

MONA FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAAconnect.com

**MONA FOUNDATION
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

Board of Directors
Mona Foundation
Kirkland, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Mona Foundation, 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 year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mona Foundation as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Mona Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, net assets without donor restrictions were understated and net assets with donor restrictions were overstated as of December 31, 2021. Accordingly, amounts reported for net assets with and without donor restrictions as of December 31, 2021, have been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

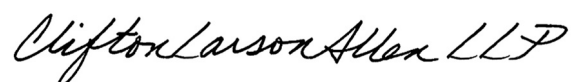
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mona Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mona Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Bellevue, Washington
March 15, 2023

**MONA FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

ASSETS

Cash and Cash Equivalents	\$ 1,294,212
Promises to Give	992,747
Other Receivables	3,635
Investments	2,530,622
Other Assets	1,192
Property and Equipment, Net	<u>4,150</u>
Total Assets	<u><u>\$ 4,826,558</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 1,151
Accrued Payroll and Vacation	18,960
Grants Payable	<u>66,000</u>
Total Liabilities	86,111

NET ASSETS

Without Donor Restrictions	
Board-Designated - Quasi Endowment	826,494
Undesignated	<u>1,204,530</u>
Total Without Donor Restrictions	2,031,024
With Donor Restrictions	<u>2,709,423</u>
Total Net Assets	<u><u>4,740,447</u></u>
Total Liabilities and Net Assets	<u><u>\$ 4,826,558</u></u>

See accompanying Notes to Financial Statements.

**MONA FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND LOSSES			
Contributions of Financial Assets	\$ 286,429	\$ 2,236,442	\$ 2,522,871
Special Events	573,010	-	573,010
Contributions of Nonfinancial Assets	152,648	-	152,648
Investment Return	(214,348)	(302,988)	(517,336)
Other Income	10,128	-	10,128
Net Assets Released from Restriction	776,970	(776,970)	-
Total Revenues, Gains, and Losses	<u>1,584,837</u>	<u>1,156,484</u>	<u>2,741,321</u>
EXPENSES			
Program	1,804,695	-	1,804,695
General and Administrative	315,874	-	315,874
Fundraising	189,821	-	189,821
Total Expenses	<u>2,310,390</u>	<u>-</u>	<u>2,310,390</u>
CHANGE IN NET ASSETS	(725,553)	1,156,484	430,931
Net Assets - Beginning of Year, As Previously Reported	2,531,581	1,777,935	4,309,516
Restatement, As Disclosed in Note 2	<u>224,996</u>	<u>(224,996)</u>	<u>-</u>
Net Assets - Beginning of Year, As Restated	<u>2,756,577</u>	<u>1,552,939</u>	<u>4,309,516</u>
NET ASSETS - END OF YEAR	<u>\$ 2,031,024</u>	<u>\$ 2,709,423</u>	<u>\$ 4,740,447</u>

See accompanying Notes to Financial Statements.

MONA FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

		Supporting Services			
	Program	General and Administrative	Fundraising	Total Supporting Services	Total Expenses
Payroll, Benefits, and Taxes	\$ 139,618	\$ 170,347	\$ 71,829	\$ 242,176	\$ 381,794
Contractors	27,050	-	27,050	27,050	54,100
Grants and Projects	1,523,848	-	-	-	1,523,848
Fees, Dues, and Insurance	15,381	4,118	-	4,118	19,499
Accounting and Taxes	-	41,725	-	41,725	41,725
Printing and Postage	49	1,505	15,748	17,253	17,302
Meetings and Travel	1,287	18,981	374	19,355	20,642
Marketing and Advertising	21,745	52,200	9,260	61,460	83,205
Rent	9,807	11,664	5,037	16,701	26,508
Office Expenses	65,787	15,188	10,713	25,901	91,688
Special Events	-	-	49,747	49,747	49,747
Depreciation	123	146	63	209	332
Total Expenses	<u>\$ 1,804,695</u>	<u>\$ 315,874</u>	<u>\$ 189,821</u>	<u>\$ 505,695</u>	<u>\$ 2,310,390</u>

See accompanying Notes to Financial Statements.

