



BAY ALUMNI FOUNDATION

FINANCIAL STATEMENTS

INTERNALLY PREPARED

June 30, 2019

INDEX

	<u>Page</u>
Financial Statements:	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Supplemental Schedule:	
Restricted Funds	13
Class Funds	14
Functional Expenses	15
Graphs	16

STATEMENT OF FINANCIAL POSITION
BAY ALUMNI FOUNDATION

	<u>June 30, 2019</u>			<u>June 30, 2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 3,429	\$ 9,409	\$ 12,837	\$ 3,611	\$ 5,000	\$ 8,611
Investments	<u>49,316</u>	<u>58,075</u>	<u>107,392</u>	<u>64,779</u>	<u>38,702</u>	<u>103,481</u>
Total Assets	<u>\$ 52,745</u>	<u>\$ 67,484</u>	<u>120,229</u>	<u>\$ 68,390</u>	<u>\$ 43,702</u>	<u>\$ 112,092</u>
LIABILITIES:						
Scholarships payable	\$ 2,000	-	\$ 2,000	\$ 2,000	-	\$ 2,000
Accounts payable	16	-	16	-	-	-
Class Funds	<u>42,886</u>	<u>-</u>	<u>42,886</u>	<u>64,043</u>	<u>-</u>	<u>64,043</u>
Total Liabilities	44,902	-	44,902	66,043	-	66,043
NET ASSETS:						
Without Donor Restrictions						
Unrestricted	7,844	-	7,844	2,348	-	2,348
Board designated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	7,844	-	7,844	2,348	-	2,348
With Donor Restrictions						
Purpose restricted	-	41,452	41,452	-	17,870	17,870
Permanently restricted	<u>-</u>	<u>26,032</u>	<u>26,032</u>	<u>-</u>	<u>25,832</u>	<u>25,832</u>
	<u>-</u>	<u>67,484</u>	<u>67,484</u>	<u>-</u>	<u>43,702</u>	<u>43,702</u>
Total Net Assets	<u>7,844</u>	<u>67,484</u>	<u>75,328</u>	<u>2,348</u>	<u>43,702</u>	<u>46,049</u>
Total Liabilities and Net Assets	<u>\$ 52,745</u>	<u>\$ 67,484</u>	<u>120,229</u>	<u>\$ 68,390</u>	<u>\$ 43,702</u>	<u>\$ 112,092</u>

STATEMENT OF CHANGES IN NET ASSETS
BAY ALUMNI FOUNDATION

	<u>For Year Ending June 30, 2019</u>			<u>For Year Ending June 30, 2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets - Beginning of year	\$ 2,348	\$ 43,702	\$ 46,049	\$ 4,287	\$ 38,272	\$ 42,559
Change in net assets	<u>5,496</u>	<u>23,782</u>	<u>29,278</u>	<u>(1,940)</u>	<u>5,430</u>	<u>3,490</u>
Net Assets - End of year	<u>\$ 7,844</u>	<u>\$ 67,484</u>	<u>\$ 75,328</u>	<u>\$ 2,348</u>	<u>\$ 43,702</u>	<u>\$ 46,049</u>

