

The Schurz Foundation

Grant Application Form

FEDERAL TAX ID #: 35-1959196

ORGANIZATION'S LEGAL NAME: The Public Education Foundation
dba South Bend Education Foundation

STREET OR MAILING ADDRESS: 215 S. Dr. Martin Luther King Jr. Blvd
South Bend, Indiana 46601

WEBSITE ADDRESS: www.edfo.org

OVERVIEW OF ORGANIZATION:

Provide information about your organization, including the mission statement, date of incorporation, services and programs provided, and population(s) served.

OUR MISSION

The South Bend Education Foundation advocates for and raises funds to enrich the learning experiences for the students and teachers of the South Bend Community School Corporation.

OUR FUNDING

We work to bridge the gap between need and funding in two ways: through innovative Teacher Grants and by funding educational programs and projects in South Bend public schools.

We are funded through endowments held at the Community Foundation of St. Joseph County and Indiana Trust, individual donations, corporate contributions and grants.

OUR HISTORY

The Public Education Foundation, Inc. was an outgrowth of the Strategic Planning Group which was an effort that Dr. Virginia Calvin, former superintendent of SBCSC, started to involve the community to take a look at the funding of schools and to gain community involvement.

Local visionary citizens like Dr. James Wilson, Mendel Piser, and Margaret King formed the Public Education Foundation, Inc. in 1995 out of their unwavering passion and commitment to help make certain that children have every opportunity to learn. What they learned during the public session about school funding was that the state will never be able to fully fund schools.

The 15-29 member board of directors is comprised of a diverse group of community and business members which includes several ex-officio positions, one for the superintendent, one South Bend school board liaison, and a teacher liaison.

The foundation is a 501(c)3 non-profit corporation that partners with the South Bend Community School Corporation. The legal name of the foundation is The Public Education Foundation, Inc. We do business as the South Bend Education Foundation.

WHAT WE DO

Teacher Grants-19 Named Teacher Grants and several Principal and Professional Development Grants are awarded annually.

Teacher Store & Teacher Wish Lists *Presented by the AEP Foundation*-Through a generous matching grant from the AEP Foundation, we are able to support teachers of SBCSC with basic items through our Teacher Store and with grade or subject specific items through our Teacher Wish List Program.

CTE Naming Rights- Area businesses are able to support Career and Technical Education Classrooms through a five-year annual commitment. A great example of this is the *South Bend International Airport Aviation Flight and Operations CTE Program*.

Wilson Foundations Reading Program- This reading program for our youngest students (Pre-K-3rd) supports reading intervention and foundational learning. The *Wilson-Saunders Family* (no relation to the program) has been a generous contributor to this program since it's early years.

Graduation-the Foundation solicits sponsors to support high school graduations to ensure a high-quality, memorable ceremony for all our students and their families.

Mentor Program-The Foundation has been active in supporting the Mentor Program in SBCSC.

Additional Requests for Support - the Foundation fields additional requests for support in a variety of areas annually. These include state and national level competitions for our students, programs and activities that support and enhance the learning experiences, special recognitions for teachers or students, and fine arts opportunities which this year included supporting our freshman attending the South Bend Civic Theatre's production of *Westside Story* at the Morris Performing Arts Center.

Each of these areas of support are special in that they enrich the learning experience, provide resources to our students and teachers, offer unique experiences to our students or extend the learning environment beyond the classroom building life skills.

WHO WE SERVE

We serve the 15,000 students and 915 teachers of the South Bend Community School Corporation.

FISCAL YEAR END DATE (month and day): June 30

TOTAL ANNUAL ORGANIZATION OPERATING COST: \$160,000 in operations, the remainder of our budget is for direct support to the students and teachers of SBCSC

PERCENTAGE OF BUDGET USED TO INFLUENCE STATE OR FEDERAL LEGISLATION: None

BOARD DETAILS:***-Number of members on your Board of Directors***

22, including 4 ex-officio members

-How the members are chosen

They are nominated by other board members, reviewed by the executive director and Governance Committee and approved by the full board.

-How many times the board of directors met last year

Four, the full board meets quarterly with various committees meeting more frequently

-The date of your last meeting

Our last full board meeting was March 23, 2023

NUMBER OF FULL-TIME EMPLOYEES: 2

NUMBER OF PART-TIME EMPLOYEES: NUMBER OF VOLUNTEERS: 0

NUMBER OF VOLUNTEERS: 30

CONTACT INFORMATION:

Name of contact person, street address of record, telephone number, email address

Steve Funk
Executive Director
South Bend Education Foundation
215 S. Dr. Martin Luther King Jr. Blvd.
South Bend, IN 46624
574-393-6113
sfunk@sbcsc.k12.in.us

AMOUNT OF FINANCIAL SUPPORT REQUESTED: \$10,000

TERM (proposed grant period, in number of months): 12 months (July 2023-June 2024)

DESCRIPTION OF HOW GRANT WOULD BE UTILIZED

The South Bend Education Foundation is requesting that The Schurz Foundation support two projects for the 2023-24 school year:

- Teacher Wish Lists
- Teacher Store

Each of these efforts offers matching grant funding through the AEP Foundation.

The Teacher Wish Lists program allows teachers in the SBCSC to request up to \$300 grants for equipment and supplies to be used in the classroom. This program is greatly needed, as today's teachers spend far too much of their own money on their classrooms. A major focus of the Foundation and our partner organizations is showing the teachers the great appreciation that they so richly deserve. These grants are typically subject-specific or grade-specific items needed for the classroom.

The Teacher Store was formerly stocked with donated business items, much of which was not really useful in the classroom. This school year (2022-23), through a \$25,000 grant from the AEP Foundation, the store was stocked with more useful classroom items and opened multiple times – Fall Back-to-School time and after Winter Break. The items in the Teacher Store are more generic items, rather than subject or grade-specific, such as paper, pencils, crayons, folders, notebooks, tissues and other supplies needed in every classroom. With 65% of the students in SBCSC coming from economically disadvantaged homes, many do not show up for school with the basic supplies resulting in a much greater need for these classroom items.

The AEP Foundation has committed to \$25,000 in matching funds for the 2023-24 school year. The South Bend Education Foundation is working to raise the additional \$25,000 to meet the increased need of our teachers and students.

In the 2022-23 school year, we received \$25,000 from the AEP Foundation and an additional \$2,500 in smaller gifts from individual donors to fund the Teacher Wish Lists and Teacher Store Programs. Not only were the funds used very quickly, but the demand has grown as teachers have shared with one another the availability of this support.

In 2023-24, we plan to open the Teacher Store three times during the year and to supplement by advising teachers that they may request items between these times as needed, which the Foundation will deliver to their schools. We also have seen a large increase in Teacher Wish Lists requests, as word has spread about the program. By utilizing the \$25,000 matching funds from the AEP Foundation to raise a total of \$50,000 for the Teacher Wish List & Teacher Store, we are confident we can keep up with the demand to support our teachers and students. Any funds not used in the 2023-24 school year would be rolled over to provide supplies for the teachers in the following year.

OVERALL GOALS AND EXPECTED RESULTS:

List the main goals of your organization. Then describe briefly the programs and activities that this grant would support in order to accomplish these goals.


The South Bend Education Foundation exists to support the students and teachers of the South Bend Community School Corporation.

Fully stocking the Teacher Store to be able to open three times per year and supplement by delivering supplies as needed would cost an estimated \$13,500. The remaining \$36,500 of the \$50,000 budget would fund 122 Teacher Wish Lists, an increase from 80 Wish Lists funded in the current school year.

The supplies provided through these programs directly impact the students of SBCSC. Without this service, the teachers would spend more of their own money in the classroom and/or some students may have to do without the needed supplies.

It should be noted that since its inception in 1995, the South Bend Education Foundation has provided over \$4.5 million in support to the students and teachers of SBCSC. We do so based on the facts that we are all just one trauma or challenge away from being economically disadvantaged ourselves, 65% of the students of SBCSC are faced with these economic challenges and we as a community can help ensure that every child has access to a quality education by doing what we can to support these students.

PLEASE CERTIFY, WITH YOUR SIGNATURE ON THE LINE BELOW, THAT YOU ARE THE PERSON WHO COMPLETED THIS FORM, THAT THE INFORMATION YOU INCLUDED IS COMPLETE AND ACCURATE, AND THAT YOU UNDERSTAND COMPLETION OF THIS APPLICATION DOES NOT GUARANTEE A FAVORABLE DECISION.



