

Assurance

TRINITY ROSELLE FOUNDATION

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022 (AUDITED) AND 2021 (COMPILED)

LOCAL
KNOWLEDGE,
GLOBAL
EXPERTISE

**TRINITY ROSELLE FOUNDATION
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (AUDITED) AND 2021 (COMPILED)**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Trinity Roselle Foundation

Opinion

We have audited the accompanying financial statements of Trinity Roselle 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 year then ended, and the related notes to the financial statements (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trinity Roselle Foundation as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Trinity Roselle 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.

Prior Period Financial Statements

We performed a compilation engagement with respect to the 2021 financial statements, and our report thereon, dated March 14, 2022, stated we did not audit or review those financial statements and, accordingly, express no opinion or other form of assurance on them.

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 Trinity Roselle 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 Trinity Roselle 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 Trinity Roselle 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.

Supplementary Information

Our audit conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of financial position and activities by fund are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF Mueller

Elgin, Illinois
December 5, 2022

**TRINITY ROSELLE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

ASSETS

	AUDITED 2022	COMPILED 2021
Cash and cash equivalents	\$ 78,126	57,362
Accounts receivable	-	192
Investments	2,114,811	2,298,172
Notes receivable	3,998	4,285
Cash surrender value of life insurance policy	35,767	33,982
Other receivable	-	24,134
	<u> </u>	<u> </u>
Total assets	<u>\$ 2,232,702</u>	<u>2,418,127</u>

LIABILITIES AND NET ASSETS

Liabilities:

Accrued expenses	\$ 12,300	6,500
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Net assets:

Without donor restrictions:

Undesignated	257,311	292,077
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Board designated:

General support	70,297	76,832
Endowment funds	1,671,003	1,855,989

Total board designated	1,741,300	1,932,821
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Total without donor restrictions	1,998,611	2,224,898
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With donor restrictions:

Endowment funds	210,479	175,417
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Purpose restrictions	11,312	11,312
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Total with donor restrictions	221,791	186,729
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Total net assets	2,220,402	2,411,627
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Total liabilities and net assets	<u>\$ 2,232,702</u>	<u>2,418,127</u>
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The accompanying notes are an integral part of the financial statements.

TRINITY ROSELLE FOUNDATION
STATEMENT OF ACTIVITIES - AUDITED
YEAR ENDED JUNE 30, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and revenue:			
Contributions	\$ 20,073	116,278	136,351
Investment return, net	(203,459)	-	(203,459)
Change in cash surrender value of life insurance	1,785	-	1,785
Net assets released from restrictions	<u>81,216</u>	<u>(81,216)</u>	<u>-</u>
Total support and revenue	<u>(100,385)</u>	<u>35,062</u>	<u>(65,323)</u>
Expenses:			
Program services	103,892	-	103,892
Management and general	<u>22,010</u>	<u>-</u>	<u>22,010</u>
Total expenses	<u>125,902</u>	<u>-</u>	<u>125,902</u>
Change in net assets	(226,287)	35,062	(191,225)
Net assets, beginning of year	<u>2,224,898</u>	<u>186,729</u>	<u>2,411,627</u>
Net assets, end of year	<u><u>\$ 1,998,611</u></u>	<u><u>221,791</u></u>	<u><u>2,220,402</u></u>

The accompanying notes are an integral part of the financial statements.

TRINITY ROSELLE FOUNDATION
STATEMENT OF ACTIVITIES - COMPILED
YEAR ENDED JUNE 30, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Support and revenue:			
Contributions	\$ 22,283	21,925	44,208
Investment return, net	483,991	-	483,991
Change in cash surrender value of life insurance	1,676	-	1,676
Gain on sale of investment in real estate	<u>6,534</u>	<u>-</u>	<u>6,534</u>
	514,484	21,925	536,409
Net assets released from restrictions	<u>159,025</u>	<u>(159,025)</u>	<u>-</u>
Total support and revenue	<u>673,509</u>	<u>(137,100)</u>	<u>536,409</u>
Expenses:			
Program services	159,735	-	159,735
Management and general	<u>14,583</u>	<u>-</u>	<u>14,583</u>
Total expenses	<u>174,318</u>	<u>-</u>	<u>174,318</u>
Change in net assets	499,191	(137,100)	362,091
Net assets, beginning of year	<u>1,725,707</u>	<u>323,829</u>	<u>2,049,536</u>
Net assets, end of year	<u><u>\$ 2,224,898</u></u>	<u><u>186,729</u></u>	<u><u>2,411,627</u></u>

The accompanying notes are an integral part of the financial statements.