STATEMENT OF ACTIVITIES
BAY ALUMNI FOUNDATION

	For Year Ending June 30, 2019			For Year Ending June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Alumni Contributions:						
Without restriction	\$ 5,677	\$ -	\$ 5,677	\$ 3,696	\$ -	\$ 3,696
Permanently restricted - endowment		200	200		325	325
Purpose Restricted:						
Field of Dreams / Rocket Renovation	-	1,755	1,755	-	2,500	2,500
Restricted for Scholarships	-	3,000	3,000	-	-	-
Class of 1966 Scholarship transfer	-	19,173	19,173	-	-	-
Voiers - restricted for scholarship		1,350	1,350		-	-
Other restricted contributions	-	-	-	-	2,500	2,500
Total Alumni Contributions	5,677	25,478	31,155	3,696	5,325	9,021
Event Sponsors - Corporations and Foundations	850	-	850	-	-	-
Tri-Bay golf outing	5,000	-	5,000	2,000	-	2,000
Special events (net) - Alumni Madness, etc.	-	1,654	1,654	-	1,228	1,228
Other income	20	-	20	48	-	48
Investment income (loss)	1,431	1,910	3,341	2,056	3,188	5,243
Total Support and Revenue	12,978	29,042	42,020	7,799	9,741	17,540
Net Assets Released from Restrictions:						
Investment income Spending policy	1,260	(1,260)	-	2,083	(2,083)	-
Satisfaction of program restrictions	4,000	(4,000)	-	2,228	(2,228)	-
	18,238	23,782	42,020	12,110	5,430	17,540
EXPENSES:						
Scholarships						
General	2,000	-	2,000	2,000	-	2,000
Voiers	1,000	-	1,000	1,000	-	1,000
Class 1966	1,000	-	1,000	-	-	-
Distinguished educator / alumni awards	-	-	-	711	-	711
Homecoming	1,729	-	1,729	1,230	-	1,230
Senior Field day	425	-	425	621	-	621
Shoreline newsletter	5,372	-	5,372	4,536	-	4,536
Website	414	-	414	-	-	-
Administrative supplies, etc.	206	-	206	368	-	368
Advertising and promotion	595	-	595	3,583	-	3,583
Total Expenses	12,742	-	12,742	14,050	-	14,050
Change in Net Assets - Net income (loss)	\$ 5,496	\$ 23,782	\$ 29,278	\$ (1,940)	\$ 5,430	\$ 3,490

STATEMENT OF CASH FLOWS

BAY ALUMNI FOUNDATION

For the Year Ending

	<u>June 30</u> <u>2019</u>	June 30 <u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from donors	\$ 20,710	\$ 12,667
Investment income received	-	-
Cash paid to suppliers	<u>(16,683)</u>	<u>(14,166)</u>
Cash Provided by (Used in) Operating Activities	4,026	(1,499)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Distributions from Cleveland Foundation	-	-
Investments in Cleveland Foundation	<u>-</u>	<u>(15,000)</u>
Cash Provided by (Used in) Investing Activities	-	(15,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Permanently restricted contributions	<u>200</u>	<u>325</u>
Cash Provided by Financing Activities	200	325
Increase (Decrease) in Cash and Cash Equivalents	4,226	(16,174)
Cash and Cash Equivalents - Beginning of the Year	<u>8,611</u>	<u>24,785</u>
Cash and Cash Equivalents - End of the Year	<u>\$ 12,837</u>	<u>\$ 8,611</u>

**RECONCILIATION OF CHANGE IN
NET ASSETS TO NET CASH PROVIDED**

BY OPERATING ACTIVITIES:

	<u>June 30</u> <u>2019</u>	June 30 <u>2018</u>
Change in Net Assets	\$ 29,278	\$ 3,490
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Investment (income) loss reinvested	(3,341)	(5,243)
Permanently restricted contributions	(200)	(325)
Non cash-1966 Class funds scholarship transfer	(19,173)	-
Increase (Decrease) in Cash from Changes in:		
Scholarships payable	-	1,200
Accounts payable	16	-
Class funds - Others	<u>(2,554)</u>	<u>(621)</u>
Total Adjustments	<u>(25,252)</u>	<u>(4,989)</u>
Cash Provided by (Used in) Operating Activities	<u>\$ 4,026</u>	<u>\$ (1,499)</u>

NOTES TO FINANCIAL STATEMENTS

Bay Alumni Foundation

1 Summary of Significant Accounting Policies

Nature of the Foundation:

The Bay Alumni Foundation (Foundation) is incorporated in the State of Ohio as a not-for-profit Foundation. The purpose of the Foundation is to communicate with alumni, provide assistance with class events, activities, reunions, etc. and recognize and honor distinguished Bay High alumni and educators.

Classification of Net Assets:

Contributions are classified as without donor restrictions or with donor restrictions based on donor specifications. Assets, liabilities, revenue and gains are presented under these classifications. Contributions with donor restrictions can be for a specified purpose or time or perpetual in nature. Grants and contributions received with donor-imposed restrictions may be recorded as without donor restrictions if the restrictions are expected to be met within the same period. This policy is also followed for investment income received with donor-imposed restrictions.

The Board may designate excess funds for operating reserves and quasi-endowments. Any designations by the Board, while separately stated, are considered without donor restriction.

Revenue Recognition:

Contributions are recognized when awarded as without donor-imposed restrictions or with donor-imposed restrictions. When a donor-imposed restriction expires through accomplishment of purpose or passage of time, the restricted net assets are reclassified to without donor-imposed restrictions and reported in the Statement of Activities as net assets released from restrictions.

