SNYDERCOHN
CPAs and Trusted Advisors

The Boomer Esiason Foundation

Financial Statements
and
Independent Auditor's Report

Year Ended March 31, 2023

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Independent Auditor's Report

To the Board of Directors
The Boomer Esiason Foundation
New York, NY

Opinion

We have audited the accompanying financial statements of The Boomer Esiason Foundation (the "Foundation") (a nonprofit organization), which comprise the statement of financial position as of March 31, 2023, 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 The Boomer Esiason Foundation as of March 31, 2023, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Boomer Esiason 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.

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 The Boomer Esiason Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 The Boomer Esiason 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 The Boomer Esiason 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.

Snyder Cohn, PC

SNYDER COHN, PC
North Bethesda, Maryland
July 18, 2023

The Boomer Esiason Foundation

Statement of Financial Position

March 31, 2023

Assets		
Current assets:		
Cash and cash equivalents	$	2,094,270
Contributions receivable, net		420,623
Employee retention credit receivable		162,346
Prepaid expenses		373,548
Investments		5,349,197
Other current assets		109,252
Total current assets		8,509,236
Property and equipment, net		65,040
Other assets:		
Cash - restricted		221,682
Deposits		15,717
Right of use assets - operating leases		272,835
Total other assets		510,234
Total assets	$	9,084,510
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	$	709,425
Deferred revenue		911,355
Operating lease liabilities, current portion		194,948
Total current liabilities		1,815,728
Other liabilities:		
Operating lease liabilities, net of current portion		91,347
Total liabilities		1,907,075
Commitments		
Net assets:		
Without donor restrictions		4,962,870
With donor restrictions		2,214,565
Total net assets		7,177,435
Total liabilities and net assets	$	9,084,510

See Accompanying Notes

The Boomer Esiason Foundation

Statement of Activities

For the year ended March 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:			
Public support	$ 1,918,617	$ 2,796,376	$ 4,714,993
Special events	2,702,540	-	2,702,540
Interest and dividends	9,102	2,131	11,233
Other	18,370	-	18,370
Loss on investments	(179,970)	-	(179,970)
Total public support and revenues	4,468,659	2,798,507	7,267,166
Net assets released from restrictions:			
Satisfaction of purpose restrictions	1,162,285	(1,162,285)	-
Expenses:			
Programs:			
Special events	641,644	-	641,644
Educational	1,202,955	-	1,202,955
Scholarship program	1,741,122	-	1,741,122
Web services	94,201	-	94,201
Total programs	3,679,922	-	3,679,922
Support services:			
Management and general	701,361	-	701,361
Fundraising	1,169,464	-	1,169,464
Total support services	1,870,825	-	1,870,825
Total expenses	5,550,747	-	5,550,747
Change in net assets	80,197	1,636,222	1,716,419
Net assets - beginning - as adjusted	4,882,673	578,343	5,461,016
Net assets - ending	$ 4,962,870	$ 2,214,565	$ 7,177,435