TRINITY ROSELLE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES - AUDITED
YEAR ENDED JUNE 30, 2022

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL EXPENSES</u>
Legal fees	\$ -	1,300	1,300
Office supplies	-	637	637
Filing fees	-	1,280	1,280
Promotional costs	-	1,793	1,793
Audit fees	-	12,000	12,000
Gift planning contract	-	5,000	5,000
Miscellaneous	11,000	-	11,000
Tuition, church, and school assistance	<u>92,892</u>	<u>-</u>	<u>92,892</u>
Total expenses	<u>\$ 103,892</u>	<u>22,010</u>	<u>125,902</u>

The accompanying notes are an integral part of the financial statements.

TRINITY ROSELLE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES - COMPILED
YEAR ENDED JUNE 30, 2021

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL EXPENSES</u>
Office supplies	\$ -	1,177	1,177
Filing fees	-	1,061	1,061
Promotional costs	-	845	845
Compilation fees	-	6,500	6,500
Gift planning contract	-	5,000	5,000
Miscellaneous	710	-	710
Tuition, church, and school assistance	<u>159,025</u>	<u>-</u>	<u>159,025</u>
Total expenses	<u>\$ 159,735</u>	<u>14,583</u>	<u>174,318</u>

The accompanying notes are an integral part of the financial statements.

TRINITY ROSELLE FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	AUDITED 2022	COMPILED 2021
Cash provided (used) by operating activities:		
Change in net assets	\$ (191,225)	362,091
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gain) loss on investments	399,462	(326,863)
Net increase in cash surrender value of life insurance policy	(1,785)	(1,676)
Gain on sale of investment in real estate	-	(6,534)
Changes in:		
Accounts receivable	192	265
Other receivable	24,134	-
Note receivable	287	-
Accrued expenses	5,800	300
Net cash provided by operating activities	<u>236,865</u>	<u>27,583</u>
Cash provided (used) by investing activities:		
Purchase of investments	(256,101)	(117,087)
Proceeds from notes receivable	-	326
Proceeds from sale of investments	40,000	35,000
Cash received for repayment of investment in real estate	<u>-</u>	<u>5,000</u>
Net cash used by investing activities	<u>(216,101)</u>	<u>(76,761)</u>
Net increase (decrease) in cash and cash equivalents	20,764	(49,178)
Cash and cash equivalents, beginning of year	<u>57,362</u>	<u>106,540</u>
Cash and cash equivalents, end of year	<u><u>\$ 78,126</u></u>	<u><u>57,362</u></u>
Noncash investing transactions:		
Conversion of investment in real estate to other receivable	<u><u>\$ -</u></u>	<u><u>24,134</u></u>

The accompanying notes are an integral part of the financial statements.

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 1 - NATURE OF OPERATIONS

Trinity Roselle Foundation (Foundation) is a charitable foundation dedicated to expanding the Lord's work among His people, primarily through financial contributions to Trinity Evangelical Lutheran Congregation of Roselle, Illinois.

The Foundation provides funding to support the following areas of outreach:

1. The School Endowment Fund – to provide grant funding to the school of Trinity Evangelical Lutheran Congregation of Roselle, Illinois.
2. Mission/Ministries – as these areas have been identified for focus by the local and national church.
3. Human Care – to assist in benevolence, disaster relief, and mercy for people in need.
4. Continuing Education – career, vocational skills development, and redirection support.
5. Capital Improvement – building new facilities, upgrading existing facilities, and equipment.
6. T-Fund – to provide current church member school families with tuition assistance, resulting in growth for both the school and the church.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations (U.S. GAAP).

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Foundation maintains its cash balances in one financial institution located in Itasca, Illinois. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times the Foundation's cash deposits may be in excess of the FDIC limit. However, at June 30, 2022 and 2021, the Foundation had no uninsured cash balances.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an adjustment for the allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the length of time the receivables are outstanding and the anticipated future collectible amounts based on historical experience. Accounts deemed uncollectible are charged to the allowance for doubtful accounts. At June 30, 2022 and 2021, an allowance for doubtful accounts was not deemed necessary.