PLEASE INCLUDE WITH THIS APPLICATION THE FOLLOWING DOCUMENTS:

1. ORGANIZATION BUDGET FOR THE YEAR TO COME - attached
2. ANNUAL BUDGET FOR THE IMMEDIATE PAST YEAR - audit attached
3. BOARD LIST (including contact information) - attached
4. OTHER FUNDING SOURCES AND AMOUNTS - sources highlighted on budget.
Major donors in addition to the endowments, include TCU, SB International Airport, the Wilson/Saunders family, AEP Foundation, Indiana Trust, Gibson and numerous individuals & families.
5. IRS DETERMINATION LETTER - attached
6. ANNUAL REPORT/TREASURER'S REPORT FOR IMMEDIATE PAST YEAR - see audit
7. ARTICLES OF INCORPORATION AND BYLAWS - attached
8. PRINCIPAL PUBLICATIONS FOR THE PAST YEAR - N/A

Annual Budget

South Bend Education Foundation
Budget vs. Actuals: FY2023 - FY23 P&L Classes
July 2022 - June 2023

	Jul 2022		Aug 2022		Sep 2022		Oct 2022		Nov 2022		Dec 2022		Jan 2023		Feb 2023		Mar 2023		Total	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenue																				
4450 IN Trust Disbursements																				
7100 Contributions																				
7101 Individual Contributions	1,556.01	3,017.00	6,300.57	3,017.00	2,927.72	3,017.00	829.18	3,017.00	1,564.80	3,017.00	10,638.38	3,017.00	1,280.72	3,017.00	151.86	3,017.00	91,384.00	3,017.00	91,384.00	3,017.00
7102 License Plate	225.00	166.50	206.25	166.50	131.25	166.50	375.00	166.50	166.50	166.50	175.00	166.50	166.50	166.50	112.50	166.50	75.00	166.50	32,558.00	27,533.54
7103 Corporate Contribution		3,458.34	63,887.29	3,458.34	287.11	3,458.34	4,353.47	3,458.34	1,480.32	3,458.34	10,653.85	3,458.34	25,275.37	3,458.34	1,358.56	3,458.34	70,245.00	3,458.34	187,440.87	31,125.00
7105 Naming Contributions		4,250.00		4,250.00		4,250.00		4,250.00		4,250.00		4,250.00		4,250.00		4,250.00		4,250.00		4,250.00
Total 7100 Contributions	\$ 1,781.01	\$ 3,017.00	\$ 63,941.11	\$ 3,017.00	\$ 2,946.08	\$ 3,017.00	\$ 5,557.65	\$ 3,017.00	\$ 3,045.32	\$ 3,017.00	\$ 21,463.73	\$ 3,017.00	\$ 75,856.99	\$ 3,017.00	\$ 1,872.92	\$ 3,017.00	\$ 80,629.56	\$ 3,017.00	\$ 224,312.37	\$ 130,703.84
7200 Grant & Program Income																				
7400 SECSC Pass Through	304.00	12,518.54	607.00	12,518.54	589.40	12,518.54	811.20	12,518.54	1,160.00	12,518.54	400.00	12,518.54	85,860.80	12,518.54	2,700.00	12,518.54	-40,583.20	12,518.54	15,000.00	12,518.54
Services																				
Uncategorized Income	850.00						100.00													
Total Revenue	\$ 3,876.25	\$ 37,165.52	\$ 105,091.11	\$ 37,165.52	\$ 3,835.48	\$ 37,165.52	\$ 6,468.65	\$ 37,165.52	\$ 4,206.32	\$ 37,165.52	\$ 21,941.53	\$ 37,165.52	\$ 112,836.89	\$ 37,165.52	\$ 4,333.72	\$ 37,165.52	\$ 87,429.36	\$ 37,165.52	\$ 348,819.31	\$ 334,444.68
Expenditures																				
5400 Event Expense																				
5401 Venue Expense																				
5402 Speaker Fees																				
6000 Mkt. Mgmt & General Expense	140.68	202.50		202.50	50.24	202.50		202.50	34.75	202.50		202.50		202.50	723.55	202.50	45.38	202.50	994.09	1,022.50
6005 Banking & Merchant fees	15.33	83.33	35.82	83.33	21.16	83.33	10.00	83.33	10.00	83.33	10.00	83.33	44.38	83.33	20.72	83.33	10.00	83.33	177.41	749.97
8000 Misc. Pass Through	4,888.66	2,133.75	23,725.25	9,666.67	11,686.27	9,666.67	12,240.00	9,666.67	8,285.64	9,666.67	3,873.51	9,666.67	1,023.45	9,666.67	4,278.72	9,666.67	5,026.98	9,666.67	70,253.02	87,000.00
8115 Teacher Grant Expense																				
8116 Principal Grant Expense																				
8117 SECSC Professional Development Grant																				
8118 Teacher WorkShare																				
8200 Payroll																				
8201 Payroll Taxes	4,396.00	4,480.00	6,885.00	4,480.00	4,480.00	4,480.00	4,480.00	4,480.00	4,480.00	4,480.00	4,319.00	4,480.00	4,466.00	4,480.00	4,338.00	4,480.00	6,720.00	4,480.00	44,450.00	40,320.00
8202 Marketing & Advertising	336.29	358.33	511.49	358.33	342.72	358.33	342.72	358.33	341.65	358.33	330.41	358.33	358.33	358.33	339.51	358.33	514.08	358.33	3,400.45	3,224.57
8400 Professional Services	3,000.00	1,666.67	2,644.00	1,666.67	540.00	1,666.67	442.00	1,666.67	1,380.00	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	8,878.60	1,666.67	1,666.67	1,666.67	11,833.14	15,018.03
8401 Legal & Accounting	6,005.00	3,166.67	1,500.00	3,166.67	1,500.00	3,166.67	3,131.50	3,166.67	1,608.00	3,166.67	3,166.67	3,166.67	1,618.25	3,166.67	2,001.25	3,166.67	7,600.00	3,166.67	26,047.00	28,000.00
8403 Contract Labor			841.67	4,167.00	4,812.50	4,167.00	4,812.50	4,167.00	4,812.50	4,167.00	4,812.50	4,167.00	4,812.50	4,167.00	4,812.50	4,167.00	4,812.50	4,167.00	34,329.17	37,803.72
8404 Insurance																				
Total 8400 Professional Services	\$ 8,805.00	\$ 7,572.25	\$ 2,141.67	\$ 7,572.25	\$ 6,313.50	\$ 7,572.25	\$ 8,448.00	\$ 7,572.25	\$ 6,420.50	\$ 7,572.25	\$ 4,812.50	\$ 7,572.25	\$ 6,417.25	\$ 7,572.25	\$ 6,813.75	\$ 7,572.25	\$ 12,612.50	\$ 7,572.25	\$ 63,388.17	\$ 68,155.25
8500 Office Supplies																				
8500 Printing & Stationery																				
8500 Postage-Mgmt & General																				
8500 Doctor Meals & Entertainment																				
8700 Dues and Subscriptions																				
8800 Prof Development																				
8800 Administration																				
8800 Depreciation																				
Total Expenditures	\$ 21,816.74	\$ 37,165.52	\$ 41,242.39	\$ 37,165.52	\$ 28,199.44	\$ 37,165.52	\$ 31,334.21	\$ 37,165.52	\$ 22,712.34	\$ 37,165.52	\$ 14,712.77	\$ 37,165.52	\$ 24,335.32	\$ 37,165.52	\$ 40,833.76	\$ 37,165.52	\$ 30,803.28	\$ 37,165.52	\$ 254,778.65	\$ 333,873.88
Net Operating Revenue	\$ 17,949.49	\$ 52.32	\$ 64,358.72	\$ 52.32	\$ 25,263.96	\$ 52.32	\$ 24,665.36	\$ 52.32	\$ 17,967.32	\$ 52.32	\$ 7,228.76	\$ 52.32	\$ 88,531.17	\$ 52.32	\$ 36,360.04	\$ 52.32	\$ 57,626.08	\$ 52.32	\$ 94,040.66	\$ 97.87
Other Revenue																				
9200 Interest Income	2,426.24	378.16	374.80	378.16	171.88	378.16	47.11	378.16	182.59	378.16	211.55	378.16	250.48	378.16	241.99	378.16	-1,284.39	378.16	2,822.25	3,412.82
9201 Realized Gain (Loss)	0.00	6,550.52		6,550.52	-82.80	6,550.52	-1,081.67	6,550.52	-1,191.34	6,550.52	17,783.42	6,550.52	-10,012.20	6,550.52	-882.57	6,550.52	-4,801.84	6,550.52	0.00	84,554.68
9202 Unrealized Gain (Loss)	100,629.27	33,258.01	43,601.11	33,258.01	-140,839.70	33,258.01	79,101.64	33,258.01	110,804.83	33,258.01	-96,983.92	33,258.01	39,328.93	33,258.01	-46,405.83	33,258.01	15,948.79	33,258.01	-2,000.00	299,329.09
9205 Dividend Income	847.69	2,422.65		2,422.65	2,867.39	2,422.65	1,107.43	2,422.65	523.03	2,422.65	16,237.69	2,422.65	1,521.79	2,422.65	556.34	2,422.65	3,193.86	2,422.65	27,658.73	21,802.65
9205S Dividend Income																				
9210 Other (Gain) Loss																				
9211 Gain (Loss)																				
9212 Other Miscellaneous Revenue																				
9506 IN Trust Activity																				
R2000 Interest Income R2000																				
R2002 Unrealized (gain) loss R2002																				
R2010 Realized (gain) loss IN Trust																				
Total Other Revenue	\$ 103,889.20	\$ 42,410.34	\$ 63,088.82	\$ 42,410.34	\$ 135,972.81	\$ 42,410.34	\$ 79,174.91	\$ 42,410.34	\$ 110,329.21	\$ 42,410.34	\$ 62,351.26	\$ 42,410.34	\$ 31,440.62	\$ 42,410.34	\$ 48,196.07	\$ 42,410.34	\$ 42,882.15	\$ 42,410.34	\$ 27,817.27	\$ 383,483.24
																				\$ 511,324.20