See Accompanying Notes

The Boomer Esiason Foundation

Statement of Functional Expenses

For the year ended March 31, 2023

	Programs					Support Services			
	Special Events	Educational	Scholarship Program	Web Services	Total Programs	Management and General	Fundraising	Total Support Services	Total Expenses
Advertising	$ -	$ 7,140	$ 122,000	$ -	$ 129,140	$ -	$ -	$ -	$ 129,140
Bad debts	-	-	-	-	-	47,500	-	47,500	47,500
Bank charges	60	-	101	-	161	3,355	-	3,355	3,516
Grants and allocations	-	75,824	1,233,842	-	1,309,666	-	-	-	1,309,666
Insurance	24,592	9,374	-	-	33,966	18,285	2,879	21,164	55,130
Licenses and fees	364	221	8,700	-	9,285	4,724	289	5,013	14,298
Office expense	5,295	20,077	3,036	6,951	35,359	96,178	1,724	97,902	133,261
Photographer	8	-	-	33	41	149	1,906	2,055	2,096
Postage and delivery	920	42	7,005	-	7,967	2,514	4,994	7,508	15,475
Printing and reproduction	832	114	203	-	1,149	931	3,229	4,160	5,309
Prizes	-	-	-	-	-	11,478	34,435	45,913	45,913
Project expenses	111,272	374,352	108,470	28,246	622,340	318,805	958,125	1,276,930	1,899,270
Recognition gifts	28,127	421	825	-	29,373	22,381	59,687	82,068	111,441
Rent	31,825	159,124	-	-	190,949	10,613	10,608	21,221	212,170
Salaries and benefits	415,200	553,515	245,505	58,971	1,273,191	138,944	64,014	202,958	1,476,149
Travel	23,149	2,751	11,435	-	37,335	11,011	27,574	38,585	75,920
Total functional expenses before depreciation	641,644	1,202,955	1,741,122	94,201	3,679,922	686,868	1,169,464	1,856,332	5,536,254
Depreciation	-	-	-	-	-	14,493	-	14,493	14,493
Total functional expenses	$ 641,644	$ 1,202,955	$ 1,741,122	$ 94,201	$ 3,679,922	$ 701,361	$ 1,169,464	$ 1,870,825	$ 5,550,747

See Accompanying Notes

The Boomer Esiason Foundation

Statement of Cash Flows

For the year ended March 31, 2023	
Cash flows from operating activities:	
Change in net assets	$ 1,716,419
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation and amortization	14,493
Realized loss on investments	13
Unrealized loss on investments	179,957
Adjustment to right of use asset - operating	(187,280)
Adjustment to right of use liability - operating	185,979
(Increase) decrease in:	
Contributions receivable, net	(259,658)
Employee retention credit receivable	(162,346)
Prepaid expenses	342,762
Other current assets	52,494
Increase (decrease) in:	
Accounts payable and accrued expenses	355,666
Deferred revenue	(142,945)
Net cash provided by operating activities	2,095,554
Cash flows from investing activities:	
Payments made for purchase of investments, net	(5,505,652)
Net decrease in cash, cash equivalants, and restricted cash	(3,410,098)
Cash, cash equivalents, and restricted cash - beginning	5,726,050
Cash, cash equivalents, and restricted cash - ending	$ 2,315,952
Reconciliation of cash, cash equivalents, and restricted cash reported on the statement of financial position:	
Cash and cash equivalents	$ 2,094,270
Cash - restricted	221,682
Total cash, cash equivalents, and restricted cash - ending	$ 2,315,952
Supplemental disclosure of cash flow information:	
Cash paid during the year for:	
Interest	$ -

See Accompanying Notes

March 31, 2023

Note 1: Summary of significant accounting policies:

The Boomer Esiason Foundation (the "Foundation") is a charitable organization created on February 1, 1993 under the laws of the State of New York. Since its inception, the primary purpose of the Foundation has been to financially assist and provide charitable funding for scientific and medical research regarding cystic fibrosis. The Foundation also provides enhanced support for patient services in addition to providing increased awareness and education about cystic fibrosis. The Foundation sponsors an annual dinner and golf tournament along with other charitable special events to raise funds for its primary purpose.

<u>Basis of presentation</u> - The Foundation prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as follows:

> <u>Net assets without donor restrictions</u> - Net assets that are not subject to donor-imposed stipulations. Certain funds, while without donor restrictions, have been designated by the Foundation for a particular purpose or program.
>
> <u>Net assets with donor restrictions</u> - Amounts specifically restricted by donors or grantors for various purposes or future time periods. When a restriction expires, donor-restricted net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

<u>Cash and cash equivalents</u> - For purposes of preparing the statements of financial position and cash flows, the Foundation considers all investments purchased with a maturity of three months or less to be cash equivalents.

