

The Bernard and Audre Rapoport Foundation
Financial Statements and
Supplementary Information
December 31, 2022 and 2021
(With Independent Auditor's Report Thereon)

The Bernard and Audre Rapoport Foundation

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JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Bernard and Audre Rapoport Foundation:

Opinion

We have audited the financial statements of The Bernard and Audre Rapoport Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Foundation and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 the 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 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 18 through 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been

subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

April 17, 2023

The Bernard and Audre Rapoport Foundation

Statements of Financial Position

December 31, 2022 and 2021

	2022	2021
<u>Assets</u>		
Cash and cash equivalents	\$ 617,762	723,948
Accrued interest receivable	13,548	6,894
Investments	35,426,249	42,834,003
Investments held under agency transactions	18,078,331	21,842,419
Prepaid expenses	11,554	10,712
	\$ 54,147,444	65,417,976
<u>Liabilities and Net Assets</u>		
Liabilities:		
Grants payable	\$ 170,000	275,000
Accounts payable and accrued liabilities	6,702	2,950
Agencies payable	18,078,331	21,842,419
Other payables	3,087	37,702
Total liabilities	18,258,120	22,158,071
Net assets:		
Without donor restrictions	24,242,940	28,960,016
With donor restrictions:		
Purpose restrictions	11,646,384	14,299,889
Total net assets	35,889,324	43,259,905
	\$ 54,147,444	65,417,976

See accompanying notes to financial statements.

The Bernard and Audre Rapoport Foundation

Statement of Activities

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, gains and other support:			
Net investment loss:			
Interest and dividends	\$ 514,222	253,912	768,134
Net loss on investments, net of investment expenses	<u>(4,098,564)</u>	<u>(2,023,791)</u>	<u>(6,122,355)</u>
Total net investment loss	(3,584,342)	(1,769,879)	(5,354,221)
Net assets released from restrictions - satisfaction of donor restrictions	<u>883,626</u>	<u>(883,626)</u>	<u>-</u>
Total revenue, gains and other support	<u>(2,700,716)</u>	<u>(2,653,505)</u>	<u>(5,354,221)</u>
Expenses:			
Program expenses			
Grants authorized, net of grant recoveries	2,165,655	-	2,165,655
Less: Grants authorized under agency transactions	(756,885)	-	(756,885)
Other program expenses	<u>514,184</u>	<u>-</u>	<u>514,184</u>
	1,922,954	-	1,922,954
Management and general expenses	<u>83,645</u>	<u>-</u>	<u>83,645</u>
Total expenses	<u>2,006,599</u>	<u>-</u>	<u>2,006,599</u>
Change in net assets before federal excise and income taxes	(4,707,315)	(2,653,505)	(7,360,820)
Federal excise and income taxes	<u>9,761</u>	<u>-</u>	<u>9,761</u>
Change in net assets	(4,717,076)	(2,653,505)	(7,370,581)
Net assets at beginning of year	<u>28,960,016</u>	<u>14,299,889</u>	<u>43,259,905</u>
Net assets at end of year	<u>\$ 24,242,940</u>	<u>11,646,384</u>	<u>35,889,324</u>

See accompanying notes to financial statements.

The Bernard and Audre Rapoport Foundation

Statement of Activities

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support:			
Net investment income:			
Interest and dividends	\$ 408,566	217,951	626,517
Net gain on investments, net of investment expenses	2,359,034	1,258,439	3,617,473
Total net investment income	2,767,600	1,476,390	4,243,990
Net assets released from restrictions - satisfaction of donor restrictions	1,444,486	(1,444,486)	-
Total revenue, gains and other support	4,212,086	31,904	4,243,990
Expenses:			
Program expenses:			
Grants authorized, net of grant recoveries	2,211,498	-	2,211,498
Less: Grants authorized under agency transactions	(710,500)	-	(710,500)
Other program expenses	402,185	-	402,185
	1,903,183	-	1,903,183
Management and general expenses	73,232	-	73,232
Total expenses	1,976,415	-	1,976,415
Change in net assets before federal excise and income taxes	2,235,671	31,904	2,267,575
Federal excise and income taxes	22,002	-	22,002
Change in net assets	2,213,669	31,904	2,245,573
Net assets at beginning of year	26,746,347	14,267,985	41,014,332
Net assets at end of year	\$ 28,960,016	14,299,889	43,259,905

See accompanying notes to financial statements.