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

South Bend, Indiana

Annual Report

June 30, 2022

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ARANOWSKI & COMPANY

CPAs and Business Advisors

212 EAST LaSALLE AVENUE, SUITE 220
SOUTH BEND, INDIANA 46617
(574) 289-4821 FAX (574) 289-6007

Board of Directors

The Public Education Foundation, Inc., D/B/A South Bend Education Foundation
South Bend, Indiana

We have audited the accompanying financial statements of The Public Education Foundation, Inc., D/B/A South Bend Education Foundation (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, the related statement of activities and 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 Public Education Foundation, Inc., D/B/A South Bend Education Foundation as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Public Education Foundation, Inc., D/B/A South Bend Education Foundation and to meet our other 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 Public Education Foundation, Inc., D/B/A South Bend Education Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, including omissions, are considered material if there is a substantial likelihood that, individual 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 Public Education Foundation, Inc., D/B/A South Bend Education 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 Public Education Foundation, Inc., D/B/A South Bend Education 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. Evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

We have previously audited the financial statements of The Public Education Foundation, Inc., D/B/A South Bend Education Foundation, and our report dated January 27, 2022, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.


ARANOWSKI & COMPANY

SOUTH BEND, IN
March 12, 2023

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Statement of Financial Position

June 30, 2022

(with summarized financial information for June 30, 2021)

Assets	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 247,450	\$ 149,521
Accounts receivable		6,500
Marketable equity securities	104,088	119,671
Prepaid expense	7,876	14,776
Pledges receivable - net of allowance for uncollectible	19,603	19,952
Property and equipment - net	5,899	7,502
Other Assets		
Indiana trust endowment	1,545,952	1,902,466
Community Foundation fund	682,506	788,737
Other Assets		
Pledges receivable - long term, net	<u>23,602</u>	<u>43,536</u>
Total Assets	<u>\$ 2,636,976</u>	<u>\$ 3,052,661</u>
 Liabilities and Net Assets		
Accounts payable	\$	\$ 2,500
Payroll liabilities	<u>62,802</u>	<u>4,969</u>
Total Liabilities	62,802	7,469
Net Assets:		
Without donor restrictions	\$ 979,467	\$ 1,073,971
With donor restrictions	<u>1,594,707</u>	<u>1,971,221</u>
Total Net Assets	<u>2,574,174</u>	<u>3,045,192</u>
Total Liabilities and Net Assets	<u>\$ 2,636,976</u>	<u>\$ 3,052,661</u>

(See auditors' report and notes to financial statements.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Statement of Activities

**For the Year Ended June 30, 2022
(with summarized financial information for June 30, 2021)**

	<u>Without Donor Restrictions</u>	<u>2022 With Donor Restrictions</u>	<u>Total</u>	<u>2021 Total</u>
Revenues, Gains and Other Support				
Individual and corporate contributions	\$ 557	\$ 8,015	\$ 8,572	\$ 94,059
Grant income	97,447		97,447	67,523
In-Kind revenue	5,600		5,600	5,600
Distribution from permanent endowments	160,617		160,617	145,452
Indiana education license plates	1,969		1,969	1,838
Investment income (loss)	(19,886)		(19,886)	8,001
Net investment return and change in value of beneficial interests in assets held by others	(112,911)	2,124	(110,787)	174,550
Fisko Fund earnings		(14,297)	(14,297)	2,844
Net investment return and change in value from Permanent Endowment		(343,074)	(343,074)	473,138
Net assets released from restrictions	<u>29,280</u>	<u>(29,280)</u>		
Total Revenues, Gains, and Other Support	<u>162,673</u>	<u>(376,512)</u>	<u>(213,839)</u>	<u>973,005</u>
Expenses				
Program Services Expenses:				
Education, counseling, assistance	144,850		144,850	174,551
Supporting Services Expenses:				
Management and general	88,293		88,293	65,838
Fundraising	<u>24,034</u>		<u>24,034</u>	<u>30,642</u>
Total Expenses	<u>257,177</u>		<u>257,177</u>	<u>271,031</u>
Change in Net Assets	(94,504)	(376,512)	(471,016)	701,974
Net Assets - Beginning of Year	<u>1,073,971</u>	<u>1,971,219</u>	<u>3,045,190</u>	<u>2,343,218</u>
Net Assets - End of Year	<u>\$ 979,467</u>	<u>\$ 1,594,707</u>	<u>\$ 2,574,174</u>	<u>\$ 3,045,192</u>

(See auditors' report and notes to financial statements.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
SOUTH BEND EDUCATION FOUNDATION**

Statement of Functional Expenses

**For the Year Ended June 30, 2022
(with summarized financial information for June 30, 2021)**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2022 Total</u>	<u>2021 Total</u>
Wages	\$ 25,810	\$ 8,604	\$ 8,604	\$ 43,018	\$ 41,534
Payroll taxes	1,975	658	658	3,291	3,177
Grants to teachers	24,383			24,383	25,755
Grants to schools	57,497			57,497	71,438
School projects	5,600			5,600	5,600
Printing	40			40	1,752
Postage		365		365	681
Bank and other fees		674		674	263
Professional fees		26,000		26,000	26,539
Insurance		2,898		2,898	2,862
Office supplies and expenses		597		597	223
Professional development					32
Advertising and marketing		15,178		15,178	17,714
Contract labor	29,545	14,773	14,772	59,090	59,130
Dues and subscriptions		15,685		15,685	8,418
Miscellaneous		2,861		2,861	5,913
Total Expenses	<u>\$ 144,850</u>	<u>\$ 88,293</u>	<u>\$ 24,034</u>	<u>\$ 257,177</u>	<u>\$ 271,031</u>

(See auditors' report and notes to financial statements.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Statement of Cash Flows

**For the Year Ended June 30, 2022
(with summarized financial information for June 30, 2021)**

	<u>2022</u>	<u>2021</u>
Reconciliation of Change in Net Assets to Net Cash from Operating Activities		
Change in net assets	\$ (471,016)	\$ 701,974
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,602	511
Changes in operating assets and liabilities		
Accounts receivable, net	6,500	(5,339)
Pledges receivable	20,283	(126,187)
Prepaid expenses	6,900	(6,126)
Beneficial interests in assets held by others	462,745	(663,444)
Accounts payable and accrued liabilities	<u>55,332</u>	<u>(22,762)</u>
Net Cash Provided (Used by) Operating Activities	<u>82,346</u>	<u>(121,373)</u>
 Purchases of property and equipment		(8,013)
Changes of investments	<u>15,583</u>	<u>(8,013)</u>
Net Cash Provided (Used) by Investing Activities	<u>15,583</u>	<u>(8,013)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	97,929	(129,386)
Cash and Cash Equivalents, Beginning of Year	<u>149,521</u>	<u>278,907</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 247,450</u>	<u>\$ 149,521</u>

(See auditors' report and notes to financial statements.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Notes to Financial Statements

June 30, 2022

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Public Education Foundation, Inc. (the "Organization") provides grants to teachers and projects within the South Bend Community School Corporation to advocate, promote and fund initiatives which enrich learning experiences for the children of the South Bend Community School Corporation.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements in order for them to be in conformity with the current year presentation. The reclassifications had no impact on previously reported net assets.