**MONA FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 430,931
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation	332
Realized and Unrealized Losses on Investments, Net	554,616
Contributions of Investments	(18,067)
Contributions Restricted for Investment in Long-Term Purposes	(566,237)
Changes in Operating Assets and Liabilities:	
Promises to Give	(714,569)
Other Receivables	(859)
Other Assets	14,558
Accounts Payable	(1,673)
Accrued Payroll and Vacation	10,079
Deferred Revenue	(100)
Grants Payable	(44,268)
Net Cash Used by Operating Activities	<u>(335,257)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(187,958)
Sales of Investments	146,620
Purchases of Property and Equipment	(1,516)
Net Cash Used by Investing Activities	<u>(42,854)</u>

CASH FLOWS FROM FINANCING ACTIVITY

Endowment Contributions Received	<u>304,059</u>
----------------------------------	----------------

NET CHANGE IN CASH AND CASH EQUIVALENTS

(74,052)

Cash and Cash Equivalents - Beginning of Year

1,368,264

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 1,294,212

See accompanying Notes to Financial Statements.

**MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Foundation

Mona Foundation (the Foundation) was founded in 1999 by a small group of people committed to making life better for all children. The Foundation supports grassroots educational initiatives that provide education to all children, increase opportunities for women and girls, and emphasize service to the community. The Foundation's goal is to eliminate global poverty and support community led transformation such that no child ever goes to bed hungry, is lost to preventable diseases, or is deprived of the gift of education for lack of resources.

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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation defines cash and cash equivalents as highly liquid, short-term investments with a maturity, at the date of acquisition, of three months or less. Excluded from this definition are cash equivalents held for long-term purposes in investments.

Promises to Give

Unconditional promises to give made to the Foundation are recorded in the year the pledge is made. Amounts that are expected to be collected within one year are recorded at their net realizable value. Pledges expected to be collected in future years are recorded at the present value of expected future cash flows. Discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contributions. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. The Foundation determined an allowance for doubtful accounts was unnecessary as of December 31, 2022.

Investments

Investments are presented in the accompanying financial statements at fair value using methodologies described in Note 4 – Fair Value Measurements. Realized gains and losses on the sale of investments are reported based upon the specific identification method.

Investment income is reported in the accompanying statement of activities as revenue without or with donor restrictions based upon donor-imposed restrictions or governing law.

**MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

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

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Revenue Recognition

Contributions, including those related to special events, are recognized as revenue in the period received. Contributions of nonfinancial assets are recognized at their estimated fair value at the date received.

Special Events

The Foundation held a series of special events during the year ended December 31, 2022. Event revenue totaled \$573,010. Direct expenses related to the events totaled \$49,747 and are reflected in fundraising expenses on the statement of activities. The Foundation records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Grants and Projects Expense

The Foundation makes single year grants and recognizes grant and project expenses in the period they are approved.

Advertising

Advertising costs are expensed when incurred.

**MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax-Exempt Status

The Internal Revenue Service has determined the Foundation to be a nonprofit public charity, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax has been made in these financial statements.

Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program, general and administrative, and fundraising categories based on the benefits derived. Certain nonpersonnel costs have been allocated among the program, fundraising, and administrative activities based on the nature of the cost and the functional category benefited. Personnel expenses, including salaries, payroll taxes, and contractor expenses, are allocated in accordance with estimated percentages aligning with the level of effort recorded by the individual employees for each functional category.

Concentrations

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist of cash and investment balances. The Foundation has established guidelines relative to diversification of investments that seek to maintain safety and liquidity. The Foundation had cash balances in excess of federally insured limits during the year ended December 31, 2022.

