

***ANNUAL FINANCIAL REPORT***

**BISHOP ANDERSON FOUNDATION  
CHICAGO, ILLINOIS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2023**

**BISHOP ANDERSON FOUNDATION  
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DECEMBER 31, 2023**

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### INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Bishop Anderson Foundation

#### **Opinion**

We have audited the accompanying financial statements of Bishop Anderson Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2023, and the related statement of revenues, other support, and expenses – modified cash basis and cash flows – modified cash basis 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 assets, liabilities, and net assets of Bishop Anderson Foundation as of December 31, 2023, and its revenues, other support and expenses and cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

#### **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 Bishop Anderson Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Bishop Anderson Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be used.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bishop Anderson 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 Bishop Anderson 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.

*Evans, Marshall & Pease, P.C.*

Evans, Marshall & Pease, P.C.  
Certified Public Accountants

Rolling Meadows, Illinois  
May 22, 2024  
(15)

BISHOP ANDERSON FOUNDATION  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS  
MODIFIED CASH BASIS  
DECEMBER 31, 2023

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	2023
<b>ASSETS</b>	
Cash and cash equivalents	\$ 531,610
Investments	3,692,417
Security deposits	90
Property and equipment, net	3,860
TOTAL ASSETS	\$ 4,227,977
<b>LIABILITIES AND NET ASSETS</b>	
<i>Liabilities</i>	
Other	\$ 300
TOTAL LIABILITIES	300
<i>Net assets</i>	
Without donor restrictions	3,763,808
With donor restrictions	463,869
TOTAL NET ASSETS	4,227,677
TOTAL LIABILITIES AND NET ASSETS	\$ 4,227,977

The accompanying notes are an integral part of these financial statements.

BISHOP ANDERSON FOUNDATION  
STATEMENT OF REVENUES, OTHER SUPPORT AND EXPENSES  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUES AND OTHER SUPPORT			
Contributions and grants	\$ 324,781	\$ 2,063	\$ 326,844
Episcopal charities	66,500	-	66,500
Chaplains training program	1,550	-	1,550
Investment returns, before investment expenses	595,142	-	595,142
Contributed office space	94,680	-	94,680
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>1,082,653</b>	<b>2,063</b>	<b>1,084,716</b>
EXPENSES			
Program services	294,248	-	294,248
Support services			
Administrative and general	376,345	-	376,345
Fundraising	33,573	-	33,573
<b>TOTAL EXPENSES</b>	<b>704,166</b>	<b>-</b>	<b>704,166</b>
CHANGE IN NET ASSETS	378,487	2,063	380,550
NET ASSETS, BEGINNING OF YEAR	3,385,321	461,806	3,847,127
NET ASSETS, END OF YEAR	<u>\$ 3,763,808</u>	<u>\$ 463,869</u>	<u>\$ 4,227,677</u>

The accompanying notes are an integral part of these financial statements.

BISHOP ANDERSON FOUNDATION  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
CASH FLOWS FROM OPERATING ACTIVITIES	
Reconciliation of Change in Net Assets to Net Cash from (used for) Operating Activities	
Change in net assets	\$ 380,550
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	1,527
(Increase) decrease in valuation of marketable securities	(549,280)
Change in operating assets and liabilities	
Accounts payable	300
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	(166,903)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(478,892)
Proceeds from investments	787,717
NET CASH FROM (USED FOR) INVESTING ACTIVITIES	308,825
NET CHANGE IN CASH AND CASH EQUIVALENTS	141,922
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	389,688
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 531,610

The accompanying notes are an integral part of these financial statements.

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BISHOP ANDERSON FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

Foundation

Bishop Anderson Foundation (the “Foundation”) is a nonprofit corporation formed on January 29, 1951. It received a religious exemption from the State of Illinois on June 6, 1972. The purpose of the Foundation is to conduct a charitable program of religious, educational, benevolent, cultural, and social activities for the benefit of members of the medical profession, patients, students, and members (including the families of all of the foregoing persons) of the faculties and staffs of hospitals, schools and other institutions relating to or connected with the medical profession. The Foundation’s charitable purpose is primarily funded through contributions and grants.

Cash Basis of Accounting

The financial statements of the Foundation have been prepared on the cash-basis of accounting, modified to record assets or liabilities with respect to cash transactions and events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transactions or events occurred. Modifications to the cash basis of accounting result from management’s decision to record property and equipment and related depreciation; and record investments at fair value. If U.S. GAAP were used, revenues from contributions are recognized when cash, securities or other assets is received.

Cash and Cash Equivalents

Cash includes demand deposits with banks or other financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Money market funds are considered cash equivalents.

