



# George Snow Scholarship Fund, Inc.

Consolidated Financial Statements  
Year Ended December 31, 2021

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of  
BDO International Limited, a UK company limited by guarantee.



**George Snow Scholarship Fund, Inc.**

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Consolidated Financial Statements  
Year Ended December 31, 2021

# George Snow Scholarship Fund, Inc.

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Board of Directors  
George Snow Scholarship Fund, Inc.  
Boca Raton, Florida

### ***Opinion***

We have audited the consolidated financial statements of George Snow Scholarship Fund, Inc. (the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the results of its operations and its cash flow 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Boca Raton, FL  
August 19, 2022

**BDO USA, LLP**  
Certified Public Accountants

## **Consolidated Financial Statements**

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**George Snow Scholarship Fund, Inc.**  
**Consolidated Statement of Financial Position**

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*December 31,*

**2021**

**Assets**

Cash and cash equivalents	\$ 2,965,470
Investments at fair value	4,827,179
Receivables:	
Accounts receivable	44,156
Pledges receivable, net	545,025
Prepaid expenses and other assets	42,582
Property and equipment, net	161,378

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<b>Total Assets</b>	<b>\$ 8,585,790</b>
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**Liabilities**

Accounts payable and accrued expenses	99,746
Scholarships payable, net	2,833,045
Deferred revenue	45,000

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<b>Total Liabilities</b>	<b>2,977,791</b>
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**Net Assets**

Without donor restrictions	
Unrestricted	(1,708,591)
Board designated	1,941,965
Total without donor restrictions	233,374
With donor restrictions	5,374,625

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<b>Total Net Assets</b>	<b>5,607,999</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$ 8,585,790</b>
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*See accompanying notes to consolidated financial statements.*

# George Snow Scholarship Fund, Inc.

## Consolidated Statement of Activities

<i>Year ended December 31,</i>	Without Donor Restrictions	2021 With Donor Restrictions	Total
<b>Support and revenues</b>			
Contributions for scholarships	\$ -	\$ 2,500,918	\$ 2,500,918
Campaign revenues	291,265	154,551	445,816
Special events, net of expenses	385,710	-	385,710
Administrative fees	133,747	-	133,747
In-kind contributions	197,125	-	197,125
Program awards	172,873	7,831	180,704
Net investment return	131,248	237,952	369,200
Net assets released from restrictions	1,607,198	(1,607,198)	-
<b>Total Revenues</b>	<b>2,919,166</b>	<b>1,294,054</b>	<b>4,213,220</b>
<b>Expenses</b>			
Program services	3,077,821	-	3,077,821
Fundraising	110,846	-	110,846
Management and general	119,501	-	119,501
<b>Total Expenses</b>	<b>3,308,168</b>	<b>-</b>	<b>3,308,168</b>
Change in net assets	(389,002)	1,294,054	905,052
<b>Net Assets, beginning of year</b>	<b>622,376</b>	<b>4,080,571</b>	<b>4,702,947</b>
<b>Net Assets, end of year</b>	<b>\$ 233,374</b>	<b>\$ 5,374,625</b>	<b>\$ 5,607,999</b>

*See accompanying notes to consolidated financial statements.*

**George Snow Scholarship Fund, Inc.**  
**Consolidated Statement of Functional Expenses**

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<i>Year Ended December 31, 2021</i>	Program Services	Management and General	Fundraising	Total Expenses
Scholarships	\$ 2,430,398	\$ -	\$ -	\$ 2,430,398
Salaries and benefits	281,496	51,447	65,479	398,422
Program supplies	132,602	-	-	132,602
Occupancy costs	92,323	16,292	-	108,615
Professional fees	17,664	27,969	27,969	73,602
Information technology	42,746	4,365	233	47,344
Other	27,581	635	953	29,169
Depreciation and amortization	20,859	678	2,483	24,020
Awards reception	15,228	-	-	15,228
Advertising and communications	8,485	-	10,266	18,751
Insurance	2,249	5,418	2,556	10,223
Telephone	2,723	2,805	2,723	8,251
Development	-	-	4,886	4,886
Office supplies	1,237	1,237	1,275	3,749
Conference, meetings and events	1,595	-	-	1,595
Postage	635	-	678	1,313
<b>Total Expenses</b>	<b>\$ 3,077,821</b>	<b>\$ 110,846</b>	<b>\$ 119,501</b>	<b>\$ 3,308,168</b>