Cash and Cash Equivalents

The Organization considers time deposits, certificates of deposit, and all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents. However, funds held in investment accounts that are temporarily invested in cash equivalents are reported as investments.

Cash with donor restrictions, classified as cash and cash equivalent, consists of the following at June 30:

	<u>2022</u>	<u>2021</u>
Mentoring Endowment Distributions	<u>\$ 3,755</u>	<u>\$ 3,755</u>

Accounts, Grants, and Pledges Receivable

Accounts receivable for program services and other activities are stated at the outstanding principle balance, net of any charge-offs and an allowance for uncollectibles. Grants and pledges receivable are stated at the outstanding principle balance, net of any discount for contributions expected to be collected in more than one year and an allowance for uncollectibles. The discount applied to the pledges receivable was computed using a discount rate of 1.01% (see Note 7).

The Organization provides allowances for uncollectibles based upon the specific identification of accounts where collection is no longer deemed probable and an allowance based upon the level of total receivable balances. In determining the allowances, management evaluates the payment history and other known information for individual accounts, historical losses, and current economic conditions. Individual accounts are charged-off against the allowance in the period that the receivable is deemed uncollectible. Recoveries of receivables previously charged-off are recorded as income in the period received. The allowance for uncollectibles was \$900 and \$1,300 at June 30, 2022 and 2021, respectively (see Note 7).

The Organization does not generally charge interest on its accounts, grants, or pledges receivable.

(See auditors' report.)

THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION

Notes to Financial Statements

June 30, 2022

Beneficial Interest in Assets Held by Community Foundation

The Organization has entered into an agreement with the Community Foundation of St. Joseph County, Inc. in which the Foundation established a fund designated as "The Public Education Foundation Fund" for the purpose of providing support to the Organization. The Organization has also entered into several other agreements to establish teacher grant funds for the purpose of receiving gifts to provide support to the teacher grant program. The Organization expects to receive the income earned on the assets held in perpetuity, but will never receive the assets held in the funds. Distributions from the funds are currently based upon the Community Foundation's spending policy. Annual distributions from the funds are reported as investment income that increase assets with donor restrictions. Net realized and unrealized gains (losses) are reported as changes in assets with donor restrictions in funds functioning as permanent endowment.

The fund agreements provide the Community Foundation the power to modify any restrictions or conditions on the distribution of funds to any specified charitable organizations if such restrictions become, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable need of the area served by the Community Foundation.

The amounts below represent contributions made to the funds functioning as permanent endowments by the Organization from assets without donor restrictions and appreciation (depreciation) on those monies. Additionally, donors will contribute directly to the funds or make restricted donations to the Organization for the funds. These contributions are not considered to be assets of the Organization, but the Organization receives its annual distribution, as described above, based on the total value of the funds functioning as permanent endowments.

The total market value of "The Public Education Foundation Fund" held and managed by the Community Foundation as of June 30, 2022 was \$761,269 of which \$689,504 was contributed to the fund directly by donors or through restricted donations, or is appreciation (depreciation) on those monies. Distributions from these funds totaled \$38,587 for the year ended June 30, 2022.

At June 30, 2021, the total market value of the endowment was \$886,902, of which \$803,173 was contributed directly by donors or through restricted donations, or is appreciation (depreciation) on those monies. Distributions from these funds totaled \$35,695 for the year ended 2021.

The total market value of the Organization's teacher grant endowment funds held and managed by the Community Foundation as of June 30, 2022 was \$757,127 of which \$146,386 was contributed to the teacher grant funds directly by donors or through restricted donations, or is appreciation (depreciation) on those monies. Distributions from these funds totaled \$37,489 for the year ended June 30, 2022. The total market value of the teacher grant endowment funds held and managed by the Community Foundation as of June 30, 2021 was \$875,796 of which \$170,788 was contributed to the teacher grant funds directly by donors or through restricted donations, or is appreciation (depreciation) on those monies. Distributions from these funds totaled \$34,114 for the year ended June 30, 2021.

Beneficial Interest in Assets Held by Community Foundation - Continued

Net assets designated at June 30 are as follows:

	<u>2022</u>	<u>2021</u>
General operating fund	\$ 285,234	\$ 253,300
Board designated	104,088	119,671
Funds functioning as permanent endowment	<u>682,506</u>	<u>788,737</u>
Endowment net assets, end of year	<u>\$ 1,071,828</u>	<u>\$ 1,161,708</u>

(See auditors' report.)

THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION

Notes to Financial Statements

June 30, 2022

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment gains and losses are reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

The Organization reports its financial position and activities by the following classes of net assets:

- ◆ *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 designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.
- ◆ *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 resource was restricted has been fulfilled, or both.

Revenue Recognition

Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as assets with donor restrictions.

In 2020, the Organization adopted ASC 606, Revenue from Contracts with Customers, which amended the existing accounting standards for revenue recognition. The new revenue standard does not have a material impact on the amount and timing of revenue recognized in the Organization's financial statements.

Gifts and Grants

The Organization reports gifts and grants of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, or 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 statement of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in the future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not included as revenue until the conditions are substantially met. Amounts received on conditional promises before the conditions are substantially satisfied are reported as deferred revenue in the statements of financial position.

(See auditors' report.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Notes to Financial Statements

June 30, 2022

Gifts and Grants - Continued

Contributed materials are recorded at estimated fair value. Donated services are recognized if the services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Such services are recorded at their estimated fair value. No amounts have been recognized in the accompanying financial statements for donated services. However, the Organization receives a substantial amount of donated services from volunteers that have not been recognized because the criteria for recognition have not been met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement 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.

Income Taxes

The Organization is exempt from income taxes as a charitable organization under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Indiana Code, except for tax on unrelated business income. The Internal Revenue Service has determined that the Organization is not a private foundation within the meaning of Section 509(a). Consequently, the accompanying financial statements generally do not include any provision for income taxes. Management has evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of ASC 740-10.

Penalties and interest assessed by income taxing authorities are included in operating expenses, if incurred. With few exceptions, The Organization is no longer subject to federal and state income tax examination for tax years before 2019.

Financial Instruments and Credit Risk

The Organization receives substantially all of its operating support from individuals and businesses within St. Joseph County. Any significant reduction in the level of this support could have an effect on the Organization's programs.

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, The Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations supportive of our mission. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

(See auditors' report.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Notes to Financial Statements

June 30, 2022

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results could differ from those estimates.

Advertising Costs

Various costs relating to advertising are considered period costs and are therefore expensed as incurred. Advertising costs were \$15,178 and \$17,714 for the years ended June 30, 2022 and 2021, respectively.