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments

Investments are reported at fair value in the statements of financial position. Investment income or loss (including realized and unrealized gains and losses, interest, and dividends) is reported net of external and direct internal investment expenses and is included in the statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The board of directors of the Foundation has designated, from net assets without donor restrictions, net assets for general support and board-designated endowments.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Support Recognition

The Foundation recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Foundation had no conditional promises to give as of June 30, 2022 and 2021.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. All expenses are directly charged to their natural classification.

Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes

The Foundation has been determined to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes.

The Foundation has evaluated the tax positions taken for all open tax years. Currently, the 2018, 2019, and 2020 tax years are open and subject to examination by the Internal Revenue Service; however, the Foundation is not currently under audit nor has the Foundation been contacted by this jurisdiction.

Based on the evaluation of the Foundation's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended June 30, 2022 and 2021.

Management Evaluation of Going Concern

In accordance with accounting principles generally accepted in the United States of America, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the Foundation's ability to continue as a going concern for the one-year period from the date the financial statements were available to be issued. Management's evaluation did not identify any conditions or events that raise substantial doubt about the Foundation's ability to continue as a going concern for the period from December 5, 2022 to December 5, 2023.

Subsequent Events

Subsequent events have been evaluated through December 5, 2022, the date that the financial statements were available to be issued.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	<u>AUDITED 2022</u>	<u>COMPILED 2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 78,126	57,362
Accounts receivable	-	192
Investments	2,114,811	2,298,172
Notes receivable	3,998	4,285
Other receivable	<u>-</u>	<u>24,134</u>
Total financial assets	<u>2,196,935</u>	<u>2,384,145</u>

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 3 - LIQUIDITY AND AVAILABILITY, CONTINUED

Less: amounts not available for general expenditures within one year, due to:

Notes receivable, scheduled to be collected in excess of one year	3,720	3,994
Donor-restricted for a specific purpose	221,791	186,729
Board-designated endowment funds	<u>1,671,003</u>	<u>1,855,989</u>
Total amounts not available for general expenditures within one year	<u>1,896,514</u>	<u>2,046,712</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 300,421</u>	<u>337,433</u>

The Foundation's perpetual restrictions consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. As of June 30, 2022 and 2021, donor-restricted endowment funds were not available for general expenditure.

The Foundation's board-designated endowment of \$1,671,003 and \$1,855,989 at June 30, 2022 and 2021, respectively, is subject to an annual spending rate of 5% as described in Note 10. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the board of directors' annual budget approval and appropriation), these amounts could be made available if necessary.

NOTE 4 - NOTES RECEIVABLE

Notes receivable at June 30, 2022 and 2021 consisted of the following:

	<u>AUDITED 2022</u>	<u>COMPILED 2021</u>
Note agreement with a church employee, maturing April 2034, principal only payments years 1-2, interest at Prime – 1.0% (Prime rate at June 30, 2022 was 4.75%) in year 3 and interest at rate of Prime in years 4-15, plus monthly principal payment of \$24.	<u>\$ 3,998</u>	<u>4,285</u>

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 5 - INVESTMENTS

Investments reported at fair value at June 30, 2022 and 2021 consisted of the following:

	AUDITED 2022	COMPILED 2021
Mutual funds	\$ 2,114,811	2,298,172

Investment return for the years ended June 30, 2022 and 2021 was comprised of the following:

	AUDITED 2022	COMPILED 2021
Interest and dividends	\$ 196,003	157,128
Unrealized gain (loss)	(409,160)	321,581
Realized gain	9,698	5,282
Total investment return, net	\$ (203,459)	483,991

NOTE 6 - FAIR VALUE MEASUREMENTS

Accounting standards generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that management has the ability to access at the measurement date. |
| Level 2 | <p>Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as:</p> <ul style="list-style-type: none"> • Quoted prices for similar assets or liabilities in active markets; • Quoted prices for identical or similar assets or liabilities in inactive markets; • Inputs other than quoted prices that are observable for the asset or liability; • Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 6 - FAIR VALUE MEASUREMENTS, CONTINUED

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value 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 measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Mutual funds: Valued at the closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Cash surrender value of life insurance: Fair value is measured at the daily NAV of the underlying investment. The NAV is provided by the trustee which is based on annual actuarial reports which compute present value.