The Bernard and Audre Rapoport Foundation

Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services - Grants	Management and General	Total
Salaries	\$ 116,601	12,956	129,557
Contracted services	172,800	19,200	192,000
Trustee fees	66,000	7,333	73,333
Rent	25,585	2,843	28,428
Accounting & professional fees	12,459	12,459	24,918
Meetings - general	35,867	3,985	39,852
Meetings - charity	3,000	333	3,333
Conferences	16,989	-	16,989
In office meeting/entertainment	3,114	346	3,460
Legal fees	641	71	712
Taxes - payroll	8,759	973	9,732
Employee benefits	17,354	1,928	19,282
Insurance - workers compensation	-	499	499
Insurance - association	3,122	-	3,122
Insurance - commercial package	-	993	993
Insurance - umbrella	-	9,065	9,065
Insurance - crime	-	1,201	1,201
Computers/tech support	1,903	211	2,114
Furniture	1,459	162	1,621
Office supplies	2,482	276	2,758
Postage	182	20	202
Printing	106	12	118
Telephone	973	108	1,081
Publications	7,658	-	7,658
Newspapers/magazines/journals	275	-	275
Travel reimbursement	1,085	-	1,085
Professional dues	9,210	-	9,210
Strategic planner	5,000	556	5,556
Foreign taxes paid	-	7,941	7,941
Miscellaneous	1,560	174	1,734
	<u>514,184</u>	<u>83,645</u>	<u>597,829</u>
Total expenses by function	514,184	83,645	597,829
Grants	<u>1,408,770</u>	<u>-</u>	<u>1,408,770</u>
	<u>1,408,770</u>	<u>-</u>	<u>1,408,770</u>
Total expenses	\$ <u><u>1,922,954</u></u>	<u><u>83,645</u></u>	<u><u>2,006,599</u></u>

See accompanying notes to financial statements.

The Bernard and Audre Rapoport Foundation

Statement of Functional Expenses

Year Ended December 31, 2021

	<u>Program Services - Grants</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 228,020	25,336	253,356
Trustee fees	71,400	7,933	79,333
Rent	23,476	2,609	26,085
Accounting & professional fees	10,644	10,644	21,288
Meetings - general	9,872	1,097	10,969
Conferences	3,903	-	3,903
In office meeting/entertainment	2,890	321	3,211
Legal fees	457	50	507
Taxes - payroll	15,274	1,697	16,971
Insurance - workers compensation	-	340	340
Insurance - association	3,457	-	3,457
Insurance - commercial package	-	1,247	1,247
Insurance - umbrella	-	12,540	12,540
Insurance - crime	-	823	823
Computers/tech support	1,298	144	1,442
Office supplies	2,837	315	3,152
Postage	292	33	325
Telephone	1,984	220	2,204
Publications	12,954	-	12,954
Newspapers/magazines/journals	291	-	291
Travel reimbursement	1,452	-	1,452
Professional dues	11,583	-	11,583
Foreign taxes paid	-	7,871	7,871
Miscellaneous	101	12	113
	<hr/>	<hr/>	<hr/>
Total expenses by function	402,185	73,232	475,417
Grants	<hr/> 1,500,998	<hr/> -	<hr/> 1,500,998
	<hr/>	<hr/>	<hr/>
Total expenses	\$ <u>1,903,183</u>	<u>73,232</u>	<u>1,976,415</u>

See accompanying notes to financial statements.