Subsequent Events

We have evaluated subsequent events through March 12, 2023, the date on which the financial statements were available to be issued. No reportable subsequent events existed.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 243,695
Investments	104,088
Pledges receivable	<u>19,603</u>
	<u>\$ 367,386</u>

Our endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

(See auditors' report.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Notes to Financial Statements

June 30, 2022

NOTE 3 - FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received for an asset or paid to transfer a liability (an exit price) in an entity's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Such principles establish a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value:

- ◆ Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.
- ◆ Level 2: Inputs other than quoted prices included within Level 1 prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable, and market-corroborated inputs.
- ◆ Level 3: Unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair values of assets measured on a recurring basis as of June 30 are as follows:

	<u>2022</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 3</u>
Funds functioning as permanent endowment	\$ 682,506			\$ 682,506
Cash and cash equivalents	15,450		\$ 15,450	
Mutual funds				
Equity Funds	1,166,457		1,166,457	
Fixed Income Funds	346,656		346,656	
Alternative Strategies Funds	121,477		121,477	
Totals	<u>\$ 2,332,546</u>		<u>\$ 1,650,040</u>	<u>\$ 682,506</u>
	<u>2021</u>			
Funds functioning as permanent endowment	\$ 788,737			\$ 788,737
Cash and cash equivalents	21,238		\$ 21,238	
Mutual funds				
Equity funds	1,491,387		1,491,387	
Fixed income funds	365,060		365,060	
Alternative strategies funds	144,452		144,452	
Total	<u>\$ 2,810,874</u>		<u>\$ 2,022,137</u>	<u>\$ 788,737</u>

Fair values for investments in Level 1 are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for the beneficial interests in assets held by the Community Foundation are stated at fair value, based on the fair value of the assets held by the Community Foundation and by the trustees and which approximate the present value of expected future distributions.

(See auditors' report.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Notes to Financial Statements

June 30, 2022

NOTE 3 - FAIR VALUE MEASUREMENTS AND DISCLOSURES - CONTINUED

The following is a reconciliation of beginning and ending balances of the fair value of assets measured by Level 1 inputs for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Beneficial interest in assets held by others:		
Beginning fair value	\$ 2,022,137	\$ 1,426,484
Contributions	39,696	173,772
Interest and dividends	49,937	52,038
Realized and unrealized gains (losses)	(372,988)	447,449
Appropriation of endowment assets for expenditures	(88,742)	(77,606)
Ending Fair Value	<u>\$ 1,650,040</u>	<u>\$ 2,022,137</u>

The change in value of the beneficial interests in assets held by others is included in revenues in the accompanying statements of activities. All the above Level 3 changes in value are attributable to changes in the value of assets held by others at June 30, 2022 and 2021.

NOTE 4 - ENDOWMENT INFORMATION

The Organization's endowments consist of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by U.S. generally accepted accounting principles, 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 has interpreted the State Prudent management Investment Fiduciary Act (SPMIFA) as requiring realized and unrealized gains of permanently restricted net assets (if any) to be retained in a restricted net asset classification until appropriated by the Board for expenditure unless explicitly stated otherwise in the gift instrument. In addition, the Board has interpreted SPMIFA to appropriate as much of net appreciation of permanently restricted net assets (if any) as is prudent considering the duration and preservation of the endowment fund, the purposes of the Organization and endowment fund, general economic conditions, effect of inflation or deflation, expected total return on its investments, and the investment policy of the Organization.

On an annual basis, the Organization's endowment funds will be used to support its operations under the specified terms of underlying endowment and funding agreements, as defined. The funds functioning as permanent endowments funding agreements call for 5% of a defined average balance to be distributed for operational and grant making purposes. Earnings on the Organization's permanent endowment may be appropriated for expenditure by the Board of Directors.

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a stream of funding to support a portion of operations under the specified terms of the underlying endowment agreements, while seeking to preserve the endowment assets in perpetuity. In establishing this policy, the Organization considered the long term expected return on its endowments. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.

(See auditors' report.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Notes to Financial Statements

June 30, 2022

NOTE 4 - ENDOWMENT INFORMATION - CONTINUED

The Organization has implemented an investment strategy for its endowment assets. Board designated funds are held at the Community Foundation of St. Joseph County (CFSJC's), which has primary responsibility over the investment philosophy utilized. The CFSJC's June 30, 2022 asset allocation philosophy includes the following asset classes: Domestic (small and large cap) and global equities, fixed income securities, hedge funds and other investments as defined. Permanently endowed funds are held at Indiana Trust and Investment Management Company (ITMC). ITMC has primary responsibility over the investment philosophy utilized. ITMC'S June 30, 2022 asset allocation philosophy includes the following asset classes: bonds, domestic (small and large cap) stocks, international securities, real estate, and other investments as defined.

The following is a summary of endowment net asset composition by type of fund at June 30, 2022 and 2021:

2022	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>
Funds functioning as a permanent endowment	\$ 678,751	\$ 3,755	\$ 682,506
Permanent endowment		<u>1,545,952</u>	<u>1,545,952</u>
Endowment net assets, end of year	<u>\$ 678,751</u>	<u>\$ 1,549,707</u>	<u>\$ 2,228,458</u>
 2021			
Funds functioning as a permanent endowment	\$ 784,982	\$ 3,755	\$ 788,737
Permanent endowment		<u>1,902,466</u>	<u>1,902,466</u>
Endowment net assets, end of year	<u>\$ 784,982</u>	<u>\$ 1,906,221</u>	<u>\$ 2,691,203</u>

The Organization does not have any planned appropriation for expenditures at June 30, 2022.

The change in net assets related to funds functioning as permanent endowments at June 30, 2022 includes realized and unrealized gains of \$(372,988). These amounts are included in net investment return from funds functioning as permanent endowments as shown on the Statement of Activities.

NOTE 5 - NET ASSET WITH DONOR RESTRICTIONS

The Organization is a beneficiary of the James M. Wilson, M.D. Charitable Remainder Unitrust. At the instruction of Dr. Wilson, the trustee distributed the principal and income of the trust to the Organization. Stipulations of the gift dictated that the proceeds were to be used to establish a permanent endowment, which has been established at Indiana Trust and Investment Management Company. The Organization is guaranteed to receive an annual distribution equal to 5% of the fair market value of the account as of each December 31. The amount shall be paid annually from income and, to the extent that income is not sufficient, from principal. The distribution received during the years ended June 30, 2022 and 2021 was \$88,742 and \$77,606, respectively. Distributions were expended in the year received.

The funds are classified as with donor restrictions, perpetual in nature since the Organization will never receive the principal unless it is distributed as part of the annual distribution as a result of insufficient earnings as described above and income in excess of the 5% distribution has been permanently restricted by the donor.

(See auditors' report.)

THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION

Notes to Financial Statements

June 30, 2022

NOTE 5 - NET ASSET WITH DONOR RESTRICTIONS - CONTINUED

The Organization is a beneficiary of Sharon L. Fisko Enrichment Fund. An initial irrevocable sum of \$50,000 to the Organization, the principal to be held in perpetuity. This initial donation, along with any other funds added by the family, or other donors, will also be irrevocable and shall be invested with Indiana Trust Wealth Management in accordance with the Organization's current and future investment strategies.

Interest and earnings generated from the Sharon L Fisko Enrichment Fund shall be made available by Indiana Trust Wealth Management, upon written request, to the Organization. The total available distribution shall be based on the Fund's available balance on June 30th of each year. The balance at June 30, 2022 is \$77,277.

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2022</u>	<u>2021</u>
Endowment	\$ 1,545,952	\$1,902,466
Professional Development Pledges	45,000	65,000
Mentoring Endowment Distributions	<u>3,755</u>	<u>3,755</u>
Net Assets with Restrictions	<u>\$ 1,594,707</u>	<u>\$1,971,221</u>

NOTE 6 - NET ASSET WITHOUT DONOR RESTRICTIONS

Net assets were released from donor restrictions by the expiration of time or by incurring expenses satisfying restricted purposes as follows:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 185,874	\$ 165,274
Board designated	104,088	119,671
Board designated for endowment	<u>689,505</u>	<u>789,026</u>
Total Net Assets Without Donor Restrictions	<u>\$ 979,467</u>	<u>\$1,073,971</u>

NOTE 7 - DONATED MATERIALS AND SERVICES

The Organization's office space and equipment has been donated by the South Bend Community School Corporation. The estimated rental value of this facility for the years ended June 30, 2022 and 2021 were approximately \$5,600 and \$5,600, respectively.

(See auditors' report.)

**THE PUBLIC EDUCATION FOUNDATION, INC.
D/B/A SOUTH BEND EDUCATION FOUNDATION**

Notes to Financial Statements

June 30, 2022

NOTE 8 - PLEDGES RECEIVABLE

Pledges receivable consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Due within one year	\$ 20,000	\$ 20,000
Due within one to four years	<u>25,000</u>	<u>45,000</u>
Total pledges before discount	45,000	65,000
Less - discount factor of 1.01%	(895)	(212)
Less - allowance for uncollectible	<u>(900)</u>	<u>(1,300)</u>
Pledges receivable, net	<u>\$ 43,205</u>	<u>\$ 63,488</u>

The pledges receivable are shown on the Consolidated Statements of Financial Position net of allowance and present value discount, and are due as follows:

Current	\$ 19,603	\$ 19,952
Non-Current	<u>23,602</u>	<u>43,536</u>
Total	<u>\$ 43,205</u>	<u>\$ 63,488</u>

(See auditors' report.)