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 management 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 tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2022 and 2021:

Assets at Fair Value as of June 30, 2022 - AUDITED				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds	\$ 2,114,811	-	-	2,114,811
Assets measured at NAV ^(a)				<u>35,767</u>
Total assets at fair value				<u>\$ 2,150,578</u>

Assets at Fair Value as of June 30, 2021 - COMPILED				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Mutual funds	\$ 2,298,172	-	-	2,298,172
Assets measured at NAV ^(a)				<u>33,982</u>
Total assets at fair value				<u>\$ 2,332,154</u>

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 6 - FAIR VALUE MEASUREMENTS, CONTINUED

(a) Investments that are measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

For the year ended June 30, 2022 and 2021, there were no significant transfers into or out of Level 3.

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarizes investments measured at fair value based on the NAV per share practical expedient as of June 30, 2022 and 2021.

<u>June 30, 2022</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>
Cash Surrender Value of Life Insurance	\$ 35,767	N/A	Daily
<u>June 30, 2021</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if currently eligible)</u>
Cash Surrender Value of Life Insurance	\$ 33,982	N/A	Daily

NOTE 7 - RELATED PARTY TRANSACTIONS

The Foundation receives substantial support from the members of the Church and supports the ministry of the Church through grant awards. The Church is not consolidated in these financial statements because it does not meet the criteria for consolidation.

Support given for general tuition, church, and school assistance from the Foundation totaled \$92,892 and \$159,025 for the years ended June 30, 2022 and 2021, respectively. During the years ended June 30, 2022 and 2021, the board of directors members contributed \$2,565 and \$1,340 to the Foundation, respectively. The Church collects donations from church services that donors stipulate are for the Foundation. The Church treats these donations as an agency fund and remits the collections on a quarterly basis. The balance receivable of these donations as of June 30, 2022 and 2021 was \$0 and \$100, respectively.

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 8 - BOARD DESIGNATED NET ASSETS

Board designated net assets are restricted for the following purposes or periods for the year ended June 30, 2022 and 2021:

	<u>AUDITED 2022</u>	<u>COMPILED 2021</u>
General support	\$ 70,297	76,832
Endowment funds	<u>1,671,003</u>	<u>1,855,989</u>
 Total board designated net assets	 <u><u>\$ 1,741,300</u></u>	 <u><u>1,932,821</u></u>

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods for the year ended June 30, 2022 and 2021:

	<u>AUDITED 2022</u>	<u>COMPILED 2021</u>
General tuition and school assistance	\$ 42,998	83,945
Ministry support services	11,312	11,312
Church support	-	6,389
Prange/Mueller endowment fund	39,814	44,014
T-fund	<u>127,667</u>	<u>41,069</u>
	 <u><u>\$ 221,791</u></u>	 <u><u>186,729</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2022 and 2021:

	<u>AUDITED 2022</u>	<u>COMPILED 2021</u>
General tuition, church, and school assistance	<u><u>\$ 81,216</u></u>	<u><u>159,025</u></u>

NOTE 10 - ENDOWMENT

The Foundation's endowment consists of funds established by donors to provide annual funding for specific activities and general operations of the Foundation. The endowment also includes certain net assets without donor restrictions that have been designated for endowment by the board of directors.

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 10 - ENDOWMENT, CONTINUED

Interpretation of Relevant Law

The State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) on June 30, 2009. The board of directors has adopted a spending policy that requires the preservation of the fair value of the original gift (if required by the donor) as of the gift date of the donor-restricted endowment fund. All other donor contributions to the endowment funds will follow the board of directors spending policy.

As a result of this policy, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of any discounts or an allowance for uncollectible pledges) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence described by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating annually no more than 5% of the fair market value of the endowment, including any capital appreciation and/or current yield. With the vote of two-thirds of the Foundation's board of directors, an amount greater than the maximum of 5% of the principal balance may be allocated. In establishing this policy, the Foundation considered the long-term expected return on its endowments. This is consistent with the Foundation's objective to maintain the fair value of the endowment assets held in perpetuity for a specified term as well as to provide additional real growth through new gifts and investment return. The board of directors designated, and donor-restricted endowments are spent in accordance with the board of directors' and donors' requirements; distributions are made for purposes that conform to the donors' stated intentions.