<u>Restricted cash</u> - During 2008, the Foundation began receiving donations to establish a permanent endowment fund to provide scholarships. Terms of the endowment require the funds to be segregated from other Foundation funds. The donor-designated endowment is reported as net assets with donor restrictions. The Foundation held $1,300 of funds that were not transferred to the restricted account as of March 31, 2023. Subsequent to year end, the Foundation transferred these funds to the restricted account.

<u>Investments</u> - Investments, which consist of equity securities, donated equity securities, bond funds and held to maturity investments, are reported at fair value, which is established at readily determinable current market values. Donated investments are sold as soon after donation as possible.

Note 1: Summary of significant accounting policies: (continued)

Contributions receivable - Contributions are recorded as revenue in the period committed. All receivables are due within one year; therefore, no discount is required. Contributions receivable are stated net of an allowance for doubtful accounts. The Foundation estimates the allowance based on an analysis of specific donors, taking into consideration the age of the past due amounts and an assessment of the donor's ability to pay. As of March 31, 2023, management believes that no allowance for doubtful accounts is necessary.

Property and equipment - The Foundation capitalizes all expenditures for property and equipment in excess of $5,000. Property and equipment are stated at original cost or, if donated, at fair market value at the date of donation. Depreciation is computed using straight-line methods over the estimated useful lives of the related assets. Depreciation expense for the year ended March 31, 2023 was $14,493. Property and equipment consisted of the following at March 31, 2023:

Furniture and equipment	$ 16,212
Vehicles	79,222
Leasehold improvement	60,934
Accumulated depreciation	(91,328)
Total property and equipment	$ 65,040

Deferred revenue - Payments received prior to March 31, 2023, which relate to charitable special events to be held in the subsequent fiscal year, have been deferred.

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 certain reported amounts and disclosures. Accordingly, actual results could vary from the estimates that were used. Significant estimates were used when calculating the net realizable value of the contributions receivable. It is at least reasonably possible that the Foundation's estimate will change materially in the near term.

Federal income taxes - The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Note 1: Summary of significant accounting policies: (continued)

Accounting for uncertainty in income taxes - The Foundation accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax effect is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for uncertain tax positions. Interest and penalties, if any, are accrued as a component of general and administrative expenses when assessed. The Foundation has identified its tax status as a tax-exempt entity under Section 501(c)(3) and that it has no unrelated business income as tax positions; however, the Foundation has determined that such tax positions do not result in an uncertainty requiring recognition. Income tax years ended prior to March 31, 2020 are no longer subject to audit by taxing authorities.

Revenue recognition - In May 2014, the FASB issued ASU 2014-09*, Revenue from Contracts with Customers (Topic 606).* ASU 2014-09 requires an organization to recognize revenues to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity is expected to be entitled in exchange for those goods or services. On April 1, 2018, the Foundation adopted ASU 2014-09, using the modified retrospective approach. The Foundation applied the five-step revenue model stipulated by ASC 606 to all of its significant revenue streams in order to determine when revenue is earned and recognized.

All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as with donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Advertising - The Foundation expenses advertising costs as incurred. Total advertising expense for the year ended March 31, 2023 was $129,140.

Concentration of credit risk - The Foundation maintains its cash balances at various financial institutions. The accounts at each of these institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At various times throughout the year, cash balances at these institutions exceeded the federally insured limits. The Foundation has not experienced any losses with respect to its cash balances.

There was one donor that comprised 77% of the accounts receivable balance at March 31, 2023, and one donor that comprised over 28% of revenue for the year ended March 31, 2023.

Contributions payable - Contributions are recorded as expense in the period committed.

Note 1: Summary of significant accounting policies: (continued)

Joint costs of activities that include a fundraising appeal - The Foundation achieves some of its programmatic goals during special events that include elements of management and general and fundraising. The costs of conducting those events included a total of $1,081,540 of joint costs that are not directly attributable to either the program, management and general or the fundraising component of the activities for the year ended March 31, 2023. Those joint costs consisted of the following at March 31, 2023:

Program	$ 95,635
Management and general	212,018
Fundraising	773,887
Total joint costs	$ 1,081,540

Fair value measurements - The FASB Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

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 to the valuation methodology are unobservable and significant to the fair value measurement.