Updated April 2023 <div> South Bend Education Foundation Board of Directors Effective through December 2023 </div>			
Name	Address and Phone Numbers	Term	Term End & 1st Year Elected
1) Miguel Salazar President Executive, Governance, Teacher Grant, GFS Event Committee	5721 Yellow Wood Dr South Bend, IN 46614 W: 574.245.3511, C: 303.9901 msalazar@gibsonins.com	3rd	2024 Jun-16
2) Curtis, Julie Past President Executive, Governance, Marketing, GFS Event Committees	53074 Wildlife Dr. South Bend, IN 46628 W: 574.282.4590 ext. 230, 574.303.4400 jcurtis@sbnair.com	3rd	2024 Jan. 2017
3) Feferman, Anne Secretary Governance, Marketing	1314 Victoria E St South Bend, IN 46614 W:574.232.8012x5864C:574.276.7715 afeferman@tcunet.com	5th	2023 Jan. 2010
4) Jones, Sharon Treasurer Gov./Fin./Invest -Chair.	25975 Rolling Hills Dr. South Bend, IN 46628 W: 574.236.8639, C:574.276.4153 Sharon.jones@crowe.com	5th	2023 Jan. 2011
5) Bill, Clayton Governance Committee	4045 Edison Lakes Parkway, Ste 100 Mishawaka, IN 46545 W: 574.271.0374 C:773.294.6056 cbill@indtrust.com	3rd	2024 Jan. 2016
6) Boggs, Wilbur Teacher Grant	52536 Heatherfield Dr. South Bend, IN 46637 H:574.277.5203 C: 574.876.0345 wilbur515@att.net	3rd	2024 Jan. 2016
7) Byrd, Anthony A. (Tony) GFS Event Committee	855 N. Boxwood Drive E. South Bend, IN 46614 H: 574.291.2243 C:574.904.1309 anthonyalan855@gmail.com	4th	2025 Jan. 2014
* Cummings, Dr. C Todd SBCSC Superintendent Ex-Officio	215. S. Dr. Martin Luther King Jr. Blvd. South Bend , IN 46601 W:574.393.6129 ctoddcummings@sb.school	No Term Limit	Ex-Officio July.2019
8) Davis, Dr. Hope Smith Teacher Grant Co Chair	Dean & Assoc. Prof. School of Ed. IUSB 1002 S. Esther Street, Office EA 2221 South Bend, Indiana 46614 W:574.520.4546 C:513.479.9523 hsdavis@iusb.edu	2nd	2023 Jun. 2017
9) Fitzgerald, Jory	316 S St. Peter Street Unit 1 South Bend, IN 46617 574-876-1068 joryfitz@gmail.com	1st	2025 2023
10) Frank, Loretta	Cressy and Everett 332 North Ironwood South Bend, IN 46615 H: 574.272.1625 C:574.292.6846 lorettafrank@cressyeverett.com	2nd	2023 Jun. 2016 Rot.back 2016

11) Greene, Latorya <i>Teacher Grant Committee</i> <i>GFS Event Committee</i>	St. Joseph Health System 707 E. Cedar St., Ste 100 South Bend, IN 46617 W: 574.335.4684 latorya.greene@sjrmc.com	2nd	2025 Jan. 2020
* Grembowicz, Terry <i>SBCSC NEA Teacher rep.</i> <i>Ex-Officio</i>	1552 Pine Ridge Ct Elkhart, IN 46514 Cell 574.339.4263 tgrembowicz@sbcsc.k12.in.us	No Term Limit	Ex-Officio Jan. 2016
* McCullough, Jeanette <i>SBCSC Trustee Liaison</i>	215 S. Dr. Martin Luther King Jr. Blvd South Bend, IN 46601 574.855.7371 jmccullough@sbcsc.k12.in.us	No Term Limit	Ex-Officio 2019
12) Milligan, Anna <i>GFS Event Committee</i>	17109 Adams Rd Granger, IN 46530 H: 574.247.0293 milligan.anna@gmail.com	2nd	2025 Jan-19
13) Rudy Monterrosa	23232 Amber Valley Dr South Bend, IN 46628-4099 W: 574.236.2953 xicanolawyer@gmail.com	1st	2024 Jun-21
* Rea, Jeff/Lee, Kate <i>SJC Chamber of Commerce</i> <i>Ex-Officio</i>	101 N. Michigan St Ste 300 South Bend, IN 46601 W:574.400.4000 jrea@sjchamber.org/ klee@sjchamber.org	No Term Limit	Ex-Officio Jan. 2016
14) Rompola, Randy <i>Teacher Grant Committee</i>	Barnes and Thornburg 201 S. Main Street, Suite 400 South Bend, IN 46601 W: 574.237.1244 C:574.360.8610 Randy.Rompola@btlaw.com	3rd	2024 Jan. 2016
15) Saunders, Nancy W. <i>Governance Committee</i>	1507 E. Wayne Street South Bend, IN 46615 H: 574.289.8708 nwsaunders@att.net	No Term Limit	Life Trustee Jan. 2007
16) Wittenbrink Ortega, Jennifer <i>GFS Event Committee</i>	50737 Glen Meadow Lane Granger, IN 46530 W: 574.631.9432 C: 574.514.6708 jwittortega@nd.edu	1st	2024 2022
17) Williams, Glenda	105 N Niles South Bend, IN 46617 C: 574.261.5061 glenda.williams@amgeneral.com	1st	2025 2023
18) Wulfsohn, Aviva	16199 Fox Cross Drive Granger, IN 46530 C: 847.975.8338 awulfsoh@nd.edu	1st	2025 2023

LIFETRUSTEES:			
* Hollister, Louetta (Lou)	3633 Springbrook Drive South Bend, IN 46614 Home: 574.291.7307 jlhollister@comcast.net		Chtr. Mem. Life Trustee
* Jones, Marcia I.	1032 Georgiana Street South Bend, IN 46617 Home: 574.287.8759 mijones@gmail.com		Chtr. Mem
* King, Margaret B.	1106 Burns Avenue South Bend, IN 46617-1416 Home: 574.232.3401, Fax: 574.232.3014 mebking@att.net		Chtr. Mem Life Trustee.
*King, Nancy	8167 N. Tippecanoe Drive Walkerton, IN 46574 Home: 574.586.3009 bankernk@aol.com		Chtr. Mem. Life Trustee 2-Terms (2013)

Staff: Steve Funk, Executive Director; Charlotte Waltherhouse, Operations Manager

Address: P.O. Box 119, South Bend, IN 46624 or 215 S. Dr. Martin Luther King Jr. Blvd , South Bend, IN 46601

W: 574.393.6112, · Email: edfo@sb.school · Web: www.edfo.org

*Ex-Officio/Non-voting Members-5 · Life Trustees-4 · 18-Member Board

Internal Revenue Service**Date:** September 30, 2005

PUBLIC EDUCATION FOUNDATION INC
EDUCATION FOUNDATION INC
% SUSAN L WARNER
PO BOX 119
SOUTH BEND IN 46624-0119

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Ms. Edwards 31-07427

Customer Service Representative

Toll Free Telephone Number:

877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

35-1959196

Dear Sir or Madam:

This is in response to your request of September 30, 2005, regarding your organization's tax-exempt status.