The Bernard and Audre Rapoport Foundation

Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (7,370,581)	2,245,573
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net loss (gain) on investments	8,871,240	(5,631,421)
Changes in operating assets and liabilities:		
Accrued interest receivable	(6,654)	36,481
Prepaid expenses	(842)	5,675
Grants payable	(105,000)	80,000
Accounts payable and accrued liabilities	3,752	(1,800)
Agencies payable	(3,764,088)	1,178,960
Other payables	<u>(34,615)</u>	<u>33,892</u>
Net cash used in operating activities	<u>(2,406,788)</u>	<u>(2,052,640)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	12,262,471	11,532,425
Purchase of investments	<u>(9,961,869)</u>	<u>(9,174,354)</u>
Net cash provided by investing activities	<u>2,300,602</u>	<u>2,358,071</u>
Net increase (decrease) in cash and cash equivalents	(106,186)	305,431
Cash and cash equivalents at beginning of year	<u>723,948</u>	<u>418,517</u>
Cash and cash equivalents at end of year	<u><u>\$ 617,762</u></u>	<u><u>723,948</u></u>

See accompanying notes to financial statements.

The Bernard and Audre Rapoport Foundation

Notes to Financial Statements

December 31, 2022 and 2021

(1) Summary of Significant Accounting Policies and Practices

(a) Nature of Activities

The Bernard and Audre Rapoport Foundation (the “Foundation”) is a nonprofit, charitable and benevolent private corporation formed to support organizations whose purpose is charitable, literary or educational.

(b) Revenues and Expenses

Contributions received are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets or are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Foundation recognizes unconditional contributions or grants to others when authorized by the Board of Trustees. Conditional promises to give are only recognized when the conditions on which they depend are substantially met. Other expenses are recorded when incurred in accordance with the accrual basis of accounting.

(c) Furniture and Equipment

Furniture and equipment are recorded at cost. It is the Foundation’s policy to capitalize expenditures for individual items in excess of \$1,000. Depreciation is calculated using the double declining balance method over the estimated useful lives of the assets. All furniture and equipment were fully depreciated at December 31, 2022 and 2021.

(d) Cash and Cash Equivalents

The Foundation considers all highly-liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents include money market mutual funds totaling \$629,283 and \$723,739 as of December 31, 2022 and 2021, respectively.

The Bernard and Audre Rapoport Foundation

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies and Practices (continued)

(e) Federal Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is generally not subject to federal income tax. However, the Foundation is classified as a private foundation and, as such, is subject to a federal excise tax of 1.39% on net investment income, including realized gains, as defined. Further, the Foundation is subject to federal income taxes on income deemed to be unrelated business income (income from unrelated business activities of the Foundation or the Foundation's investments).

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Foundation records interest related to unrecognized tax benefits and penalties in management and general expenses.

(f) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. 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. See Note 2 for further discussion of fair value measurements.

Net investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statements of activities as an increase or decrease in net assets without donor restrictions unless the income or loss is restricted by donor. Net investment income or loss allocated to agency balances is credited or charged to agencies payable in the statements of financial position.

(g) Functional Allocation of Expenses

The cost of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited, as more fully described in Note 8.

The Bernard and Audre Rapoport Foundation

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies and Practices (continued)

(h) Use of Estimates

The preparation of the financial statements requires management of the Foundation to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(2) Investments and Fair Value

Investments at December 31, 2022 and 2021 are as follows:

	2022	2021
Investment securities:		
U.S. government and agency obligations	\$ 4,520,675	-
Corporate bonds	12,893,503	21,210,367
Equity securities	7,904,175	6,823,354
Mutual funds and exchange traded equity funds	28,186,227	36,642,701
	\$ 53,504,580	64,676,422