Donated Services:

The Foundation receives donated services (general assistance, fundraising events, etc.) which do not meet the criteria for recognition under FASB ACS 958-605 or cannot be objectively measured. These donations, while not recognized in the financial statements, provide valuable resources to the Foundation.

Cash and Cash Equivalents:

For the purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At times during the year, the Foundation may maintain funds on deposit at its banks in excess of FDIC

NOTES TO FINANCIAL STATEMENTS

Bay Alumni Foundation

1 Summary of Significant Accounting Policies, Continued

Investments, Fair Value Measurements:

FASB ASC 820, "Fair Value Measurements", applies to all financial instruments that are measured and reporting on a fair value basis. As defined in FASB ASC 820, fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable (Level 1), market corroborated (Level 2), or generally unobservable firm inputs (Level 3).

Investments are held in a Cleveland Foundation investment account and co-mingled with other Foundations. That investment account is recorded at fair value based on published market prices and the amounts are allocated to the investing entities at net asset value.

The Foundation has elected the Net Asset Value (NAV) Practical Expedient from ASU 2015-07 which removes the requirement to categorize investments within the fair value hierarchy for which fair value is measured using the net asset value per share, which is how the Foundation's investments are reported.

Class Funds:

The Foundation acts as a trustee and holds funds for various graduating classes that are used for reunions or other causes.

Income Taxes:

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and operates as a public charity. The Foundation is required to operate in conformity with the Code to maintain its tax-exempt status.

NOTES TO FINANCIAL STATEMENTS

Bay Alumni Foundation

1 Summary of Significant Accounting Policies, Continued

Accounting for Uncertainty in Income Taxes:

The Foundation follows the provisions of "Accounting for Uncertainty in Income Taxes" which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Foundation recognizes interest and penalties accrued, if any, related to unrecognized tax uncertainties in income tax expense.

The Foundation files income tax returns in the United States and is subject to income tax examinations for its U.S. federal income taxes for the preceding three fiscal years and, in general, is subject to state and local income tax examinations for the preceding three to four years.

The Foundation determined that there are no material uncertain tax positions.

2 Liquidity

The Club manages its cash available to meet general expenditures following these guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that mission fulfillment will will continue to be met, ensuring the sustainability of the Foundation.

	June 30 2019	June 30 2018
= =		
Financial assets available to meet general expenditures within one year:		
Cash and cash equivalents net of restrictions	\$ 3,429	\$ 3,611
Investments net of restrictions	<u>49,316</u>	<u>64,779</u>
	<u>\$ 52,745</u>	<u>\$ 68,390</u>

NOTES TO FINANCIAL STATEMENTS

Bay Alumni Foundation

3 Special Events

The Foundation runs Alumni Madness Bowling fundraising event during the year. Net proceeds from this event are restricted for scholarships. Revenues and expenses related to the event are as follows:

	June 30 2019	June 30 2018
Revenue	\$ 3,058	\$ 1,924
Expenses	<u>(1,404)</u>	<u>(696)</u>
Net income	<u>\$ 1,654</u>	<u>\$ 1,228</u>

4 Investments

The fair value of the investment funds held at the Cleveland Foundation is based on the net fair value of the underlying assets. The Foundation has elected the Net Asset Value practical expedient and values its investment on a unit value based on the fair value being allocated among all investors based on their relative holdings.

=	June 30 2019	June 30 2018
Investments measured at Net Asset Value	<u>\$ 107,392</u>	<u>\$ 103,481</u>

Allocation of investments is as follows:

Fixed income and cash	20%	20%
Emerging market equity	10%	10%
Developed Non-US equity	25%	25%
Large cap US equity	30%	30%
SMID Cap US equity	<u>15%</u>	<u>15%</u>
	<u>100%</u>	<u>100%</u>

Investment income consist of the following:

Investment income (loss) - Cleveland Foundation	\$ 4,183	\$ 5,764
Investment fees - external	<u>(842)</u>	<u>(521)</u>
	<u>\$ 3,341</u>	<u>\$ 5,243</u>

NOTES TO FINANCIAL STATEMENTS

Bay Alumni Foundation

5 Purpose Restricted Assets

Purpose restricted net assets consist of the following:

June 30, 2019					
	Beginning Net Assets	Contributions & Transfers	Investment Income (Loss)	Released from Restriction	Ending Net Assets
Scholarships					
Class of 1966	\$ -	\$ 19,173	\$ 133	\$ (1,000)	\$ 18,306
Voiers	12,870	1,350	517	(1,000)	13,737
Alumni Madness	-	1,654		(1,654)	-
Restricted	-	3,000	-	(346)	2,654
Rocket Renovation	2,500	1,755	-	-	4,255
Music	2,500	-	-	-	2,500
	<u>\$ 17,870</u>	<u>\$ 26,932</u>	<u>\$ 650</u>	<u>\$ (4,000)</u>	<u>\$ 41,452</u>
June 30, 2018					
	Beginning Net Assets	Contributions	Investment Income (Loss)	Released from Restriction	Ending Net Assets
Scholarships					
Voiers Scholarshi	\$ 12,765	\$ -	\$ 1,105	\$ (1,000)	\$ 12,870
Alumni Madness	\$ -	\$ 1,228		(1,228)	-
Rocket Renovation	-	2,500	-	-	2,500
Music	-	2,500	-	-	2,500
	<u>\$ 12,765</u>	<u>\$ 6,228</u>	<u>\$ 1,105</u>	<u>\$ (2,228)</u>	<u>\$ 17,870</u>

NOTES TO FINANCIAL STATEMENTS

Bay Alumni Foundation

6 Endowment - Permanently Restricted

The Foundation's endowment is from alumni and other contributions that are permanently restricted. Only the investment income can be used for operating and program purposes.

Interpretation of relevant law:

The Board of Trustees of the Foundation has interpreted the “Uniform Prudent Management of Institutional Funds Act” (UPMIFA) as requiring the preservation of the original gift as the donor-restricted endowment absent explicit donor restrictions to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the 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 Foundation 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 purpose of the Foundation and the 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 Foundation
- 7 The investment policies of the Foundation

Endowment spending and investment policy:

The Board of Trustees of the Foundation adopted a spending policy where the annual amount included in the budget for withdrawal, including interest and dividend income and capital gains, must fall within UPMIFA guidelines and not to exceed 5% of the average endowment balance at the end of the prior 3 years. Additional withdrawals are permitted with specific board approval. Currently the Board is releasing 100% of the net investment income earned on the endowment's investments to the operating fund.

NOTES TO FINANCIAL STATEMENTS

Bay Alumni Foundation

6 Endowment - Permanently Restricted, Continued

Endowment net assets and activity is as follows:

	June 30 2019	June 30 2018
Endowment Net Assets - Beginning	\$ 25,832	\$ 25,507
Endowment contributions	200	325
Investment Return:		
Investment income (loss)	1,489	2,268
Investment fees	<u>(229)</u>	<u>(185)</u>
Total Investment Return	1,260	2,083
Distributions to Operating:		
Spending rule - investment income	<u>(1,260)</u>	<u>(2,083)</u>
Endowment Net Assets - Ending	<u>\$ 26,032</u>	<u>\$ 25,832</u>

7 Functional Expenses:

Expenses are charged to functional areas based on specific-identification when possible. Expenses that cannot be specifically identified to a function are allocated to the functional areas based on factors such as direct relationship of expense, time spent, etc. Functional expenses are as follows:

	June 30 2019	June 30 2018
Program Expenses:		
Scholarships	\$ 4,000	\$ 3,000
Activities - Homecoming, Field Day, etc.	2,155	2,563
Publications - Shoreline, Rocket blasts, Web page, etc.	<u>5,786</u>	<u>4,536</u>
	11,941	10,099
Administration	<u>801</u>	<u>3,951</u>
Total Expenses	<u>\$ 12,742</u>	<u>\$ 14,050</u>