*See accompanying notes to consolidated financial statements.*

# George Snow Scholarship Fund, Inc.

## Consolidated Statement of Cash Flow

<i>Year Ended December 31,</i>	<b>2021</b>
<b>Cash Flows from Operating Activities:</b>	
Change in net assets	\$ 905,052
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	24,020
Endowment contributions	(124,551)
Accretion on discount of pledges receivable	(2,946)
Realized and unrealized gains on investments	(316,711)
(Increase) decrease in assets	
Accounts receivable	(43,654)
Pledges receivable	(94,998)
Prepaid expenses and other assets	(5,298)
Increase (decrease) in liabilities	
Accrued expenses	12,190
Deferred referred	45,000
Scholarships payable	651,558
<b>Total Adjustments</b>	<b>144,610</b>
<b>Net Cash and Cash Equivalents Provided by Operating Activities</b>	<b>1,049,662</b>
<b>Cash Flows from Investing Activities:</b>	
Purchases of investments	(680,679)
Proceeds on the sale of investments	93,392
<b>Net Cash and Cash Equivalents Used in Investing Activities</b>	<b>(587,287)</b>
<b>Cash Flows from Financing Activities:</b>	
Endowment contributions	139,550
<b>Net Cash and Cash Equivalents Provided by Financing Activities</b>	<b>139,550</b>
<b>Net increase in Cash and Cash Equivalents</b>	<b>601,925</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>2,363,545</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 2,965,470</b>

*See accompanying notes to consolidated financial statements.*

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### 1. Organization and Description of Business

The accompanying consolidated financial statements for the year ended December 31, 2021, represent those of the George Snow Scholarship Fund, Inc. (“GSSF”) and its wholly owned subsidiary, GSSF Services, LLC (“GSSFs”). In 1981, GSSF was incorporated in the State of Florida as a non-profit organization. GSSF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The purpose of GSSF is to provide educational grants to the deserving young people of Palm Beach and Northern Broward Counties of Florida. GSSF administers scholarships for other individuals, corporations and organizations. In 2012, GSSFs was formed as a single member LLC under the laws of the State of Florida. GSSFs was formed for the purpose of owning and operating certain scholarship fund assets.

### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation and principles of consolidation*

The accompanying consolidated financial statements include the consolidated amounts of GSSF and GSSFs. These entities collectively are referred to as the “Organization”. All significant intercompany transactions have been eliminated in consolidation.

The Organization prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which requires the Organization 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 Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

***Net assets without donor restrictions - board designated:*** The part of net assets without donor restrictions of the Organization resulting from contributions who use by the Organization is not limited by donor-imposed stipulations, but the board has earmarked. These net assets may be used at the discretion of the Organization’s the board of directors.

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

#### *Use of Estimates*

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses recognized during the reporting period. Actual results may differ from those estimates and those difference could be material.

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### *Cash and Cash Equivalents*

Cash and cash equivalents include all monies in banks and money market funds. Cash equivalents include all highly liquid securities with an initial maturity of ninety (90) days or less.

### *Investments at Fair Value*

Investments are primarily comprised of equities and money market funds. Investments are carried at fair value determined by quoted market values. Investment gains and losses (including gains and losses on investments, interest, and dividends) are included in the Consolidated Statements of Activities. Investment gains restricted by a donor are reported as increases in donor restricted net assets unless the restrictions are met (either by passage of time or use) in the reporting period in which the income and gains are recognized.