Net investment income (loss) and its related classification in the accompanying financial statements for 2022 and 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Agency Transactions	Total
Year ended				
<u>December 31, 2022:</u>				
Interest and dividends	\$ 514,222	253,912	387,840	1,155,974
Net loss on investments, net of investment expenses	(4,098,564)	(2,023,791)	(3,091,247)	(9,213,602)
	\$ (3,584,342)	(1,769,879)	(2,703,407)	(8,057,628)
Year ended				
<u>December 31, 2021:</u>				
Interest and dividends	\$ 408,566	217,951	315,646	942,163
Net gain on investments, net of investment expenses	2,359,034	1,258,439	1,822,521	5,439,994
	\$ 2,767,600	1,476,390	2,138,167	6,382,157

The Bernard and Audre Rapoport Foundation

Notes to Financial Statements (Continued)

(2) Investments and Fair Value (continued)

Generally accepted accounting principles establish a 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents assets and liabilities that are measured at fair value on a recurring basis at December 31, 2022 and 2021:

	December 31, 2022	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment securities:				
U.S government and agency obligations	\$ 4,520,675	-	4,520,675	-
Corporate bonds	12,893,503	-	12,893,503	-
Equity securities	7,904,175	7,904,175	-	-
Mutual funds and exchange traded equity funds	28,186,227	28,186,227	-	-
	<u>\$ 53,504,580</u>	<u>36,090,402</u>	<u>17,414,178</u>	<u>-</u>
	December 31, 2021	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment securities:				
Corporate bonds	\$ 21,210,367	-	21,210,367	-
Equity securities	6,823,354	6,823,354	-	-
Mutual funds and exchange traded equity funds	36,642,701	36,642,701	-	-
	<u>\$ 64,676,422</u>	<u>43,466,055</u>	<u>21,210,367</u>	<u>-</u>

The Bernard and Audre Rapoport Foundation

Notes to Financial Statements (Continued)

(2) Investments and Fair Value (continued)

For U.S. government and agency obligations and corporate bonds included in Level 2, the fair value is determined using multi-dimensional relational and floating-rate note valuation models using certain observable inputs, including (in order of priority) benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two sided markets, bids, offers and reference data such as market research publications.

(3) Furniture and Equipment

At December 31, 2022 and 2021, furniture and equipment consist of the following:

	2022	2021
Furniture and equipment	\$ 26,144	27,952
Less accumulated depreciation	(26,144)	(27,952)
	\$ -	-

(4) Liquidity and Availability

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, are comprised of the following:

	2022	2021
Cash and cash equivalents	\$ 617,762	723,948
Accrued interest receivable	13,548	6,894
Investments - unrestricted	35,426,249	42,834,003
Less net assets with donor restriction	(11,646,384)	(14,299,889)
	\$ 24,411,175	29,264,956

Excess liquidity over what is required for operating expenses could be available for additional grants at the Board of Trustees' discretion.

(5) Grants Payable

During 2022 and 2021, the Foundation awarded grants, or unconditional promises to give, net of grant recoveries totaling \$1,408,770 and \$1,500,998, respectively. All unconditional promises to give at December 31, 2022 are payable in less than one year.

The Bernard and Audre Rapoport Foundation

Notes to Financial Statements (Continued)

(6) Agency Transactions

The Foundation has received certain amounts from Bernard and Audre Rapoport, from which the principal and income are to be transferred to specified third-party recipients. Due to the limited discretion the Foundation has in using these assets, transactions related to this arrangement have been recorded as agency transactions. Agencies payable at December 31, 2022 and 2021 represent \$9,548,291 and \$11,502,250, respectively, due to the University of Texas at Austin; \$4,647,180 and \$5,606,225, respectively, due to the Jewish Federations of North America; and \$3,882,860 and \$4,733,944, respectively, due to the Jerusalem Foundation.

(7) Net Assets and Net Assets Released from Restrictions

Net assets, revenues, gains, and other support 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 operations and not subject to donor (or certain grantor) restrictions. The governing board has the right to determine how the funds are disbursed.