For the year ended December 31, 2022, approximately 45% of the Foundation's total revenue, gains, and losses were from two donors. Net outstanding promises to give from these donors totaled \$753,845 at December 31, 2022.

Accounting Standards Updates

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the requirements of the guidance effective January 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The Foundation has elected to adopt the package of practical expedients available in the year of adoption. The Foundation has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Foundation's ROU assets.

**MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Updates (Continued)

In September 2020, FASB issued ASU 2020-07, *Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new standard increases transparency and comparability among organizations through enhancements to presentation and disclosure requirements for contributed nonfinancial assets. The Foundation adopted ASU 2020-07 on a retrospective basis as of January 1, 2021. No cumulative-effect adjustment in net assets was necessary with the adoption of ASU 2020-07.

Leases

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statement of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term, and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of financial position. At December 31, 2022, the Foundation's only lease arrangement is a year-to-year operating lease for its facilities that calls for monthly payments of \$1,578 and expires on May 31, 2023.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Subsequent Events

The Foundation has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 15, 2023, the date on which the financial statements were available to be issued.

MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 RESTATEMENT

It was determined that \$224,996 of cumulative investment returns were incorrectly allocated between net assets without donor restrictions and net assets with donor restrictions in the 2021 financial statements. Therefore, net assets with and without donor restrictions as of December 31, 2021 have been restated as noted below:

	Balance Prior to Restatement	Adjustment	Balance as Restated
Net Assets Without Donor Restrictions	\$ 2,531,581	\$ 224,996	\$ 2,756,577
Net Assets With Donor Restrictions	1,777,935	(224,996)	1,552,939

NOTE 3 LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at December 31, 2022:

Cash and Cash Equivalents	\$ 1,294,212
Promises to Give	992,747
Other Receivables	3,635
Investments	2,530,622
Other Assets	1,192
Total Financial Assets	<u>4,822,408</u>
Less: Board- and Donor-Restricted Endowment Funds	(2,419,109)
Less: Amounts Restricted by Donor With Time or Purpose Restrictions	<u>(1,116,808)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 1,286,491</u></u>

NOTE 4 FAIR VALUE MEASUREMENTS

In determining fair value, the Foundation uses various valuation approaches within the fair value measurement framework of accounting standards. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

Accounting standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The standards define levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology based on quoted prices for similar assets or liabilities or identical assets or liabilities in active markets, such as dealer or broker markets.

Level 3 – Inputs to the valuation methodology are derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions, or are supported by little or no market activity.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

Marketable Equity Securities and Exchange Traded Funds

Marketable equity securities and exchange traded funds are valued at the last sales price before year-end. There are no restrictions on the redemption of these funds.

Bonds

Bonds and treasury obligations are valued at the last sales price or, if there is no sale and the market is still considered active, at the last transaction price before year-end.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets carried at fair value at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets:				
Bonds	\$ -	\$ 396,276	\$ -	\$ 396,276
Marketable Equity Securities	381,609	-	-	381,609
Exchange Traded Funds	1,259,766	-	-	1,259,766
Assets Presented at Fair Value	<u>\$ 1,641,375</u>	<u>\$ 396,276</u>	<u>\$ -</u>	2,037,651
Cash and Cash Equivalents				<u>492,971</u>
Total				<u>\$ 2,530,622</u>

MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5 PROMISES TO GIVE

Promises to give consisted of the following at December 31, 2022:

Promises to Give	\$ 1,035,000
Less: Discount to Present Value at 1.53%-4.25%	<u>(42,253)</u>
Net Promises to Give	<u><u>\$ 992,747</u></u>

Amounts Due in:	
Less than One Year	\$ 475,000
One to Five Years	<u>517,747</u>
Net Promises to Give	<u><u>\$ 992,747</u></u>

NOTE 6 CONTRIBUTED NONFINANCIAL ASSETS

For the year ended December 31, 2022, contributed nonfinancial assets recognized within the statement of activities included:

Marketing and Advertising	\$ 52,200
Grants and Projects	1,190
Meetings and Travel	7,827
Special Events	27,990
Office Expenses	<u>63,441</u>
Total Contributed Nonfinancial Assets	<u><u>\$ 152,648</u></u>

The Foundation recognized contributed nonfinancial assets within revenues, gains, and losses, including contributed advertising, site visit, travel, special event, and office expenses. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed advertising, site visit, travel, special event, and office expenses were used to support grassroots educational initiatives. In valuing advertising, site visit, travel, special event, and office expenses, the Foundation estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar goods or services in the United States.