### *Pledges receivable, net*

Pledges, less a provision for estimated uncollectible amounts and unamortized discounts, are recorded as a receivable and revenue when pledges are made. The provision for uncollectible pledges is based, among other things, on the Organization's past collection experience and the impact of changes in the current economic conditions and other pertinent factors. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

### *Prepaid Expenses and Other Assets*

Prepaid expenses consist primarily of prepaid insurance, and amounts paid in advance for events.

### *Property and Equipment, Net*

Property and equipment are recorded at cost when purchased or, if contributed, are recorded at the fair value at the time of the contribution. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. The Organization's capitalization policy requires individual assets to be capitalized if the original cost exceeds \$1,000. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets. Major replacements and betterments of buildings, building improvements and equipment are capitalized. Repairs, maintenance and minor replacements are charged to expense as incurred. Donations of property and equipment are recorded as support at their estimated fair value.

The estimated lives used in determining depreciation and amortization are:

Leasehold improvements	Shorter of useful life or lease term
Furniture and fixtures	5 - 7 years
Vehicles	5 years
Computer equipment	3 years

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in the revenues, earnings or cash flows or material adverse changes in the business climate, indicate that they may be impaired. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or estimate of fair value based on discounted cash flows. For the year ended December 31, 2021, there were no impairments.

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### ***Revenue Recognition - Contributions***

Transfer of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Contributions are considered to be available for general operations of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor 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 consolidated statements of activities as “net assets released from restrictions.” Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

### ***Revenue Recognition - Exchange Transactions***

The Organization follows the provisions of Accounting Standards Update (“ASU”) No. 2014-09 (“ASU 2014-09”), Revenue from Contracts with Customers, commonly referred to as Accounting Standards Codification Topic (“ASC 606”), issued by the Financial Accounting Standards Board (“FASB”). The pronouncement was issued to clarify the principles for recognizing revenue and the core principle of the guidance is that an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract
- Step 2: Identify the performance obligation in the contract
- Step 3: Define the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the organization satisfies a performance obligation

ASC 606 applies to earned revenue, therefore it is only applicable to event revenues, and other fees.

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### ***Special Events***

The Organization recognizes special event revenue in the year the event occurs. Special event revenue is reflected net of its related expenditures in the accompanying consolidated statement of activities.

### ***Functional Allocation of Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying Statement of Functional expenses. Accordingly, certain costs have been allocated among the programs, general and administrative and fundraising costs based on time expended or space occupied. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Overhead expenses, which include occupancy, depreciation, and amortization, as well as salaries and wages, benefits, payroll taxes, and other of the Organization's staff, are allocated based upon total expenses.

### ***Income Taxes***

The Organization is a non-profit corporation which is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and sales and use tax under the laws of the State of Florida.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively. The Organization did not incur any tax expenses during the year ended December 31, 2021.

The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Organization files income tax returns. Additionally, the Organization has filed Internal Revenue Service Form 990 tax returns, as required, and all other applicable returns in jurisdictions where it is required. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2018.

GSSFS is treated as a disregarded entity for federal and state income tax purposes and, accordingly, would not incur income taxes or have any unrecognized tax benefits. Instead, the earnings and losses are included in the income tax returns of its sole member GSSF. As a result, the accompanying consolidated financial statements do not reflect a provision for income taxes.

### ***Concentration of Credit Risk***

Financial instruments that potentially subject the Organization to concentrations of credit risk are cash and cash equivalents, contributions, pledges receivable, and investments.

### ***Cash and Cash Equivalents***

At various times during the year, the Organization had deposits at financial institutions in excess of federally insured limits. The Organization maintains its cash with high quality financial institutions which, the Organization believes, limits these risks.

**George Snow Scholarship Fund, Inc.**  
**Notes to Consolidated Financial Statements**

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**Contributions and Pledges Receivable**

As of December 31, 2021, approximately 83% of the Organization's pledges are from one donor.