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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the restriction has been fulfilled, or both. Net assets with a purpose restriction at December 31, 2022 and 2021 are available to charitable, literary or educational organizations that would benefit an area within thirty miles of the city limits of Waco, Texas, or the inhabitants thereof.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2022 and 2021:

	2022	2021
Satisfaction of purpose restrictions:		
Grants authorized	\$ 579,831	1,195,777
Management and general expenses	303,795	248,709
	\$ 883,626	1,444,486

The Bernard and Audre Rapoport Foundation

Notes to Financial Statements (Continued)

8) Functional Expenses

The financial statements report certain categories of expenses that are attributed to both program and supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated have been allocated based on the total amount of salaries that have been incurred in each function. Expenses that are specific to awarding grants or management and general have to be allocated to that function.

(9) Supplemental Cash Flow Information

The Foundation paid federal excise and income taxes of \$49,256 and \$7,265 in 2022 and 2021, respectively.

(10) Concentrations of Credit and Market Risk

At December 31, 2022 and 2021, and at various times during the years, the balance of deposits at financial institutions exceeded the amount of federal deposit insurance coverage.

Financial instruments that potentially expose the Foundation to significant concentrations of credit and market risk consist primarily of cash, cash equivalents and investments. Inadequate investment diversification can subject the Foundation to a greater degree of risk arising from such factors as interest rate fluctuations, credit deterioration, market fluctuations and changes in regulatory and political policy which can result in actual losses or inadequate investment returns. Management believes the Foundation's investments do not represent significant concentrations of market risk, and the possibility of significant adverse impact upon the financial condition of the Foundation arising from such risk is remote.

(11) Related Party Information

The Foundation has a deposit account at a local bank in which certain Foundation Board members own shares of stock.

(12) Leases

The Foundation has one operating lease for office facilities that expired January 31, 2023. Lease expense was \$42,641 and \$39,127 in 2022 and 2021, respectively. Future minimum lease payments under the operating lease were \$3,580 for January 2023. The Foundation entered into another one-year lease for the office facilities in February 2023. The lease meets the definition of a short-term lease and therefore is not subject to lease accounting under ASU No. 2016-02, *Leases* (Topic 842).

The Bernard and Audre Rapoport FoundationNotes to Financial Statements
(Continued)(13) Subsequent Events

The Foundation has evaluated subsequent events from the statement of financial position date through April 17, 2023, the date at which the financial statements were available to be issued, and determined there are no items to disclose.