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 1: Summary of significant accounting policies: (continued)

Fair value measurements (continued) - The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 2: Liquidity and availability:

The following reflects the Foundation's financial assets on March 31, 2023, reduced by amounts that are not available for general use because of donor imposed or time restrictions within one year of the statement of financial position date.

	2023
Financial assets:	
Cash and cash equivalents	$ 2,094,270
Restricted cash	221,682
Contributions receivable, net	420,623
	2,736,575
Less those unavailable for general expenditure within one year, due to:	
Endowment	(220,842)
Amounts designated for future purpose and time restrictions	(1,993,723)
Financial assets available to meet cash needs for general expenditures within one year	$ 522,010

Net assets with donor restrictions consist of cash received to be used for specific program expenditures in the coming fiscal year or as part of an endowment the Foundation received. The Boomer Esiason Foundation relies on Individual, Foundation and Corporate donors to provide the resources to support the Foundation's operating activities.

Note 3: Investments:

Investments are designated as unrestricted and as such, the investment return is included on the financial statements as increases or decreases in without donor restriction net assets.

Note 3: Investments: (continued)

During fiscal year 2023, the Foundation invested certain endowment funds into a limited partnership called the TCG Balanced Fund. Investors in the TCG Balanced Fund become limited partners in the partnership, then the partnership invests their funds in various types of securities. The Foundation has a .847877% interest in the TCG Balanced Fund. These funds are board-designated as an endowment (Note 9).

During the year, the Foundation also invested a total of approximately $2,800,000 in six-month U.S. Treasury Bills. The bills are held until maturity and will mature at varying times throughout FY24. The funds from these bills will be reinvested in future treasury bills until the Foundation determines the cash is needed to fund operations.

FASB ASC 820 requires financial assets and liabilities to be valued and disclosed based on the fair value hierarchy. The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value at March 31, 2023:

	Total	Level 1	Level 2	Level 3
Treasury bills	$ 2,837,032	$ 2,837,032	$ -	$ -
Epistemic AI, Inc.	162,500	-	-	162,500
TCG Balanced Fund	2,349,665	-	2,349,665	-
Total investments at fair value	$ 5,349,197	$ 2,837,032	$ 2,349,665	$ 162,500

The Foundation's investment return was made up of the following for the year ended March 31, 2023:

Realized loss on investments	$ (13)
Less: investment fees	-
Total realized loss on investments	(13)
Unrealized loss on investments	(179,957)
Total loss on investments	(179,970)
Interest and dividends - unrestricted	9,102
Total investment loss	$ (170,868)

Note 4: SAFE note purchase from Epistemic-AI:

During the year ended March 31, 2023, the Foundation purchased a Simple Agreement for Future Equity (SAFE) note from Epistemic-AI for $150,000. The note is classified as an investment on the Foundation's balance sheet. If there is an equity financing before the termination of this SAFE note, on the initial closing of such equity financing, this SAFE note will automatically convert into the number of shares of SAFE Preferred Stock equal to the purchase amount divided by the conversion price.

Note 5: Net assets with donor restrictions:

The net assets with donor restrictions of the Foundation are available for the following purposes at March 31, 2023:

Endowment	$ 220,842
Education and other purposes	1,978,723
Time	15,000
Total net assets with donor restrictions	$ 2,214,565

Note 6: Related party transactions:

Certain members of the Board and companies owned by these Board members conduct business with the Foundation for accounting and consulting services. As of March 31, 2023, the amounts included in accounts payable that were due to various Board members totaled $-0-. For the year then ended, the related expenses for these services were $103,397.

During the year ended March 31, 2023, certain employees and members of the Board pledged contributions to the Foundation and had various personal expenses paid on their behalf. As of March 31, 2023, the amounts included in contributions receivable that were due from various employees and Board members were $1,773.