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 10 - ENDOWMENT, CONTINUED

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments).

There were no such deficiencies at June 30, 2022 and 2021.

Endowment net asset composition by type of fund as of June 30, 2022:

	AUDITED Without Donor Restrictions	AUDITED With Donor Restrictions	AUDITED Total
Board-designated endowment funds	\$ 1,671,003	-	1,671,003
Donor-restricted endowment funds	<u>-</u>	<u>210,479</u>	<u>210,479</u>
Total endowment net assets	<u>\$ 1,671,003</u>	<u>210,479</u>	<u>1,881,482</u>

Changes in endowment net assets for the year ended June 30, 2022:

	AUDITED Without Donor Restrictions	AUDITED With Donor Restrictions	AUDITED Total
Endowment net assets, June 30, 2021	\$ 1,855,989	175,417	2,031,406
Investment return, net	(173,538)	-	(173,538)
Appropriation of endowment assets for expenditures	(27,056)	(81,216)	(108,272)
Contributions	<u>15,608</u>	<u>116,278</u>	<u>131,886</u>
Endowment net assets, June 30, 2022	<u>\$ 1,671,003</u>	<u>210,479</u>	<u>1,881,482</u>

Endowment net asset composition by type of fund as of June 30, 2021:

	COMPILED Without Donor Restrictions	COMPILED With Donor Restrictions	COMPILED Total
Board-designated endowment funds	\$ 1,855,989	-	1,855,989
Donor-restricted endowment funds	<u>-</u>	<u>175,417</u>	<u>175,417</u>
Total endowment net assets	<u>\$ 1,855,989</u>	<u>175,417</u>	<u>2,031,406</u>

**TRINITY ROSELLE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021**

NOTE 10 - ENDOWMENT, CONTINUED

Changes in endowment net assets for the year ended June 30, 2021:

	COMPILED Without Donor Restrictions	COMPILED With Donor Restrictions	COMPILED Total
Endowment net assets, July 1, 2020	\$ 1,412,133	312,517	1,724,650
Investment return, net	421,504	-	421,504
Appropriation of endowment assets for expenditures	(11,217)	(159,025)	(170,242)
Contributions	17,378	21,925	39,303
Transfer from general fund	<u>16,191</u>	<u>-</u>	<u>16,191</u>
Endowment net assets, June 30, 2021	<u>\$ 1,855,989</u>	<u>175,417</u>	<u>2,031,406</u>

NOTE 11 - IMPACT OF COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread in certain parts of the world. To date, the impact on the Foundation's operations and results has not been significant and management expects this to remain the case. Management continues to actively monitor the global situation in order to mitigate any potential future impact on the Foundation's changes in net assets and financial performance.

S U P P L E M E N T A R Y I N F O R M A T I O N

TRINITY ROSELLE FOUNDATION
STATEMENT OF FINANCIAL POSITION BY FUND - AUDITED
JUNE 30, 2022

	<u>ASSETS</u>							<u>TOTAL</u>
	<u>GENERAL FOUNDATION</u>	<u>SCHOOL ENDOWMENT FUND</u>	<u>SCHOOL TUITION FUND</u>	<u>T FUND</u>	<u>CHURCH ENDOWMENT FUND</u>	<u>PRANGE/MUELLER ENDOWMENT FUND</u>	<u>OTHER DEDICATED FUNDS</u>	
Cash and cash equivalents	\$ 41,613	(51,922)	36,246	(23,484)	54,022	10,339	11,312	78,126
Investments	248,690	779,119	390,302	155,706	490,764	50,230	-	2,114,811
Notes receivable	3,998	-	-	-	-	-	-	3,998
Cash surrender value of life insurance policy	35,767	-	-	-	-	-	-	35,767
Total assets	<u>\$ 330,068</u>	<u>727,197</u>	<u>426,548</u>	<u>132,222</u>	<u>544,786</u>	<u>60,569</u>	<u>11,312</u>	<u>2,232,702</u>
<u>LIABILITIES AND NET ASSETS</u>								
Liabilities:								
Accrued expenses	\$ 2,460	2,460	2,460	-	4,920	-	-	12,300
Net assets:								
Without donor restrictions:								
Undesignated	257,311	-	-	-	-	-	-	257,311
Board designated:								
General support	70,297	-	-	-	-	-	-	70,297
Endowment funds	-	724,737	381,090	4,555	539,866	20,755	-	1,671,003
Total board designated	70,297	724,737	381,090	4,555	539,866	20,755	-	1,741,300
Total without donor restrictions	327,608	724,737	381,090	4,555	539,866	20,755	-	1,998,611
With donor restrictions:								
Endowment funds	-	-	42,998	127,667	-	39,814	-	210,479
Purpose restrictions	-	-	-	-	-	-	11,312	11,312
Total with donor restrictions	-	-	42,998	127,667	-	39,814	11,312	221,791
Total net assets	327,608	724,737	424,088	132,222	539,866	60,569	11,312	2,220,402
Total liabilities and net assets	<u>\$ 330,068</u>	<u>727,197</u>	<u>426,548</u>	<u>132,222</u>	<u>544,786</u>	<u>60,569</u>	<u>11,312</u>	<u>2,232,702</u>