SCHEDULE OF DONOR RESTRICTED FUNDS

BAY ALUMNI FOUNDATION

Year Ending June 30, 2019

	Purpose Restricted						
	Class of 1966 Scholarship	Voiers Scholarship	Alumni Madness & Restricted Scholarships	Rocket Renovation	Music Restricted	Purpose Total	Permanently Restricted
Beginning Net Assets - June 30, 2017	\$ -	\$ 12,765	\$ -	\$ -	\$ -	\$ 12,765	\$ 25,507
Donations	-	-	1,228	2,500	2,500	6,228	325
Investment income (loss)	-	1,105	-	-	-	1,105	2,083
Released from Restriction:							
Scholarships		(1,000)	(1,228)			(2,228)	0
Spending policy - Investment income	-	-	-	-	-	-	(2,083)
Released from Restriction - scholarships	-	12,870	-	2,500	2,500	17,870	25,832
Donations and transfers	19,173	1,350	4,654	1,755	-	26,932	200
Investment income (loss)	133	517	-	-	-	650	1,260
Released from Restriction:							
Scholarships	(1,000)	(1,000)	(2,000)			(4,000)	-
Spending policy - Investment income	-	-	-	-	-	-	(1,260)
Ending Net Assets - June 30, 2019	\$ 18,306	\$ 13,737	\$ 2,654	\$ 4,255	\$ 2,500	41,452	\$ 26,032

<u>Class</u>	<u>Amount</u>
1958	\$ 2,550
1971	555
1981	500
1968	250
1997	125
1998	125
1956	100
1963	50
	\$ 4,255

SCHEDULE OF CLASS FUNDS

BAY ALUMNI FOUNDATION

Year Ending

	Class Funds	
	June 30	June 30
	2019	2018
Funds For Early Alumni	\$ 865	\$ 865
Class of 1963	164	-
Class of 1966	560	19,163
Class of 1979	252	1,052
Class of 1994	485	485
Class of 1996	22	22
Class of 1997	1,904	1,904
Class of 1998	237	505
Class of 1999	0	579
Class of 2004	752	752
Class of 2005	963	963
Class of 2006	1,586	1,586
Class of 2007	717	717
Class of 2008	-	300
Class of 2009	4,278	4,278
Class of 2010	4,834	4,834
Class of 2011	3,350	3,350
Class of 2012	6,254	6,254
Class of 2013	4,448	5,219
Class of 2014	655	655
Class of 2015	6,595	6,595
Class of 2016	3,494	3,494
Class of 2017	469	469
	<u>\$ 42,886</u>	<u>\$ 64,043</u>