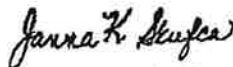
In May 1996 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

**RECEIVED**

10-9-05

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **NOV 07 2000**

SOUTH BEND COMMUNITY SCHOOL
CORP EDUCATION FOUNDATION INC
635 S MAIN ST
SOUTH BEND, IN 46601-0000

Employer Identification Number:
35-1959196
DLN:
17053274801010
Contact Person:
JOHN JENNEWEIN ID# 31307
Contact Telephone Number:
(877) 829-5500
Our Letter Dated:
May 1996
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Letter 1050 (DO/CG)

SOUTH BEND COMMUNITY SCHOOL

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Steven T. Miller

Steven T. Miller
Director, Exempt Organizations

Letter 1050 (DO/CG)

**Internal Revenue Service
District Director**

**Department of the Treasury
P.O. Box 2508 - Room 4024
Cincinnati, Ohio 45201**

Date: April 5, 1996

South Bend Community School
Corporation Education Foundation,
Inc.
c/o James M. Wilson
635 S. Main St.
South Bend, IN 46601

Employer Identification Number:
35-1959196

Person to Contact:

Kim Nguyen

Contact Telephone Number:
513-684-3863

Fax Number:
513-684-6034

Response Due Date:
April 26, 1996

Dear Sir or Madam:

Before we can determine whether your organization is exempt from Federal income tax, we must have enough information to show that you have met all legal requirements. You did not include the information needed to make that determination on your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

To help us determine whether your organization is exempt from Federal income tax, we must receive the requested information by the above response due date. We can then complete our review of your application.

If we do not hear from you within that time, we will assume you do not want us to consider the matter further and will close your case. In that event, as required by Code section 6104(c), we will notify the appropriate state officials that, based on the information we have, we cannot recognize you as an organization of the kind described in Code section 501(c)(3). As a result, the Internal Revenue Service will treat your organization as a taxable entity. If we receive the information after the response due date, we may ask you to send us a new Form 1023.

In addition, if you do not provide the requested information in a timely manner, we will consider that you have not taken all reasonable steps to secure the determination you requested. Under Code section 7428(b)(2), your not taking all reasonable steps in a timely manner to secure the determination may be considered as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Kim Nguyen

Kim Nguyen
Exempt Organizations Specialist

cc: Lee A. Morton
Crowe Chizek LLP
330 E. Jefferson Blvd.
South Bend, IN 46624

letter S1312(DO)

South Bend Community School Corporation Education Foundation, Inc.
35-1959196

Note: Your response must be submitted over the signature of an officer whose name is listed on page 3 of the application. If we do not receive your complete response by the due date, we will have no alternative but to close your case "Failure to Establish". If you submit your response within 90 days after your case has been closed, we will re-open your case for processing and you will not lose your original user fee.

1. Submit a copy of the Articles of Incorporation which shows they have been filed with and approved by the State office. The copy you submitted does not have the State approval stamp.

2. In order to meet the organizational test for exemption under section 501(c)(3), your organizational document, Articles of Incorporation, must be amended to include the following provisions:

Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Please send us a copy of this amendment which show it has been filed with and approved by the State.

3. Is your sole activity to provide financial support to public schools in South Bend? If not, Please submit a more detailed description of your activities.

In your description, please do not merely quote from the purpose clause of your organizing document. Your description should answer the following basic questions listed below:

- What is the activity?
- Who conducts the activity?
- Who benefits from the activity?
- Where is the activity conducted?

South Bend Community School Corporation Education Foundation, Inc.
35-1959196

--When is the activity conducted?

--How is the activity conducted?

--What percentage of the time and funds does the organization spend on each activity?

4. When will distribution of funds be made to the schools? Your budgets do not show any anticipated in the next three years.
5. Page 1 of Form 1023 indicated that you were incorporated on 6/1/95. Since you are considered a new corporation, you qualify for an advance rather than a definitive ruling. Please complete the following:
 - a. Change your request in item 11 from "a definitive ruling" to "an advance ruling" on page 7 of Form 1023. Have an officer initial and date the correction.
 - b. Complete enclosed Form 872-C. This form must be signed by an officer whose name is listed on page 3 of Form 1023.

Note: If you were incorporated on or prior to 6/30/95, then the ending date of your first tax year for the purposes of Form 872-C should be 6/30/95. If you were incorporated after 6/30/95, the ending date of the first tax year on Form 872-C is 6/30/96.

We do not make a ruling whether any grants is unusual at this time. However, one of the criteria for unusual grants is such grants must be unexpected.

BYLAWS
of
THE PUBLIC EDUCATION FOUNDATION, INC.
(Last Amendment and Approval January 27, 2022)

ARTICLE I
General

Section 1. Name. The name of the corporation is The Public Education Foundation, Inc., ("the Foundation").

Section 2. Address. The post office address of the Foundation's initial registered office is P.O. Box 119 (46624), 215 Dr. Martin Luther King Jr Blvd, South Bend, Indiana 46601.

Section 3. Fiscal Year. The fiscal year of the Foundation shall begin on the first day of July and end on the last day of June next succeeding.

ARTICLE II
Membership

Section 1. The Foundation shall have no members.

ARTICLE III
Board of Directors

Section 1. Directors. The affairs of the Foundation shall be managed, controlled, and conducted by, and under the supervision of, the Board of Directors, subject to the provisions of the Articles of Incorporation and these Bylaws. The Board of Directors shall have no less than fifteen (15) directors and no more than twenty-nine (29) directors as designated by resolution of the Board of Directors from time to time. In addition, the Superintendent of the South Bend Community School Corporation ("the Corporation") and a Corporation School Board member, as appointed by the School Board President, shall serve as ex-officio directors with no regard to term. The Superintendent of the Corporation shall also appoint a Corporation Administrator to the Board of Directors who will have full rights and privileges of a full Board Member with no regard to

term.

Section 2. Terms. Directors shall be elected by a majority vote of the Board from a slate presented by the Governance Committee. A director's term of office shall be three (3) years. The Board shall be divided into three (3) groups whose terms shall be staggered so that annually the terms of 1/3 of the directors in one group shall expire. No director shall serve more than two consecutive complete terms, except that (i) any person elected as an officer of the Foundation shall not be subject to this limitation and shall continue as a Board member until no longer elected to an officer position, and (ii) the Board may, upon the recommendation of the Governance Committee and by the affirmative vote of a majority of the existing members of the Board of Directors, elect any member to an additional term or terms. Thereafter, no person shall serve again as a director until the passage of one (1) year following the last period of service. Any vacancy on the Board of Directors shall be filled by a vote of the Board of Directors.

Section 3. Quorum and Voting. A majority of directors in office at the end of each Annual Meeting shall constitute a quorum for the transaction of any business properly to come before the Board of Directors. The act of a majority of the directors in attendance at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 4. Annual Meeting. The Annual Meeting of the Board of Directors will be held once each calendar year. At the annual meeting, the Board of Directors will elect officers and directors for the upcoming year. The Executive Director shall submit a report reviewing the work of the Foundation from the previous year. The President shall make a report on the condition of the Foundation and the Treasurer will review the budget and financial status of the organization. The Annual Resolution, as outlined in Section VII, will also be approved and executed.

Section 5. Regular Meetings. The Board of Directors may hold regular meetings, as fixed by these Bylaws or by resolution of the Board of Directors, for the purpose of transacting such business as properly may come before the Foundation's Board of Directors. Such regular meetings of the Board of Directors may be held without notice of the date, time, place or purpose of the meeting.

Section 6. Special Meetings. Notwithstanding the preceding Section 3, the Board of Directors may hold special meetings for any lawful purpose upon not less than two (2) days notice, as described in Section 5 of these Bylaws, upon call by the President of the Foundation or by twenty percent (20%) of the directors then in office. A special meeting shall be held at such date, time and place within or without the State of Indiana as is specified in the call of the meeting. The purpose of any such meeting need not be specified.

Section 7. Notice of Special Meetings and Waiver. Oral or written notice of the date, time and place of each special meeting of the Board of Directors shall be communicated, delivered, transmitted by facsimile, e-mail, or mailed by the secretary of the Foundation, or by the person or persons calling the meeting, to each member of the Board of Directors so that such notice is effective at least two days before the date of the meeting. The notice should describe the purpose of the separate special meeting. Oral notice shall be effective when communicated. Written notice shall be effective at the earliest of the following:

- When received;
- Five (5) days after the notice is mailed, as evidenced by the postmark or private carrier receipt, if mailed correctly addressed to the address listed in the most current records of the Foundation;
- On the date shown on the return receipt, if sent by registered or certified United States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or
- Thirty (30) days after the notice is deposited with another method of the United States Postal Service other than first class, registered, or certified postage affixed, as evidenced by the postmark, if mailed correctly addressed to the address listed in the most current records of the Foundation.

