



West Chester Area Education Foundation

Financial Statements
Years Ended December 31, 2022 and 2021



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WEST CHESTER AREA EDUCATION FOUNDATION

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

**Board of Directors
West Chester Area Education Foundation
West Chester, Pennsylvania**

We have reviewed the accompanying financial statements of West Chester Area Education Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the West Chester Area Education Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2021 Financial Statements

The financial statements of the West Chester Area Education Foundation as of December 31, 2021 were reviewed by other accountants, whose report dated April 1, 2022 stated that, based on their procedures, they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

BBD, LLP

**Philadelphia, Pennsylvania
July 20, 2023**

WEST CHESTER AREA EDUCATION FOUNDATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	<u>\$ 84,680</u>	<u>\$ 97,239</u>
LIABILITIES AND NET ASSETS		
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS		
Without donor restrictions	<u>84,680</u>	<u>97,239</u>
Total liabilities and net assets	<u><u>\$ 84,680</u></u>	<u><u>\$ 97,239</u></u>

See accompanying notes and independent accountant's review report

WEST CHESTER AREA EDUCATION FOUNDATION

STATEMENTS OF ACTIVITIES

Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
SUPPORT AND REVENUE		
Contributions	\$ 49,377	\$ 70,622
Special events, less direct expenses of \$3,301 in 2022 and \$1,700 in 2021	<u>15,732</u>	<u>9,300</u>
Total support and revenue	<u>65,109</u>	<u>79,922</u>
EXPENSES		
Program services	74,787	57,780
Management and general	<u>2,881</u>	<u>2,620</u>
Total expenses	<u>77,668</u>	<u>60,400</u>
CHANGE IN NET ASSETS	(12,559)	19,522
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning of year	<u>97,239</u>	<u>77,717</u>
End of year	<u>\$ 84,680</u>	<u>\$ 97,239</u>

See accompanying notes and independent accountant's review report

WEST CHESTER AREA EDUCATION FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

Years ended December 31, 2022 and 2021

	<u>2022</u>			<u>2021</u>		
	<u>Program Services</u>	<u>Supporting Service Management and General</u>	<u>Total</u>	<u>Program Services</u>	<u>Supporting Service Management and General</u>	<u>Total</u>
Grants to West Chester Area School District	\$ 39,836	\$ -	\$ 39,836	\$ 22,655	\$ -	\$ 22,655
Scholarships and awards	33,250	-	33,250	35,125	-	35,125
Professional services	-	2,650	2,650	-	2,620	2,620
Supplies	1,701	-	1,701	-	-	-
Advertising	-	175	175	-	-	-
Miscellaneous	-	56	56	-	-	-
Total expenses	<u>\$ 74,787</u>	<u>\$ 2,881</u>	<u>\$ 77,668</u>	<u>\$ 57,780</u>	<u>\$ 2,620</u>	<u>\$ 60,400</u>

See accompanying notes and independent accountant's review report

WEST CHESTER AREA EDUCATION FOUNDATION

STATEMENTS OF CASH FLOWS

Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets, net cash provided by operating activities, and net increase (decrease) in cash</i>	\$(12,559)	\$ 19,522
CASH		
Beginning of year	<u>97,239</u>	<u>77,717</u>
End of year	<u>\$ 84,680</u>	<u>\$ 97,239</u>

See accompanying notes and independent accountant's review report

WEST CHESTER AREA EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

(1) NATURE OF OPERATIONS

The West Chester Area Education Foundation (the "**Foundation**") was formed on October 25, 2010 as an independent, nonprofit organization with the mission of supporting educational experiences that will connect the West Chester Area School District (the "**District**") curriculum with real world experience.

Programs, projects and activities sponsored by the Foundation are aligned with the District's strategic plan and mission statement, inspiring students to achieve their personal best. The Foundation provides mini-grants to teachers to help pay for field trips and other unique experiences for students in the District, as well as internships for students to gain work experience.

The Foundation's Board of Directors consists of District retirees, alumni, local business people and District, which is responsible for all operations of the Foundation. It administers funds received from public donations, fundraisers and grants.

(2) SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to the following classes of net assets:

Without donor restrictions

Net assets that are not subject to donor-imposed restrictions.

With donor restrictions

Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Foundation and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as "**net assets released from restrictions**". This category also includes net assets that are subject to donor-imposed restrictions that such net assets be maintained indefinitely.

The Foundation did not have any net assets with donor restrictions at December 31, 2022 and 2021.

Accounting Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America ("**GAAP**"), management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions received are recorded as net assets with donor restrictions and without donor restrictions depending on the absence or existence and nature of any donor restrictions. Donor restricted contributions whose restrictions are satisfied in the same period are reported as without donor restrictions.

WEST CHESTER AREA EDUCATION FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

Unconditional contributions are recognized as revenue when the related promise to give is received. Conditional contributions are recognized as revenue when the conditions are satisfied.

During 2022, the Foundation received approximately 15% of its total support and revenue from one donor. During 2021, the Foundation received approximately 30% of its total support and revenue from one donor.

The Foundation's general and administrative and fundraising services are provided by members of the Board of Directors without compensation. In addition, the Foundation receives significant amounts of time from volunteers who perform various functions without compensation. The financial statements do not reflect the value of these contributed services since the services do not meet the criteria for recognition.

Functional Allocation of Expenses

The costs of providing the program and supporting services have been presented on a functional basis in the statements of activities and functional expenses. All expenses are directly attributable to a specific functional area and have been reported as expenses of that functional area.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose may be subject to taxation as unrelated business income.

The Foundation has adopted an accounting standard regarding uncertain tax positions. The standard prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. The Foundation believes that it had no uncertain tax positions as defined in the standard.

Concentration of Credit Risk

Cash represents a financial instrument that potentially subjects the Foundation to concentration of credit risk. The Foundation maintains deposits at one financial institution, which may exceed federally-insured limits. The Foundation has not experienced any losses on its deposits.

(3) LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets and financial assets available within one year as of the statement of financial position date consisted of cash of \$84,680 at December 31, 2022 and \$97,239 at December 31, 2021.

Liquidity Management

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

(4) SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 20, 2023, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2022 that required recognition or disclosure in the financial statements.