Note 7: Defined contribution plan:

The Foundation sponsors a qualified 403(b) pension plan for the benefit of eligible participating employees. Employer contributions to the plan are discretionary and based on a percentage of employee compensation. Participants are vested in employer contributions according to provisions of the plan. Effective May 1, 2014, the plan was amended to require one year of service in order for participants to be eligible for employer contributions. Employer contributions for the year ended March 31, 2023 were $42,736.

Note 8: Commitments and leases:

Beginning on April 1, 2022, the Foundation began to account for its office space lease under the guidance within Accounting Standards Update (ASU) 2016-02 Leases (Topic 842). Under Topic 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

The Foundation has elected to use the retrospective at the beginning of the period of adoption method through a cumulative effect adjustment by which the liability is calculated as the present value of the remaining lease payments at the date of adoption using its discount rate as of the date of adoption. This adjustment decreased the beginning balance of net assets without donor restrictions by $14,761.

Right of use (ROU) assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities were recognized at the date of adoption of the standard (April 1, 2022) based on the present value of lease payments over the remaining lease term. The Foundation uses the implicit rate when it is readily determinable. Since the Foundation's office leases did not provide an implicit rate, to determine the present value of lease payments, management uses the Foundation's incremental borrowing rate based on the information available at adoption of the policy. The Foundation has chosen to use the federal funds rate (4.83%) to calculate the ROU assets and liabilities. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation's lease terms may include options to extend or terminate the lease when it is reasonably certain to exercise, or not exercise, the option.

The Foundation entered into a 60-month lease for office space in New York City, NY effective September 1, 2009. The lease was renewed multiple times, and the most recent lease was renewed for 60 months effective September 1, 2019. The Foundation also entered into a 24-month lease for office space in Garden City Park, NY effective October 1, 2012. The lease was renewed multiple times, and the most recent lease was renewed for 36 months effective October 1, 2021. In addition to base rent and additional rent for utilities, the Foundation is also required to reimburse the landlord for its proportionate share of real estate taxes at each of these locations.

Note 8: Commitments and leases: (continued)

Maturities of lease liabilities for the years ending March 31 are as follows:

	Operating
2024	$ 211,930
2025	97,200
Less: interest	(22,835)
Present value of lease liabilities	$ 286,295

Additional information on the Foundation's leases as of March 31, 2023 is as follows:

Lease costs:	
Operating lease costs	$ 203,516
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 204,816
Right of use assets obtained in exchange for:	
New operating lease liabilities	-
Weighted-average remaining lease term:	
Operating leases	1.46 years
Weighted-average discount rate:	
Operating leases	4.83%

Note 9: Board-designated endowment:

The Foundation's funds designated by its Board of Directors to function as an endowment consists of two funds, its Managed Portfolio, and its Venture Philanthropy Portfolio, each established for distinct purposes. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 9: Board-designated endowment: (continued)

The fundamental investment objective of the Managed Portfolio is to generate a net total return sufficient to meet the spending needs of the Foundation and preserve the real (inflation-adjusted) purchasing power of the Managed Portfolio over the long term. Consequently, the absolute investment return objective of the Managed Portfolio measured over rolling 10-year periods, is to achieve an annualized return equal to the Consumer Price Index plus 5%. The relative return objective of the Managed Portfolio measured over market cycles is to generate competitive returns relative to a benchmark based on the Long-Term Strategic Asset Allocation Targets of the Portfolio. The Foundation will engage an external investment advisor to manage the Managed Portfolio within the prescribed long-term strategic and tactical asset allocation parameters set forth by the Board of Director's Investment Committee. While the investment advisor will have discretionary authority to tactically operate within these guidelines, the Committee will monitor and evaluate the investment advisor on an ongoing basis in the execution of their mandate.