**Investments**

Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment markets will impact the value of the portfolio.

Additionally, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Organization's investment balances and the amounts reported in the Statements of Financial Position. The Organization utilizes an investment policy and a management oversight board, which periodically reviews its investment portfolios to monitor these risks.

***Recent Accounting Pronouncements - Not Implemented***

**Lease Accounting**

In February 2016, the FASB issued an accounting standard update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The Organization is currently evaluating the effect the update will have on its financial statements.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The update is effective for fiscal years beginning after December 15, 2019, and for interim periods within fiscal years beginning after December 15, 2020, with early application permitted. The effective dates have tentatively been extended to fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022. The Organization is evaluating the method of adoption it will elect.

**Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets**

In September 2020, the FASB issued an accounting standard update to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The update is effective for financial statements issued for fiscal years beginning after June 15, 2021, and interim periods within fiscal years beginning after June 15, 2022, with early application permitted. The Organization is currently evaluating the effect the update will have on its financial statements.

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### 3. Liquidity Management and Availability of Resources

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization considers general expenditures to be all expenditures related to its ongoing activities to accomplish its mission as well as the conduct of services undertaken to support those activities, to be general expenditures. The Organization holds cash in various interest-bearing bank accounts with well-known financial institutions. Additionally, the Organization has adopted investment and spending policies that attempt to provide a predictable stream of income to programs and operations supported by its investments. Furthermore, the Board reviews the consolidated Statement of Financial Position and consolidated Statement of Activities results periodically.

The Organization's financial assets available within one year of the Consolidated Statement of Financial Position date for general expenditures are as follows as of December 31,:

<i>December 31,</i>	<b>2021</b>
Financial assets:	
Cash and cash equivalents	\$ 2,965,470
Investments at fair value	4,827,179
Accounts receivable	44,156
Pledges receivable, current	275,000
<b>Total financial assets</b>	<b>8,111,805</b>
Less: Financial assets unavailable to management due to	
Donor imposed restrictions	5,374,625
Board designated assets	1,941,965
<b>Total financial assets available to management for general expenditures within one year</b>	<b>\$ 795,215</b>

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### 4. Pledges Receivable, net

Pledges receivable, net consists of annual campaign pledges as well as Endowment pledges. Pledges receivable pertaining to the general campaign represents commitments from donors to fund the ongoing operations of the Organization. Pledges receivables are reported as assets at their net realizable value.

Pledges receivable consisted of the following at December 31, 2021:

<i>December 31,</i>		<b>2021</b>
Scholarships	\$	489,999
Endowments		67,500
<b>Gross Pledges receivable</b>		<b>557,499</b>
Less: unamortized discount		(12,474)
<b>Pledges receivable, net</b>	\$	<b>545,025</b>

Pledges receivable with payment terms in excess of one year have been discounted using a market rate of interest (approximately 3.25% as of December 31, 2021) to reflect their estimated present value.

Payments due on pledges receivable as of December 31, 2021 are as follows:

<i>Years Ending December 31,</i>		
2022	\$	275,000
2023-2024		282,499
<b>Total Gross pledges receivable</b>	\$	<b>557,499</b>

### 5. Property and Equipment, Net

Property and equipment consisted of the following at December 31, 2021:

<i>December 31,</i>		<b>2021</b>
Leasehold improvements	\$	260,747
Furniture and fixtures		90,584
Equipment		16,650
Computer equipment		14,759
		<b>382,740</b>
Less: accumulated depreciation and amortization		(221,362)
<b>Property and equipment, net</b>	\$	<b>161,378</b>

Depreciation and amortization expense for the year ended December 31, 2021, was approximately \$24,000.

