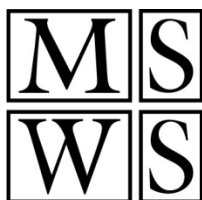


JUBILEE FOUNDATION, INC.
FINANCIAL STATEMENTS
JUNE 30, 2023

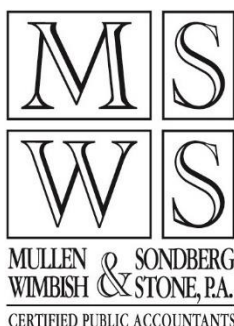


MULLEN SONDBERG WIMBISH & STONE, PA

CERTIFIED PUBLIC ACCOUNTANTS

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888 Bestgate Road • Suite 310 • Annapolis, Maryland 21401

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To Management and Board of Directors of
Jubilee Foundation, Inc.
Kensington, Maryland

Opinion

Management is responsible for the accompanying financial statements of Jubilee Foundation, Inc. (a nonprofit organization), which comprise the statement of net assets in liquidation as of June 30, 2023, and the related statements of changes in net assets in liquidation, functional expenses – liquidation basis and cash flows – liquidation basis for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Emphasis-of-Matter

As described in Note 1 to the financial statement, the Jubilee Foundation, Inc. Board of Directors has approved a motion to dissolve the Foundation and transfer all of the Foundation's assets. As a result of the intention to dissolve the Foundation, the Foundation has changed its basis of accounting from an ongoing basis of accounting to the liquidation basis of accounting effective July 1, 2022. The liquidation basis of accounting is required when liquidation is deemed imminent.

Report on Summarized Comparative Information

We have previously audited Jubilee Foundation, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 10, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland
November 6, 2023

Jubilee Foundation, Inc.
STATEMENT OF NET ASSETS IN LIQUIDATION
June 30, 2023

ASSETS		2023	2022
		(In liquidation)	(Ongoing)
		(Unaudited)	(Audited)
CURRENT ASSETS			
Cash and cash equivalents		\$ -	\$ 15,864
Total current assets		-	15,864
PROPERTY AND EQUIPMENT			
Net of accumulated depreciation		-	497,745
Total assets		<u>\$ -</u>	<u>\$ 513,609</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		\$ -	830
Unconditional promises to give - payable		-	140,219
Total current liabilities		<u>-</u>	<u>141,049</u>
NET ASSETS			
Without donor restrictions			
Undesignated		<u>\$ -</u>	<u>\$ 372,560</u>
Total without donor restrictions		-	372,560
With donor restrictions		<u>-</u>	<u>-</u>
Total net assets		<u>-</u>	<u>372,560</u>
Total liabilities and net assets		<u>\$ -</u>	<u>\$ 513,609</u>

See accompanying notes and independent accountant's compilation report.

Jubilee Foundation, Inc.
STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION
Year Ended June 30, 2023
With Summarized Financial Information for the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	2023 (In liquidation) (Unaudited)	2022 (Ongoing) (Audited)
REVENUES, GAINS AND OTHER SUPPORT				
Rental income	\$ 15,529	\$ -	\$ 15,529	\$ 23,517
Contributions and fundraising	2	-	2	359,105
Contributions - nonfinancial assets	-	-	-	426,000
Investment income, net of fees	-	-	-	79,717
Special events, net of direct expenses	-	-	-	26,670
Loss on disposition of assets	-	-	-	(44,427)
Realized/unrealized (loss) on investments	-	-	-	(399,141)
	15,531	-	15,531	471,441
Net assets released from restrictions	-	-	-	-
Total revenues, gains and other support	15,531	-	15,531	471,441
EXPENSES				
Program services				
Other programs	21,280	-	21,280	18,350
Total program services	21,280	-	21,280	18,350
Supporting services				
Fundraising	-	-	-	1,216
Management and general	1,249	-	1,249	29,394
Total supporting services	1,249	-	1,249	30,610
Total expenses	22,529	-	22,529	48,960
Change in net assets before other changes	(6,998)	-	(6,998)	422,481
OTHER CHANGES IN NET ASSETS				
Transfer to Rosaria Communities, Inc.	(346,000)	-	(346,000)	-
Transfer to The Jubilee Association of Maryland, Inc.	(19,562)	-	(19,562)	(2,657,546)
Change in net assets	(372,560)	-	(372,560)	(2,235,065)
NET ASSETS AT BEGINNING OF YEAR	372,560	-	372,560	2,607,625
NET ASSETS AT END OF YEAR	\$ -	\$ -	\$ -	\$ 372,560

See accompanying notes and independent accountant's compilation report.