Classes not listed maintain their own funds

SCHEDULE OF FUNCTIONAL EXPENSES
BAY ALUMNI FOUNDATION

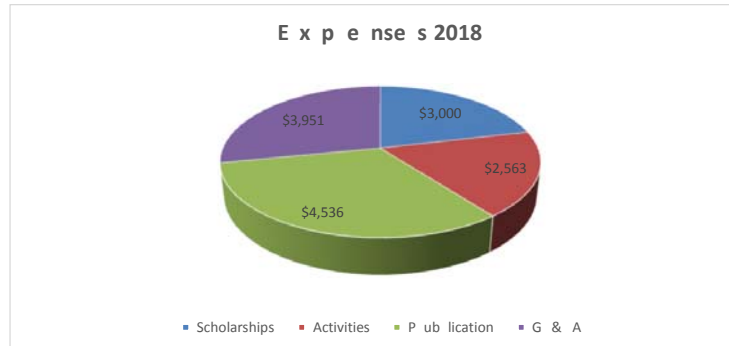
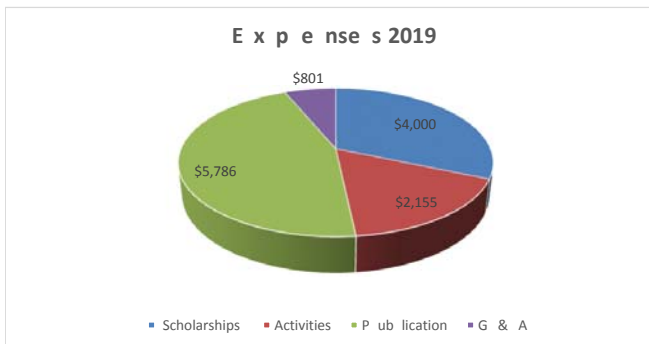
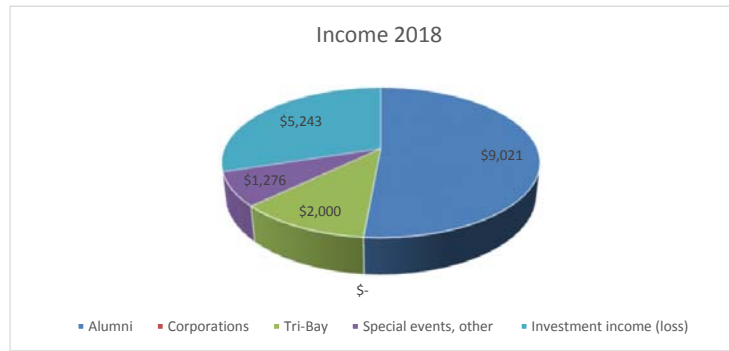
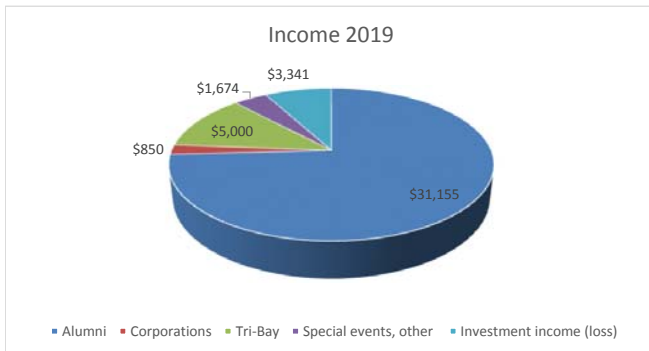
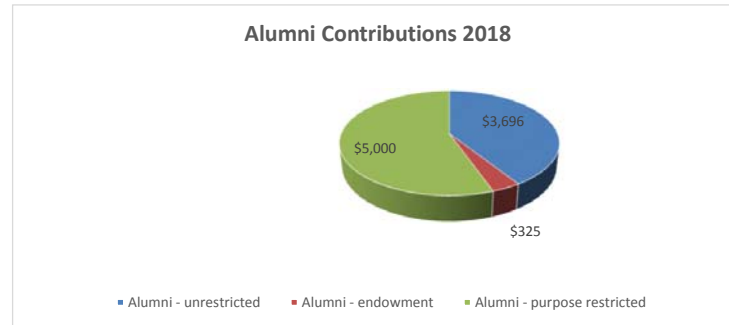
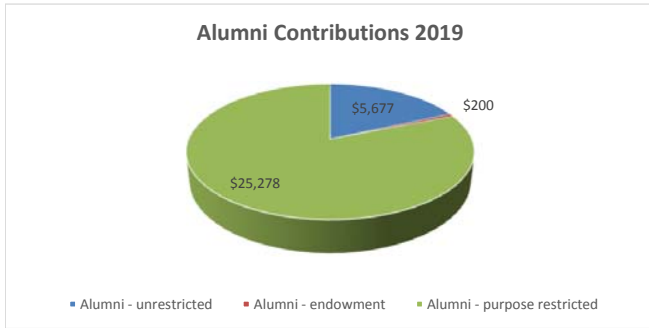
For the Year Ending - June 30, 2019

	Program Expenses				General &	
	Scholarships	Activities	Publications	Total	Administrative	Total
EXPENSES:						
Scholarships	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ -	\$ 4,000
Distingueished educator / alumni awards-net	-	-	-	-	-	-
Homecomming	-	1,729	-	1,729	-	1,729
Senior Field day	-	425	-	425	-	425
Shoreline newsletter	-	-	5,372	5,372	-	5,372
Website	-	-	414	414	-	414
Administrative supplies	-	-	-	-	206	206
Advertising and promotion	-	-	-	-	595	595
	\$ 4,000	\$ 2,155	\$ 5,786	\$ 11,941	\$ 801	\$ 12,742
	31.4%	16.9%	45.4%	93.7%	6.3%	100.0%

For the Year Ending - June 30, 2018

	Program Expenses				General &	
	Scholarships	Activities	Publications	Total	Administrative	Total
EXPENSES:						
Scholarships	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ -	\$ 3,000
Distingueished educator / alumni awards-net	-	711	-	711	-	711
Homecomming	-	1,230	-	1,230	-	1,230
Senior Field day	-	621	-	621	-	621
Shoreline newsletter	-	-	4,536	4,536	-	4,536
Website	-	-	-	-	-	-
Administrative supplies	-	-	-	-	368	368
Advertising and promotion	-	-	-	-	3,583	3,583
	\$ 3,000	\$ 2,563	\$ 4,536	\$ 10,099	\$ 3,951	\$ 14,050
	21.4%	18.2%	32.3%	71.9%	28.1%	100.0%

GRAPHIC ANALYSIS
BAY ALUMNI FOUNDATION
 Period Ending - June 30, 2019



GRAPHIC ANALYSIS
BAY ALUMNI FOUNDATION
 Period Ending - June 30, 2019