See Independent Auditor's Report.

TRINITY ROSELLE FOUNDATION
STATEMENT OF FINANCIAL POSITION BY FUND - COMPILED
JUNE 30, 2021

	<u>ASSETS</u>							
	GENERAL FOUNDATION	SCHOOL ENDOWMENT FUND	SCHOOL TUITION FUND	T FUND	CHURCH ENDOWMENT FUND	PRANGE/MUELLER ENDOWMENT FUND	OTHER DEDICATED FUNDS	TOTAL
Cash and cash equivalents	\$ 18,146	(44,376)	30,447	(12,282)	39,576	14,539	11,312	57,362
Accounts receivable	92	-	100	-	-	-	-	192
Investments	289,570	878,279	448,369	61,381	565,249	55,324	-	2,298,172
Notes receivable	4,285	-	-	-	-	-	-	4,285
Cash surrender value of life insurance policy	33,982	-	-	-	-	-	-	33,982
Other receivable	24,134	-	-	-	-	-	-	24,134
Total assets	<u>\$ 370,209</u>	<u>833,903</u>	<u>478,916</u>	<u>49,099</u>	<u>604,825</u>	<u>69,863</u>	<u>11,312</u>	<u>2,418,127</u>
 <u>LIABILITIES AND NET ASSETS</u>								
Liabilities:								
Accrued expenses	<u>\$ 1,300</u>	<u>1,300</u>	<u>1,300</u>	<u>-</u>	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>6,500</u>
Net assets:								
Without donor restrictions:								
Undesignated	292,077	-	-	-	-	-	-	292,077
Board designated:								
General support	76,832	-	-	-	-	-	-	76,832
Endowment funds	<u>-</u>	<u>803,973</u>	<u>422,301</u>	<u>8,030</u>	<u>595,836</u>	<u>25,849</u>	<u>-</u>	<u>1,855,989</u>
Total board designated	<u>76,832</u>	<u>803,973</u>	<u>422,301</u>	<u>8,030</u>	<u>595,836</u>	<u>25,849</u>	<u>-</u>	<u>1,932,821</u>
Total without donor restrictions	<u>368,909</u>	<u>803,973</u>	<u>422,301</u>	<u>8,030</u>	<u>595,836</u>	<u>25,849</u>	<u>-</u>	<u>2,224,898</u>
With donor restrictions:								
Endowment funds	-	28,630	55,315	41,069	6,389	44,014	-	175,417
Purpose restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,312</u>	<u>11,312</u>
Total with donor restrictions	<u>-</u>	<u>28,630</u>	<u>55,315</u>	<u>41,069</u>	<u>6,389</u>	<u>44,014</u>	<u>11,312</u>	<u>186,729</u>
Total net assets	<u>368,909</u>	<u>832,603</u>	<u>477,616</u>	<u>49,099</u>	<u>602,225</u>	<u>69,863</u>	<u>11,312</u>	<u>2,411,627</u>
Total liabilities and net assets	<u>\$ 370,209</u>	<u>833,903</u>	<u>478,916</u>	<u>49,099</u>	<u>604,825</u>	<u>69,863</u>	<u>11,312</u>	<u>2,418,127</u>

See Independent Auditor's Report.