Additionally, the Foundation receives a significant amount of contributed time that does not meet the recognition criteria for contributed professional services. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying statement of activities.

MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2022:

Subject to the Passage of Time of Expenditure
or Specified Purpose:

Promises to Give in Future Periods	\$ 239,194
Promises to Give, Restricted by Donors for Fundraising	96,006
Promises to Give, Restricted by Donors for Salaries and Travel	96,006
Promises to Give, Restricted by Donors for Projects	299,363
Texas Wrangler Fund	24,677
Wayfarer Fund	100,000
Scholarships	23,503
Projects	<u>238,059</u>
Total Subject to the Passage of Time of Expenditure or Specified Purpose	1,116,808

Endowment Funds:

Crowley Fund	4,333
Tavangari Memorial Fund	5,420
Mazkouri-Khoshkhesal Fund	5,331
Rouhani Fund	19,591
Victory Fund	19,876
Gu Family Fund	34,849
Koenig Fund	44,668
Wood Fund	77,500
Reed & Rudolph Memorial Fund	75,000
Garcia Fund	50,000
Aflatooni Fund	100,406
Karimimanesh Fund	100,000
Rabbani Fund	173,175
Promises to Give, Restricted by Donors for Reed & Rudolph Memorial Fund	70,166
Promises to Give, Restricted by Donors for Wayfarer Fund	192,012
Operations	344,990
Accumulated Endowment Earnings	<u>275,298</u>
Total Endowment Funds	<u>1,592,615</u>

Total Net Assets With Donor Restrictions	<u><u>\$ 2,709,423</u></u>
--	----------------------------

**MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 ENDOWMENT

The Foundation's endowments consist of both funds of both donor-restricted funds established for a variety of purposes and a board-designated quasi-endowment. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The board of directors of the Foundation has reviewed the Washington State Prudent Management of Institutional Funds Act (PMIFA) and, having considered its rights and obligations thereunder, has determined that it is desirable to preserve, on a long-term basis, 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 Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as perpetual is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by PMIFA. In accordance with PMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment activity is as follows for the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions		
		Accumulated Earnings	Original Corpus	Total
Endowment Net Assets - Beginning of Year	\$ 552,395	\$ 578,286	\$ 751,080	\$ 1,881,761
Endowment Investment Return	(125,901)	(302,988)	-	(428,889)
Contributions	400,000	-	566,237	966,237
Endowment Net Assets - End of Year	<u>\$ 826,494</u>	<u>\$ 275,298</u>	<u>\$ 1,317,317</u>	<u>\$ 2,419,109</u>

**MONA FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 8 ENDOWMENT (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has adopted an investment policy with a primary long-term objective to preserve and enhance the inflation-adjusted value of the corpus of endowment net assets in perpetuity. The Foundation seeks to limit the volatility of the distributions from the funds to provide a relatively stable stream of earnings consistent with the Fund's spending needs. The primary objective of the Foundation is to earn an average total return of 5% net of all management fees, over the long-term. Appropriations are approved by the board of directors, and have not yet been made, as the Foundation requires that the underlying investments' annual appreciation and interest are able to significantly fund the operations of the Foundation before any appropriations can be made.

NOTE 9 RELATED PARTIES

The Foundation recognized contributions totaling \$98,239 from staff, board members, or their affiliates for the year ended December 31, 2022.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.