The Managed Portfolio consists of 85% of the endowed assets and as a general guide will be divided into: (a) Long Term Growth Strategies that include investments expected to generate long-term capital appreciation and support the purchasing power of the portfolio over time (e.g., global equities, private equity, venture capital, buyout funds and distressed credit/equity strategies); (b) Hedged/Opportunistic Strategies that include investments expected to participate meaningfully in positive trending markets while providing less downside capture in declining markets (e.g., long/short equity hedge funds, event driven strategies, and high yield fixed income); (c) Diversifying Strategies that include core fixed income strategies that provide the portfolio with current income, daily liquidity, and diversification benefits, and alternative investments that provide the portfolio with an absolute return or strategies with no correlation or a low correlation to the equity markets.

The fundamental objective of the Venture Philanthropy Portfolio is investment in cystic fibrosis related or healthcare adjacent venture philanthropy. While the Foundation, by way of the Managed Portfolio, seeks to achieve its philanthropic mission in perpetuity, the Venture Philanthropy Portfolio portion of the endowed assets will be selected by the Board of Director's Venture Philanthropy Committee with the following principles as a guide: to identify companies, businesses, organizations, institutions, managed funds, or other opportunities with strong potential of both profit making and creating and/or providing positive impact on the cystic fibrosis community while prudently diversifying the endowed funds in an effort to mitigate risk. The Venture Philanthropy Portfolio consists of 15% of the endowed assets measured at the time the funds are added to the endowment. The engagement period is a minimum of three years and an average of five to seven. While the fundamental investment objective is a positive financial return while simultaneously maximizing positive impact on cystic fibrosis by identifying investment opportunities with a focus on management, treatment, cure, or research of the disease or its conditions, it is also understood that the time horizon for these types of investments may be protracted.

Note 9: Board-designated endowment: (continued)

The Foundation's endowed funds and the long-term real growth and expected return on its investment assets is intended to generate a net total return sufficient to preserve the real (inflation-adjusted) purchasing power of the endowed funds over the long term and subsidize the Foundation's current and long-term programming objectives in perpetuity.

Composition of and changes in the board-designated endowment for the year ended March 31, 2023 were as follows:

Endowment net assets, beginning of year	$ -
Contributions	2,550,000
Investment loss	(200,335)
Endowment net assets, end of year	$ 2,349,665

Note 10: Donor-designated endowment:

At March 31, 2023, the Foundation's permanently restricted endowment consisted of one donor-restricted fund established to provide scholarships. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of The Boomer Esiason Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as with donor restrictions net assets (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. These donor-restricted endowment funds will remain with donor restrictions net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the SPMIFA. 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 purposes of the Foundation and the donor-restricted endowment fund

(3) General economic conditions

(4) The expected total return from income and the appreciation of investments

(5) Other resources of the Foundation

Note 10: Donor-designated endowment: (continued)

The endowment assets are currently deposited into an interest-bearing bank account. Under the terms of the endowment, interest earnings are to be used to fund scholarships and are therefore treated as purpose restricted net assets; interest earned on this account for the year ended March 31, 2023 was $2,131. The Foundation has yet to determine investment and spending policies for the endowment as of March 31, 2023.

Composition of and changes in endowment net assets for the year ended March 31, 2023 were as follows:

Endowment net assets, beginning of year	$ 219,542
Contributions	1,300
Endowment net assets, end of year	$ 220,842

Note 11: In-kind contributions:

In-kind contributions are reflected as contributions at the estimated fair value of the donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Foundation received donated prizes, food and beverages for the year ended March 31, 2023 totaling $45,065.

Note 12: Functional allocation of expenses:

The costs of providing various programs and other activities have been summarized in the statements of functional expenses. Accordingly, certain costs have been allocated among program and supporting services benefited using various cost allocation techniques. Directly identifiable expenses are charged to programs and support services. Expenses related to more than one function are charged to programs and support services on the basis of personnel salary. Special events are primarily to educate and are deemed program expenses. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation. The overall expense allocated to programs was 66% for fiscal year 2023.

Note 13: Subsequent events:

Subsequent events have been evaluated through July 18, 2023, which is the date the financial statements were available to be issued.

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