Supplementary Information

The Bernard and Audre Rapoport Foundation

Schedule of Grants

Year Ended December 31, 2022

Source of Funds/Recipient	Unpaid at January 1, 2022	Amount Authorized	Grant Recoveries	Amount Paid (Received)	Unpaid at December 31, 2022
<i>Authorized from</i>					
<i>Without Donor Net Assets:</i>					
Alliance for Youth Organizing	\$ -	50,000	-	50,000	-
Center for Media Engagement UT	-	50,000	-	50,000	-
Circle at Tufts University	-	34,160	-	34,160	-
College of Congress	-	50,000	-	50,000	-
Democracy Forward	-	25,000	-	25,000	-
Internews Interactive	-	40,000	-	40,000	-
Lone Star Justice Alliance	-	100,000	-	50,000	50,000
Marshall University Research Corp.	-	-	(21,771)	(21,771)	-
PA Youth Vote	-	25,000	-	25,000	-
Partnership for Public Service	-	15,000	-	15,000	-
Providence College	25,000	-	-	25,000	-
Public Knowledge	-	50,000	-	50,000	-
PublicSource	-	29,550	-	29,550	-
Sandra Day O'Connor Institute	-	10,000	-	10,000	-
Students Learn Students Vote	-	50,000	-	50,000	-
Texas 2036	-	25,000	-	25,000	-
Texas Appleseed	-	50,000	-	50,000	-
The Cognitive Immunology Research Center	-	42,000	-	42,000	-
The Committee of Seventy	-	50,000	-	50,000	-
The University of Texas Law School Foundation	-	50,000	-	50,000	-
Voter Participation Center	-	50,000	-	50,000	-
Waco Foundation - Texas Rural Funders	-	5,000	-	5,000	-
Working America Education Fund	-	50,000	-	50,000	-
Total from net assets without donor restrictions	25,000	850,710	(21,771)	803,939	50,000
<i>Authorized from</i>					
<i>With Donor Restrictions Net Assets:</i>					
Baylor University	-	47,853	-	47,853	-
Community Doulas of Waco	-	50,000	-	50,000	-
Cook Children's Health Foundation	-	5,000	-	5,000	-
Creative Waco	-	25,000	-	25,000	-
Dr Pepper Museum & Free Enterprise	-	25,000	-	25,000	-
Greater Waco Legal Services	-	50,000	-	50,000	-
La Vega ISD	120,000	-	-	-	120,000
The COVE, Heart of Texas	-	25,000	-	25,000	-
URJ Greene Family Camp	-	10,000	-	10,000	-
Waco Civic Theatre	-	40,978	-	40,978	-
Waco Family Medicine	130,000	250,000	-	380,000	-
Waco Foundation - MAC	-	40,000	-	40,000	-
Wild Imaginings	-	11,000	-	11,000	-
Total from net assets with donor restrictions	250,000	579,831	-	709,831	120,000
Total from net assets with and without donor restrictions	275,000	1,430,541	(21,771)	1,513,770	170,000
<i>Agency Transactions:</i>					
Jerusalem Foundation	-	189,221	-	189,221	-
Jewish Federations of North America	-	189,221	-	189,221	-
University of Texas at Austin	-	378,443	-	378,443	-
Total agency transactions	-	756,885	-	756,885	-
Total	\$ 275,000	2,187,426	(21,771)	2,270,655	170,000

See accompanying independent auditor's report.

The Bernard and Audre Rapoport Foundation

Schedule of Net Assets and Agencies Payable

Year Ended December 31, 2022

	Net Assets		Agencies Payable			Total
	Without Donor Restrictions	With Donor Restrictions	University of Texas at Austin	Jewish Federations of North America	Jerusalem Foundation	
Balances, January 1, 2022	\$ 28,960,016	14,299,889	11,502,250	5,606,225	4,733,944	65,102,324
Net investment income	(3,584,342)	(1,769,879)	(1,423,618)	(693,875)	(585,914)	(8,057,628)
Grants authorized (net assets) or paid (agencies payable)	(828,939)	(579,831)	(378,443)	(189,221)	(189,221)	(2,165,655)
Other expenses:						
General and						
administrative expenses	(298,914)	(298,915)	(149,458)	(74,729)	(74,729)	(896,745)
Federal excise and						
income tax benefit	<u>(4,881)</u>	<u>(4,880)</u>	<u>(2,440)</u>	<u>(1,220)</u>	<u>(1,220)</u>	<u>(14,641)</u>
Balances, December 31, 2022	\$ <u>24,242,940</u>	<u>11,646,384</u>	<u>9,548,291</u>	<u>4,647,180</u>	<u>3,882,860</u>	<u>53,967,655</u>

See accompanying independent auditor's report.

The Bernard and Audre Rapoport Foundation
 Schedule of Total General and Administrative Expenses –
 Statements of Activities and Agencies Payable
 Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Salaries and benefits	\$ 238,607	405,999
Rent	42,641	39,127
Insurance	21,571	27,100
Meetings and conferences	95,452	27,124
Professional fees	334,777	32,694
Trustee fees	110,000	119,000
Miscellaneous	<u>53,697</u>	<u>62,081</u>
	<u>\$ 896,745</u>	<u>713,125</u>

See accompanying independent auditor's report.