Jubilee Foundation, Inc.
STATEMENT OF FUNCTIONAL EXPENSES – LIQUIDATION BASIS
Year Ended June 30, 2023
With Summarized Financial Information for the Year Ended June 30, 2022

	Program Services		Supporting Services		Total	
	Other Programs	Total Program	Fundraising	Management and General	2023 (In liquidation) (Unaudited)	2022 (Ongoing) (Audited)
Property insurance & tax	\$ 13,520	\$ 13,520	\$ -	\$ -	\$ 13,520	\$ -
Depreciation	7,071	7,071	-	-	7,071	10,485
Professional fees	-	-	-	1,130	1,130	4,160
Utilities	689	689	-	-	689	626
Bank service charge	-	-	-	119	119	-
Management fees	-	-	-	-	-	24,970
Jubilee client expenses	-	-	-	-	-	7,010
Credit card fees	-	-	-	-	-	1,280
Fundraising	-	-	-	-	-	830
Repairs and maintenance	-	-	-	-	-	229
Registration fees	-	-	-	-	-	200
Total expenses	21,280	21,280	-	1,249	22,529	49,790
Less: special events expenses included with revenue in the statement of activities	-	-	-	-	-	(830)
Total expenses reported in the statement of activities	<u>\$ 21,280</u>	<u>\$ 21,280</u>	<u>\$ -</u>	<u>\$ 1,249</u>	<u>\$ 22,529</u>	<u>\$ 48,960</u>

See accompanying notes and independent accountant's compilation report.

Jubilee Foundation, Inc.
STATEMENT OF CASH FLOWS – LIQUIDATION BASIS
Year Ended June 30, 2023

	2023 (In liquidation) (Unaudited)	2022 (Ongoing) (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (372,560)	\$ (2,235,065)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	7,071	10,485
Loss on disposal of property and equipment	-	44,427
Contributions restricted for long term purpose	-	(21,893)
Noncash asset contribution to The Jubilee Association of Maryland, Inc.	490,674	2,083,718
Noncash asset contribution	-	(426,000)
Change in discount and allowance on uncollectible pledges	-	(41,849)
Realized/unrealized loss on investments	-	399,141
Decrease in operating assets:		
Other receivables	-	650
Increase(decrease) in operating liabilities:		
Accounts payable	(830)	830
Unconditional promises to give	(140,219)	-
Net cash used in operating activities	<u>(15,864)</u>	<u>(185,556)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments and reinvested earnings	-	(86,011)
Proceeds from sale of investments	-	6,492
Purchase of property and equipment	-	(7,300)
Proceeds from sale of property and equipment	<u>-</u>	<u>35,573</u>
Net cash used in investing activities	<u>-</u>	<u>(51,246)</u>
Net change in cash and cash equivalents	(15,864)	(236,802)
Cash and cash equivalents at beginning of year	<u>15,864</u>	<u>252,666</u>
Cash and cash equivalents at end of year	<u><u>\$ -</u></u>	<u><u>\$ 15,864</u></u>

See accompanying notes and independent accountant's compilation report.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 - Summary of Significant Accounting Policies

Nature and Organization

Jubilee Foundation, Inc. (the Foundation) was formed to support the Jubilee Association of Maryland, Inc. (the Association), by, but not limited to, soliciting contributions, publicizing the work of the Association, granting funds to the Association, and acquiring and owning property for the benefit of the Association. The Association provides community-based residential services for individuals with developmental disabilities.