Notice may be waived in writing, signed by the director entitled to the notice, and filed with the minutes or the Foundation records. Attendance at or participation in any meeting of the Foundation's Board of Directors shall constitute a waiver of notice of such meeting unless the director shall, at the beginning of the meeting or promptly upon the director's arrival, object to holding the meeting and does not vote for or assent to action taken at the meeting.

Section 8. Means of Communication. The Board of Directors may (a) permit a director to participate in a regular or special meeting by or (b) conduct a regular or special meeting through the use of any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by such means shall be considered present in person at the meeting.

Section 9. Action By Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors, or any committee thereof, may be taken without a meeting if a written consent describing such action is signed by each director or all committee members, as the case may be, and such written consent is included in the minutes or filed with the corporate records reflecting the action taken. Action taken by written consent shall be effective when the last director or committee member signs the consent, unless the consent specifies a

prior or subsequent effective date. A consent signed as described in this Section 7 shall have the effect of a meeting vote and may be described as such in any meeting document.

ARTICLE IV.

Officers

Section 1. In General. The following are the officers of the Foundation:

- President;
- Past President or President-Elect;
- Secretary;
- Treasurer; and
- Any other officers the Board of Directors, in its discretion, elects from its members.

Section 2. Duties.

- President. The President presides at all meetings of the Board of Directors and is responsible for implementing policies that the Board of Directors adopts.
- Past President or President-Elect. The Past President and the President-Elect have the same duties. Those duties include assisting the President; if the President is unable to fulfill the President's duties, assuming the President's duties and authority; and performing any other duties that are usual to the position of vice-president or that the Board of Directors or President otherwise prescribes.
- Secretary. The Secretary is the custodian of the Foundation's non- financial records. Accordingly, the Secretary's duties include:
 - Preparing the minutes of all meetings of the Board of Directors;
 - Entering the minutes in the Foundation's minute book;
 - Authenticating records of the Foundation; and
 - Performing any other duties that are usual to the position of secretary or that the Board of Directors or President otherwise prescribes.
- Treasurer. The Treasurer's duties include:
 - Preparing and maintaining correct and complete records of account that accurately show the financial condition of the Foundation;
 - Prescribing how notes, securities, and other assets of the Foundation are to be received, accounted for, and kept;
 - Upon the request of the Board of Directors or the President, furnishing a

- statement of the Foundation's financial condition; and
- o Performing any other duties that are usual to the position of treasurer or that the Board of Directors or President otherwise prescribes.

Section 3. Term.

- Secretary, Treasurer, and Other Officers. The Secretary and Treasurer and any officer (other than the President, the Past-President, and the President-Elect) serve for a one-year term and may not serve more than two consecutive terms in that position, unless otherwise approved by the majority of the Board of Directors.
- President, Past President, and President-Elect. The President serves a two-year term. A person elected to the office of President will serve one year as the President-Elect immediately before assuming the office of President and one year as the Past President immediately after leaving the office of the President.

Section 4. Election.

Generally. The Board of Directors elects officers. Officers must be elected at the Annual Meeting of the Board of Directors.

- President, Past President, and President-Elect. During the first year of a President's term, the person whom the President replaced serves as the Past President. During the second year of a President's term, the person elected to succeed the President serves as the President-Elect. Accordingly, an election for President must occur before the end of the then-sitting President's first year so that the position of President-Elect can be filled.

Section 5. Removal of Officers and Vacancy. The Board of Directors, by a majority vote, may remove any officer at any time with or without cause. The Board of Directors must fill any vacancy in any officer position as soon as possible after the vacancy becomes known. A person elected to fill a vacant office must serve until the vacated term expires.

Section 6. Other Officers. Each other officer of the Foundation shall perform such duties as the Board of Directors or President may prescribe.

ARTICLE V **Committees**

Section 1. Executive Committee. The Executive Committee will be comprised of the President, the President Elect, the Treasurer, and the Secretary of the of the Foundation. To the extent provided in such resolution and consistent with Indiana law, the Executive Committee shall have

and exercise all of the authority of the Board of Directors in the management of the Foundation's affairs during intervals between the meetings of the Board of Directors. The Executive Committee shall be subject to the authority and supervision of the Board of Directors.

Section 2. Governance Committee. The Executive Committee must designate three or more Board members to meet as the Governance Committee. The Governance Committee:

- Nominates people for election to the Board;
- Educates Board members;
- Provides fiscal oversight by reviewing and approving Treasurer Reports, financial statements, and budgetary items
- Reviews the Foundation's practices to determine if they comply with the Foundation's Articles of Incorporation, Bylaws, and policies;
- Researches and recommends new policies and practices for adoption by the Board;
- Researches and recommends changes to the Foundation's Articles, Bylaws, policies, and practices for adoption by the Board ; and
- Oversees the development of the Foundation's long-term planning.

Section 3. Investment Committee. The Investment Committee shall formulate for presentation to the Board, policies and procedures to ensure the prudent management of donors' gifts and investment of all Foundation assets. It shall also review and recommend to the Board professional managers for the management and investment of the Foundation's assets. In addition, the Committee shall regularly review and report to the Board both on the performance of such professional managers and their overall financial affairs of the Foundation.

Section 4. Other Committees. The Board of Directors may establish other committees to accomplish the goals and perform the programs of the Foundation. Such committees shall have such responsibilities and powers, as the Board of Directors shall specify. Members of such other committees may, but need not, be members of the Board of Directors.

ARTICLE VI

Indemnification

Each person who is or was a director, officer, employee, or agent of the Foundation shall be indemnified and saved harmless and defended at the expense of the Foundation against any judgment, settlement, penalty, or fine resulting from, and all expenses reasonably incurred by such a person in connection with the defense of any action, suit, or proceeding, civil or criminal, in which the person is made or threatened to be made a party by reason of being or having been in any such capacity, or arising out of the person's status as such, if:

- The person's conduct was in good faith; and
- The person reasonably believed:
- In the case of conduct in the person's official capacity with the Foundation, that the person's conduct was in Foundation's best interests; and
- In all other cases, that the person's conduct was at least not opposed to the Foundation's best interests; and
- In the case of any criminal proceeding, the person:
 - Had reasonable cause to believe the person's conduct was lawful; or
 - Had no reasonable cause to believe the person's conduct was unlawful.

However, the indemnification provided under this Article VI shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any provision of the Foundation's Articles of Incorporation, resolution, or other authorization, heretofore or hereafter adopted, including these Bylaws. Furthermore, expenses incurred in defending any action, suit, or proceeding, civil or criminal, may be paid by the Foundation in advance of the final disposition of such suit, action, or proceeding, notwithstanding any provisions of these Bylaws to the contrary, upon receipt of any undertaking on behalf of the director, officer, employee, or agent to repay the amount paid by the Foundation in the event it is ultimately determined that the director, officer, employee, or agent is not entitled to indemnification as provided in this VI.

ARTICLE VII

Business of the Foundation

Section 1. Annual Resolution. On an annual basis the Board of Directors will pass a resolution authorizing two (2) or more officers or agents of the Foundation to enter into any contracts, sign checks, establish bank accounts, accept gifts and execute any instrument on its behalf. Unless authorized by the Board of Directors, no loan shall be made by or contracted for on behalf of the Foundation and no evidence of indebtedness shall be issued in its name.

ARTICLE VIII

Dissolution

If the Foundation is dissolved, all of its assets and property remaining after the payment and discharge of all of its debts and obligations shall be transferred and conveyed by its Board of Directors to the South Bend Community School Corporation and which at the time of the transfer is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue

Code as amended, or to or among the United States, the State of Indiana or the municipality in which the registered office of the Foundation is located. The Board of Directors may request the Circuit Court of St. Joseph County or any other county in which the registered office of the Foundation is located to make such distribution for tax-exempt organization as the Court shall determine. No individual, director or officer of the Foundation shall be entitled to share in the distribution of any of the assets of the Foundation.

ARTICLE IX

Amendments

The power to make, alter, amend, or repeal the Bylaws is vested in the Board of Directors of the Foundation. The affirmative vote of a majority of the existing Board of Directors shall be necessary to make alter, amend or repeal the Bylaws.

Dates of Amendment:

July 29, 1999

October 24, 2002

April 28, 2005

June 26, 2008

January 28, 2010

December 22, 2014 (logo only)

June 28, 2018