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### 6. Investments

During the year ended December 31, 2021, the Organization has investments within a few different brokerage accounts. Investment gains, net is comprised of the following for the years ended December 31:

	<u>2021</u>
Dividends and interest, net of fees	\$ 52,489
Net realized gains	143,872
Net unrealized gains	<u>172,839</u>
<b>Net investment return</b>	<b><u>\$ 369,200</u></b>

### 7. Fair Value Measurements

The framework for measuring fair value, provides a 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 under the FASB Accounting Standards Codification 820 are described as follows:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 inputs to the valuation methodology include:
  - 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.

- 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. There have been no changes in the methodologies used at December 31, 2021.

Mutual Funds investments are valued at the closing price reported in the active market which the individual securities are traded.

Equities are valued at the closing price reported in the active market which the individual securities are traded.

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is 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 values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

The following table represents the Organization's financial instruments measured at fair value on a recurring basis as of December 31, 2021, respectively, for each of the fair value hierarchy levels:

Description	12/31/2021	Fair Value Measurements		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Money market	\$ 627,300	\$ 627,300	\$ -	\$ -
Mutual funds				
Domestic Fixed Income	1,664,275	1,664,275	-	-
International Fixed Income	128,566	128,566	-	-
Equities:				
Domestic Equity	1,848,917	1,848,917	-	-
International Equity	398,950	398,950	-	-
Global Equity	159,171	159,171	-	-
<b>Total investments in the fair value hierarchy</b>	<b>\$ 4,827,179</b>	<b>\$ 4,827,179</b>	<b>\$ -</b>	<b>\$ -</b>

### 8. Scholarships Payable

Management has promised future scholarships to individuals as part of the Organization's mission and commitment to support education. Scholarship expense, which often include multiple year payment commitments, are expensed in full in the year the grant agreements are executed, and the commitments made to the students. Scholarships expense for the year ended December 31, 2021, was approximately \$2,430,000 and is included on the accompanying Statement of Functional Expenses.

**George Snow Scholarship Fund, Inc.**  
**Notes to Consolidated Financial Statements**

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Future Payments under these scholarships as of December 31, 2021 are as follows:

<i>Year Ended December 31,</i>	<i>2021</i>
2022	\$ 1,338,000
2023	755,000
2024	630,000
2025	226,000
<i>Gross Scholarships Payable</i>	<i>2,949,000</i>
<i>Discount on scholarships with payment terms beyond one year</i>	<i>(116,000)</i>
<i>Scholarships Payable, net</i>	<i>\$ 2,833,000</i>

For purposes of discounting Scholarships payable with payment terms in excess of one year have been discounted using a market rate of interest (approximately 3.25% as of December 31, 2021) to reflect their estimated present value.

## 9. Lease Commitments

The Organization has a lease agreement with an unrelated third party for office space which expires on October 30, 2027. The lease calls for monthly rental payments of approximately \$300. The difference between the leases rental market value and amounts charged under this lease for the year ended December 31, 2021 was \$93,000 which was recognized as in-kind revenue and expense. The Organization also leases storage space and equipment under various operating leases.

The minimum future lease payments under operating leases were as follows:

<i>Year Ended December 31,</i>	<i>2021</i>
2022	\$ 4,000
2023	4,000
2024	4,000
2025	4,000
2026	4,000
Thereafter	3,000
	<i>\$ 23,000</i>

Rent expense under these operating leases for the year ended December 31, 2021, was \$99,000, which includes approximately \$93,000 of in-kind expense.

**George Snow Scholarship Fund, Inc.**  
**Notes to Consolidated Financial Statements**

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**10. Donated Services and Materials**

Donated services and materials received during the year ended December 31, 2021 was as follows:

<i>Year Ended December 31,</i>	<b>2021</b>
<b>Donated services:</b>	
Scholarship	\$ 62,647
Rent, office space	92,796
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<b>Donated materials:</b>	
Software licenses	41,682
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Total donated materials	\$ 197,125
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**11. Net Assets without Donor Restrictions**

Net assets without donor restrictions consisted of the following at December 31, 2021:

<b>Without donor restrictions</b>	
Unrestricted	\$ (1,708,591)
Board designated	1,941,965
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Total without donor restrictions	\$ 233,374
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As of December 31, 2021, the Organization's board has earmarked approximately \$1,942,000 of net assets for their future discretion. Additionally, the Organization has unrestricted net assets in a deficit position of \$1,709,000, this a result of the Organization's promised future scholarships which are recorded as unrestricted expenses at the time of the grant. The Organization does have sufficient net assets to cover these scholarships which are presented with Net Asset with Donor Restrictions (Note 12). These amounts will be released to unrestricted upon the disbursements of the grants to the recipients.

**12. Net Assets with Donor Restrictions**

The following is a reconciliation of net assets with donor restrictions as of and for the years ended December 31, 2021:

	2020	Additions	Investment Income	Releases	2021
Scholarships	\$ 2,181,487	2,283,292	-	(1,515,995)	\$ 2,948,784
Endowed in perpetuity	1,899,084	154,551	237,952	(91,203)	2,200,384
Amounts restricted for scholarships in future years	-	225,457	-	-	225,457
<hr/>		<hr/>		<hr/>	
<b>Total net assets with donor restrictions</b>	<b>\$ 4,080,571</b>	<b>\$ 2,663,300</b>	<b>\$ 237,952</b>	<b>\$ (1,607,198)</b>	<b>\$ 5,374,625</b>
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# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### 13. Endowments

The Organization's endowments consist of individual funds established for a variety of different scholarships. Its endowments are comprised of funds with no restrictions, donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

For the years ended December 31, 2021, the Organization has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

**George Snow Scholarship Fund, Inc.**  
**Notes to Consolidated Financial Statements**

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**Summary of Endowment Net Assets at December 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	
Board-designated endowment funds	\$ 1,941,965	\$ -	\$ 1,941,965
Donor restricted endowment funds	-	2,200,384	2,200,384
<b>Total endowments net assets</b>	<b>\$ 1,941,965</b>	<b>\$ 2,200,384</b>	<b>\$ 4,142,349</b>

**Changes in Endowment Net Assets for the year ended December 31, 2021**

<i>Year ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2020	\$ 1,340,453	\$ 1,899,084	\$ 3,239,537
Net appreciation	133,977	256,390	390,367
Investment fees	(13,174)	(18,438)	(31,612)
Contributions	526,128	154,551	680,679
Amounts appropriated for expenditure	(45,419)	(91,203)	(136,622)
<b>Endowment net assets, December 31, 2021</b>	<b>\$ 1,941,965</b>	<b>\$ 2,200,384</b>	<b>\$ 4,142,349</b>

***Funds with Deficiencies***

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2021.

***Return Objectives and Risk Parameters***

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets on an inflation adjusted basis. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to achieve a competitive rate of return while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide a rate of return in excess of the original with donor restriction principal. Actual returns in any given year may vary.

# George Snow Scholarship Fund, Inc.

## Notes to Consolidated Financial Statements

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### *Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Organization 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). The Organization targets a diversified asset allocation that places emphasis on investments in mutual funds to achieve its long-term return objectives within prudent risk constraints.

### *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Organization's Board approves all spending of the Board-designated Endowment Fund when required to support the operations of the Organization. Income from donor-restricted investments may only be used in furtherance of its exempt purposes retaining the principal within the Organization as an endowment. Income is defined as the total return derived from capital, including the net of realized and unrealized appreciation and depreciation. All money or other property received as interest or as dividends on corporate shares shall be deemed income. Income not expended in a year may be accumulated and added to principal or held as undistributed income for future distribution, absent donor stipulation to the contrary.

### **14. Subsequent Events**

Since the December 31, 2022, market values in global financial markets have incurred significant losses. As a result, the Organization's investments have incurred significant decline in fair value. However, because the values of the Organization's investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined at this time.

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through August 19, 2022, which is the date the consolidated financial statements were available to be issued.