On January 18, 2022 the Board of Directors of the Foundation approved a motion to dissolve the Foundation and transfer all of the Foundation's assets to the Association. Foundation's assets in the amount of \$2,657,546 were transferred to the Association during the fiscal year ended June 30, 2022. The remaining \$19,562 of assets and liabilities were transferred to the Association during the fiscal year ending June 30, 2023.

Basis of Accounting

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. As a result of the Board of Directors intention to dissolve the Foundation, the Foundation has changed its basis of accounting from an ongoing basis of accounting to the liquidation basis of accounting effective July 1, 2022. The liquidation basis of accounting is required when liquidation is deemed imminent.

As a result of the liquidation, net assets of the Foundation is to be transferred to other organizations approved by the Board of Directors. All obligations of the Foundations were settled as of June 30, 2023. The Foundation has liquidated all net assets as of June 30, 2023 and expects to file the appropriate documentation with the appropriate filing authorities as necessary dissolve the Foundation.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Classification of Net Assets

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

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

Basis of Presentation

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Revenue Recognition – Contributions and Fundraising

Contributions received are recorded as support with donor restrictions or support without donor restrictions, depending on the existence and/or nature of any donor-imposed restriction. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of changes in net assets in liquidation as net assets released from restrictions.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Revenue Recognition – Special Events

The Foundation's policy for recognizing revenue for special events is to recognize revenue in the year the event occurs.

Promises to give with a measurable performance or other barrier and a right of return are considered conditional promises to give and are not recognized until the conditions on which they depend have been met. There were no conditional promises to give for the years ended June 30, 2023 and 2022.

Unconditional promises to give are recognized in the period the promise is made. Promises to give are carried at original amount promised less an estimate made for doubtful promises, based on a review of all outstanding promises on a monthly basis. The Foundation uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises to give. The allowance for uncollectible unconditional promises to give totaled \$-0- and \$-0- as of June 30, 2023 and 2022, respectively. Promises to give are written off when deemed uncollectible. Recoveries of promises to give previously written off are recorded when received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Revenue Recognition – Rental Income

The Foundation leases property on a month-to-month basis. Rental income is recognized monthly as it is earned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the statement of net assets in liquidation date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Income Tax Status and Position

The Foundation is exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. It is exempt from paying federal income tax on any income except unrelated business income. No provision has been made for income taxes, as the Foundation has had no significant unrelated business income.

The Foundation follows the guidance of *ASC 740-10, "Accounting for Uncertainty in Income Taxes"*, which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements, including those of nonprofit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the Foundation's financial statements.

The Foundation analyzes tax positions taken, including those related to the requirements set forth in IRC Sec. 501(c) to qualify as a tax exempt organization, activities performed by volunteers and Board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland State statute. The Foundation does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Foundation's financial position or changes in net assets as a result of analyzing its tax positions.

Cash and Cash Equivalents

For the purposes of the statement of cash flows – liquidation basis, the Foundation considers all liquid investments available for current use with an initial maturity of three months or less to be cash equivalents, except those held in a brokerage account as part of an investment portfolio.

Investments

Investments consist of mutual funds and money market funds held in a brokerage account as part of an investment portfolio, and are presented in the financial statements at quoted fair values. The net realized and unrealized appreciation (depreciation) in market value of investments is reflected in the statement of changes in net assets in liquidation.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Other Receivables

Other receivables include unpaid balances for sponsorships and advertising related to fundraising events, and amounts due from Jubilee Association of Maryland (See Note 6). Other receivables are stated at the amount management expects to collect from outstanding balances. The Foundation provides for probable uncollectible accounts through a provision for bad debt expense and an adjustment to a valuation allowance based on management's assessment of the current status of individual accounts. It is the Foundation's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The balance of the allowance for doubtful accounts related to other receivables at June 30, 2023 and 2022 was \$-0-.

Concentration of Cash Balances

On June 30, 2023 and 2022 and at various times during the fiscal years then ended, the Foundation maintained cash balances in excess of the federally insured limit. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Property and Equipment

Property and equipment acquisitions over \$1,000 are capitalized and carried at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Gifts of long-lived assets such as land, buildings or equipment are recorded at their fair values and reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used.

