

SOUTHSIDE ISD EDUCATION FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

with

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

SOUTHSIDE ISD EDUCATION FOUNDATION

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Southside ISD Education Foundation
San Antonio, Texas

We have reviewed the accompanying financial statements of Southside ISD Education Foundation., which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, cash flows and functional expenditures for the year 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 company 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement 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 for 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 Southside ISD Education Foundation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' 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.

Oroian, Guest & Little, P.C.

A Professional Corporation
June 7, 2022

SOUTHSIDE ISD EDUCATION FOUNDATION
STATEMENT OF FINANCIAL POSITION
YEAR ENDED SEPTEMBER 30, 2021

ASSETS

Current assets:

Cash	\$ 564,454
Prepaid	<u>4,500</u>
Total assets	\$ 568,954

LIABILITIES AND NET ASSETS

Net assets:

Net assets without donor restrictions	<u>\$ 568,954</u>
Total liabilities and net assets	<u><u>\$ 568,954</u></u>

See independent account's review report and accompanying notes to financial statements

SOUTHSIDE ISD EDUCATION FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2021

Changes in net assets without donor restrictions:	
Revenue and other support:	
Special events	\$ 44,829
Contributions	799,246
Interest income	131
Total revenue and other support	<u>844,206</u>
Expenses:	
Program expenses	298,617
General and administrative expenses	9,285
Fundraising	13,675
Total expenses	<u>321,577</u>
Change in net assets without donor restrictions	<u>522,629</u>
Net assets, beginning of year	<u>46,325</u>
Net assets, end of year	<u><u>\$ 568,954</u></u>

See independent account's review report and accompanying notes to financial statements

SOUTHSIDE ISD EDUCATION FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2021

Cash flows from operating activities:	
Changes in net assets	<u>\$ 522,629</u>
Net cash provided by operating activities	<u>522,629</u>
Net increase in cash and cash equivalents	<u>522,629</u>
Cash and cash equivalent at the beginning of the year	<u>46,325</u>
Cash and cash equivalent at the end of the year	<u><u>\$ 568,954</u></u>

See independent account's review report and accompanying notes to financial statements

SOUTHSIDE ISD EDUCATION FOUNDATION
STATEMENT OF FUNTIONAL EXPENDITURES
YEAR ENDED SEPTEMBER 30, 2021

	<u>Program services</u>	<u>General and administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 278,598	\$ -	\$ -	\$ 278,598
Scholarship	16,000	-	-	16,000
Facilities rental for special events	-	-	11,079	11,079
Laptops for students	-	5,954	-	5,954
Teacher/ staff/ student gifts and awards	824	-	1,754	2,578
Summer movie night event	2,035	-	-	2,035
Computer expenses	724	724	-	1,448
Professional fees	-	1,100	-	1,100
Printing and copying services	436	-	435	871
Corp liability borad insurance	-	511	-	511
Bank charges and fees	-	22	327	349
Gift For graduating seniors	-	300	-	300
Website expense	-	228	-	228
Office supplies	-	209	-	209
Food and entertainment	-	100	80	180
Website hosting	-	137	-	137
	<u>\$ 298,617</u>	<u>\$ 9,285</u>	<u>\$ 13,675</u>	<u>\$ 321,577</u>

See independent account's review report and accompanying notes to financial statements

SOUTHSIDE ISD EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - NATURE OF OPERATIONS

The Southside Independent School District Education Foundation (The Foundation), located in the San Antonio, Texas, is a nonprofit corporation that was organized under the laws of the State of Texas in 2008. The foundation was created in order to seek, cultivate, and obtain funds to be used for developing and expanding educational opportunities for students of Southside Independent School District. In order to support these programs, the Foundation hosts special events and receives donations from the community.

NOTES 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of The Foundation have been prepared on the accrual basis of the accounting and are presented in conformity with GAAP, applicable to nonprofit organizations.

Cash and Cash Equivalents

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

Net assets

The Foundation is required to report information regarding their financial position and activities according to two classes of net assets.

Net Assets Without Donor Restrictions: Net assets whose use by The Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation pursuant to those stipulations. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated purpose has been met or fulfilled.

Net Assets With Donor Restrictions: Net Assets whose use by The Foundation is subject to donor-imposed stipulations that can be fulfilled by actions of The Foundation pursuant to those stipulations. Donor-imposed restrictions are released when a restriction expires, that is, when stipulated purpose has been met or fulfilled. The Foundation has no net assets with donor restrictions as of September 30, 2021.

Accounting Estimates

The process of preparing financial statements in conformity with GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenue, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

SOUTHSIDE ISD EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTES 2- SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenue is recognized when earned. Contributions are reported when an unconditional promise to give or another asset is received. Gifts of securities are recorded at the fair value when received.

Donated Materials And Contributed Services

Donated property, marketable securities, and other non-cash donations are recorded as contributions at their estimated market value at the date of donation.

The Foundation receives a substantial amount of services donated by those interested in the Foundation's programs. The kinds of services provided generally involve the contribution of time to operate the organization and to organize fundraising events. Because of the difficulty in assigning values for such services, these items are generally not reflected in the accompanying consolidating financial statements.

Functional Allocation of Expenses

The costs of providing the services and other activities of The Foundation have been summarized on the functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Tax Exempt Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Foundation are deductible to the extent allowable under federal income tax laws. Management of The Foundation believes it has no material uncertain tax positions and, accordingly, will not recognize any related liability. For the year ended September 30, 2021. The Foundation did not recognize any interest or penalties related to uncertain tax position.

Subsequent Events

Management has evaluated events subsequent to September 30, 2021 and through June 7, 2022, the date the financial statements were available for issuance.

NOTE 3- CASH IN EXCESS OF FEDERALLY INSURED LIMITES

The Foundation maintains cash balances at a local financial institution. All of a depositor's accounts at an insured depository institution, including all non-interest-bearing transaction accounts, are insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount of \$250,000 for each deposit insurance ownership category. At September 30, 2021, the cash balance exceeded the insurance amount by \$313,954.

SOUTHSIDE ISD EDUCATION FOUNDATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 4- FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fair Value Measurements and Disclosures provision of the Financial Accounting Standard Board (FASB) Accounting Standards Codification (ASC), 820, defines fair value, establishes a three -level valuation hierarchy for disclosure of fair value measurement, and expands disclosures about fair value measurements to include how fair value is determined for assets and liabilities, ASC 820 clarifies that fair value is an exit price representing the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market -participants. An instrument's categorization withing the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The significant levels of inputs are as follows:

Level 1: Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that The Foundation has the ability to access.

Level 2: Inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3: Inputs that an unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions as there is little, if any, related market activity.

At September 30, 2021, all assets and liabilities of The Foundation are considered to be classified as Level 1. The following methods and assumptions were used by The Foundation in estimating its fair value disclosures for financial statements:

Level 1: Cash and cash equivalents- The \$564,454 reported in the statements of financial position approximate their fair values because of the short-term maturities of those instruments.

NOTE 5- LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Foundation has approximately \$564,454 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. This consists of cash and cash equivalents of \$564,454.

NOTE 6 - CONCENTRATIONS

The Organization had donations from a major contributor during the year ended September 30, 2021, which represents approximately 79% of reported revenue.