

In accordance with AS 855, *Subsequent Events*, the Foundation's management has evaluated subsequent events at June 30, 2022 through November 16, 2022, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.