Allocation of Functional Expenses

Accounting principles generally accepted in the United States of America require all non-profit organizations to present their expenses on a functional basis, separating program services from management and general and fundraising expenses. Accordingly, certain supporting general and administrative costs have been allocated among the programs and supporting services benefited. Program services include grants to the Association to support the activities of community residential services provided to adults with developmental disabilities.

Management and general services provide for the direction of the overall affairs of the Foundation through executive, financial, and administrative services. Fundraising provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 1 - Summary of Significant Accounting Policies (Cont.)

Contributions – Nonfinancial Assets

Contributed services are recognized at fair value if the services (a) create or enhance long-lived assets or (b) require specialized skill, are performed by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements included in donations are offset by like amounts included in expenses or additions to property and equipment. There were no donated services that qualified for recognition during the years ended June 30, 2023 and 2022. Amounts recorded for contributions of tangible assets for the years ending June 30, 2023 and 2022 totaled \$-0- and \$426,000, respectively.

Contributions of tangible assets that have been recognized in the statement of changes in net assets in liquidation are as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Properties	<u>\$ -</u>	<u>\$ 426,000</u>

The Foundation's general practice is to utilize donated items to support the Foundation's overall purpose. Contributions of tangible assets during the year ended June 30, 2023 consisted of two properties. One property was sold during the year ended June 30, 2022 and the proceeds were utilized in the Foundation's programs to support the Association. The contributions of tangible assets were valued based on the tax assessed values of the properties as determined by the State of Maryland Department of Assets and Taxation. Donated items had no donor restrictions for the years ended June 30, 2023 and 2022.

Measure of Operations

The statement of changes in net assets in liquidation reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's ongoing program services. Nonoperating activities are limited to resources from other activities considered to be of a more unusual or nonrecurring nature. Nonoperating activities for the year ended June 30, 2023 consist of a transfer of assets to the Association and Rosaria Communities, Inc. related to the dissolution of the Foundation (See Note 6).

Reclassifications

Certain reclassifications of prior year balances were made to conform to current year presentation.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 2 - Availability and Liquidity

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

Financial assets at year end:	2023	2022
Cash and cash equivalents	\$ -	\$ 15,864
Total financial assets	-	15,864
Financial assets available to meet general expenditures over next twelve months	\$ -	\$ 15,864

On January 18, 2022 the Board of Directors of the Foundation approved a motion to dissolve the Foundation and transfer all the Foundation's assets to the Association. Foundation's assets in the amount of \$2,657,546 were transferred to the Association during the fiscal year ended June 30, 2022. The remaining \$19,562 of assets and liabilities were transferred to the Association during the fiscal year ending June 30, 2023.

Note 3 - Fair Value Measurement

ASC 820, "Fair Value Measurements and Disclosures", establishes 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) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under *FASB ASC 820* are as described as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- 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 that are unobservable and supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 3 - Fair Value Measurement (Cont.)

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Unconditional Promises to Give

Valued at present value of estimated future cash flows using a discount rate of 0.87% as of June 30, 2021. The discount rate is based on the five year Daily Treasury Yield Curve Rate as of June 30, 2021.

The following table includes a roll forward of the amounts for financial instruments classified withing Level 3. The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measure. Fair value measurements using Level 3 inputs are as follows at June 30:

<u>Unconditional Promises to Give</u>	<u>2023</u>	<u>2022</u>
Beginning balance	\$ -	\$ 329,651
Contributions	-	110,675
Collections	-	(88,782)
Transfer to The Jubilee Association of Maryland, Inc.	-	(393,393)
Change in allowance for uncollectible pledges	-	37,150
Change in present value discount	-	4,699
	<u>-</u>	<u>4,699</u>
Total investment income	<u>\$ -</u>	<u>\$ -</u>

Note 4 - Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>Estimated Life</u>	<u>2023</u>	<u>2022</u>
Land	--	\$ -	\$ 255,200
Buildings and improvements	25 years	-	404,377
Furniture and equipment	10 years	-	11,800
		-	671,377
Less: accumulated depreciation		-	(173,632)
		<u>\$ -</u>	<u>\$ 497,745</u>

Depreciation expense for the years ended June 30, 2023 and 2022 amounted to \$7,071 and \$10,485, respectively.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 5 - Rental Income

The Foundation leases the property at 11611 Channing Drive located in Silver Spring, Maryland. The lease is a month to month agreement.