TRINITY ROSELLE FOUNDATION
STATEMENT OF ACTIVITIES BY FUND - AUDITED
YEAR ENDED JUNE 30, 2022

	GENERAL FOUNDATION	SCHOOL ENDOWMENT FUND	SCHOOL TUITION FUND	T FUND	CHURCH ENDOWMENT FUND	PRANGE/MUELLER ENDOWMENT FUND	OTHER DEDICATED FUNDS	TOTAL
Support and revenue:								
Contributions	\$ 4,465	4,292	8,010	111,300	8,284	-	-	136,351
Investment return, net	(29,921)	(70,749)	(41,267)	(3,475)	(52,953)	(5,094)	-	(203,459)
Change in cash surrender value of life insurance	<u>1,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,785</u>
Total support and revenue	<u>(23,671)</u>	<u>(66,457)</u>	<u>(33,257)</u>	<u>107,825</u>	<u>(44,669)</u>	<u>(5,094)</u>	<u>-</u>	<u>(65,323)</u>
Expenses:								
Program services	11,000	37,565	16,425	24,702	10,000	4,200	-	103,892
Management and general	<u>6,630</u>	<u>3,844</u>	<u>3,846</u>	<u>-</u>	<u>7,690</u>	<u>-</u>	<u>-</u>	<u>22,010</u>
Total expenses	<u>17,630</u>	<u>41,409</u>	<u>20,271</u>	<u>24,702</u>	<u>17,690</u>	<u>4,200</u>	<u>-</u>	<u>125,902</u>
Change in net assets	(41,301)	(107,866)	(53,528)	83,123	(62,359)	(9,294)	-	(191,225)
Net assets, beginning of year	<u>368,909</u>	<u>832,603</u>	<u>477,616</u>	<u>49,099</u>	<u>602,225</u>	<u>69,863</u>	<u>11,312</u>	<u>2,411,627</u>
Net assets, end of year	<u>\$ 327,608</u>	<u>724,737</u>	<u>424,088</u>	<u>132,222</u>	<u>539,866</u>	<u>60,569</u>	<u>11,312</u>	<u>2,220,402</u>

See Independent Auditor's Report.

TRINITY ROSELLE FOUNDATION
STATEMENT OF ACTIVITIES BY FUND - COMPILED
YEAR ENDED JUNE 30, 2021

	GENERAL FOUNDATION	SCHOOL ENDOWMENT FUND	SCHOOL TUITION FUND	T FUND	CHURCH ENDOWMENT FUND	PRANGE/MUELLER ENDOWMENT FUND	OTHER DEDICATED FUNDS	TOTAL
Support and revenue:								
Contributions	\$ 4,905	7,859	10,203	11,550	9,443	248	-	44,208
Investment return, net	62,487	176,004	98,103	13,032	122,931	11,434	-	483,991
Change in cash surrender value of life insurance	1,676	-	-	-	-	-	-	1,676
Gain on sale of investment in real estate	6,534	-	-	-	-	-	-	6,534
Total support and revenue	<u>75,602</u>	<u>183,863</u>	<u>108,306</u>	<u>24,582</u>	<u>132,374</u>	<u>11,682</u>	<u>-</u>	<u>536,409</u>
Expenses:								
Program services	710	72,170	10,873	70,482	5,500	-	-	159,735
Management and general	3,366	2,804	2,806	-	5,607	-	-	14,583
Total expenses	<u>4,076</u>	<u>74,974</u>	<u>13,679</u>	<u>70,482</u>	<u>11,107</u>	<u>-</u>	<u>-</u>	<u>174,318</u>
Interfund transfers	<u>16,191</u>	<u>(36,361)</u>	<u>-</u>	<u>-</u>	<u>20,170</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	55,335	145,250	94,627	(45,900)	101,097	11,682	-	362,091
Net assets, beginning of year	<u>313,574</u>	<u>687,353</u>	<u>382,989</u>	<u>94,999</u>	<u>501,128</u>	<u>58,181</u>	<u>11,312</u>	<u>2,049,536</u>
Net assets, end of year	<u>\$ 368,909</u>	<u>832,603</u>	<u>477,616</u>	<u>49,099</u>	<u>602,225</u>	<u>69,863</u>	<u>11,312</u>	<u>2,411,627</u>

See Independent Auditor's Report.