Rental income was \$15,529 and \$23,517 for the years ended June 30, 2023 and 2022, respectively.

Note 6 - Related Party Transactions

The Foundation and the Association share common facilities, staff, and other costs which are paid by the Association. The Association established a management contract with the Foundation for these services, which are billed annually with any additional direct costs incurred by the Association. Management fees for the years ended June 30, 2023 and 2022 amounted to \$-0- and \$24,970, respectively.

The Foundation was formed to support the Association by, but not limited to, soliciting contributions, publicizing the work of the Association, granting funds to the Association, and acquiring and owning property for the benefit of the Association. Contributions provided by the Foundation to the Association for the years ended June 30, 2023 and 2022 amounted to \$19,562 and \$2,657,546, respectively.

As of June 30, 2023 and 2022, amounts due from the Association which are included in accounts receivable totaled \$-0-. As of June 30, 2023 and 2022, amounts due to the Association, which include the unconditional promise to give the Channing Drive property, are included in accounts payable totaled \$-0- and \$140,219, respectively.

On January 18, 2022 the Board of Directors of the Foundation approved a motion to dissolve the Foundation and transfer all of the Foundation's assets to the Association. Foundation's assets in the amount of \$2,657,546 were transferred to the Association during the fiscal year ended June 30, 2022. The remaining \$19,562 of assets and liabilities were transferred to the Association during the fiscal year ending June 30, 2023.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 6 - Related Party Transactions (Cont.)

Below is a summary of contributions transferred to the Association from the Foundation for the year ended June 30:

	2023
Noncash donations of fixed assets	\$ 151,745
Cash donations	8,866
Noncash donation of promise to give payable	(141,049)
Total contributions to other organizations	<u>\$ 19,562</u>

	2022
Noncash donations of investments	\$ 1,550,106
Cash donations	564,628
Noncash donations of promises to give	402,593
Noncash donations of promises to give - depreciable property	140,219
Total contributions to other organizations	<u>\$ 2,657,546</u>

Note 7 - Endowment Funds

The Foundation established an endowment fund. Management followed the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of Maryland. As a result, the Foundation classified as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Foundation considered the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 Foundation, and (7) the Foundation's investment policies. Although funds without donor restrictions functioning as endowment are not subject to donor restrictions, decisions to spend their principal require the approval of the Board of Directors.

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 7 - Endowment Funds (Cont.)

Investment Return Objectives, Risk Parameters and Strategies: The Foundation adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. In order to maintain the purchasing power of the endowment and the income flow, the long-term annualized rate of return objective is to equal or exceed inflation plus 3%.

Spending Policy: The Foundation had a spending policy where all endowment earnings are to be used to underwrite the benefits. During the year ended June 30, 2023 and 2022 the Board of Director's approved a payout of \$-0- and \$-0- respectively.

During the year ended June 30, 2022 the Foundation transferred all endowment net assets to the Association.

Changes in endowment net assets are as follows for the year ended June 30:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 680,379	\$ 1,029,132	\$ 1,709,511
Contributions	-	72,911	72,911
Investment income, net of fees	-	(372,690)	(372,690)
Net appreciation	-	(729,353)	(729,353)
Amounts appropriated for expenditure	(680,379)	-	(680,379)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Jubilee Foundation, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2023

Note 8 - Special Events

The direct costs of special events have been netted with special events revenue. Special events revenue and direct costs consisted of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Revenues	\$ -	\$ 27,500
Direct expenses	<u>-</u>	<u>(830)</u>
Net revenues	<u><u>\$ -</u></u>	<u><u>\$ 26,670</u></u>

Note 9 - Subsequent Event

The Foundation has evaluated the impact of significant subsequent events. There have been no subsequent events through November 6, 2023, the date the Foundation's financial statements were available to be issued, that require recognition or disclosure.