Investments

Investments are composed of government debt, corporate debt, and equity securities. Investments are reported at their fair values in the statement of financial position. Net investment return (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses.

Property and Equipment

Property and equipment are recorded for additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 7 to 10 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2023.

Net Assets

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

BISHOP ANDERSON FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1 – PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Revenue and Revenue Recognition

The Foundation recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. Contributions are recognized when cash, securities or other assets are received. Revenue is derived from donations, special events and investment income.

In-kind Contributions

Contributed nonfinancial assets include donated office space. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to the Foundation; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria.

Income Taxes

The Foundation is exempt from Federal income tax under Section 501(c)(3), except on net income derived from unrelated business activities. At December 31, 2023 and 2022, the Foundation has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded.

Estimates

The preparation of financial statements requires us to make estimates and assumptions that affect the reported amounts at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

The Foundation manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Investments are made by diversified investment managers whose performance is monitored by management and the Board. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Foundation believes that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

BISHOP ANDERSON FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenses, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of assets, liabilities, and net assets, comprise the following:

	2023
Cash and cash equivalents	\$ 531,610
Investments	3,228,548
Totals	\$ 3,760,158

As part of its liquidity and availability plan, excess cash is invested in short-term investments, including money market accounts.

**NOTE 3 – CASH AND CASH EQUIVALENTS, AND INVESTMENTS**

At December 31, 2023, the carrying amount of the Foundation's cash and cash equivalents, and investments totaled \$4,224,027. The bank balances totaled \$4,225,261. The amounts are classified as follows:

Type	Amount	Maturities		
		Less Than One Year	One to Five Years	More Than Five Years
Cash and money markets	\$ 532,844	\$ 532,844	\$ -	\$ -
Common equity securities	2,010,658	2,010,658	-	-
Mutual funds				
Domestic equity	183,001	183,001	-	-
International equity	160,840	160,840	-	-
U.S. government obligations	97,816	-	97,816	-
Asset backed securities	28,786	-	49	28,737
Corporate bonds	1,211,316	321,560	889,756	-
Totals	\$ 4,225,261	\$ 3,208,903	\$ 987,621	\$ 28,737

*Fair Value Measurements and Disclosures*

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets that can be accessed at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

BISHOP ANDERSON FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 3 – CASH AND CASH EQUIVALENTS, AND INVESTMENTS (CONT'D)**

- Level 3 – Unobservable inputs for the asset. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset.

A significant portion of our investment assets are classified within Level 1 because they comprise of common stocks and open-end mutual funds with readily determinable fair values based on daily redemption values. We invest in U.S. government obligations, asset backed securities, and corporate bonds traded in the financial markets. Those U.S. government obligations, asset backed securities, and corporate bonds are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2. The Foundation has no Level 3 investments.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost per share as a practical expedient as identified in the following, at December 31, 2023:

Investment Type	Fair Value	Level 1	Level 2	Level 3
Common equity securities	\$ 2,010,658	\$ 2,010,658	\$ -	\$ -
Mutal funds				
Domestic equity	183,001	183,001	-	-
International equity	160,840	160,840	-	-
U.S. government obligations	97,816	-	97,816	-
Asset backed securities	28,786	-	28,786	-
Corporate bonds	1,211,316	-	1,211,316	-
Totals	<u>\$ 3,692,417</u>	<u>\$ 2,354,499</u>	<u>\$ 1,337,918</u>	<u>\$ -</u>

*Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of the failure of the bank or the counterparty, the Foundation will not be able to recover the value of its deposits, investments, or collateral securities that are in possessions of an outside party. As of December 31, 2023, the Foundation's bank balance of \$4,225,261 is exposed to custodial credit risk as follows:

	2023
Insured	\$ 342,368
Uninsured and uncollateralized	3,882,893
Totals	<u>\$ 4,225,261</u>

BISHOP ANDERSON FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 4 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2023:

	2023
Furniture and equipment	\$ 16,968
Leasehold improvements	11,780
Total	28,748
Less accumulated depreciation/amortization	(24,888)
Property and equipment, net	\$ 3,860

Depreciation expense totaled \$1,527 for the year ended December 31, 2023.

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

As of December 31, 2023, net assets with donor restrictions for specific purposes are available for the following purposes:

Stroger	\$ 438,007
Spiritual Care Visitor Training	9,500
Community Based CPE	2,950
Friends of the House	1,270
Brach Foundation	1,308
Willing Spirits	5,405
Teddy Bear	5,429
Totals	\$ 463,869

In 2023, no net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose.

**NOTE 6 – IN-KIND CONTRIBUTIONS**

For the year ended December 31, 2023 contributed nonfinancial assets recognized within the statement of statement of revenues, other support and expenses including office space for \$94,680.

**NOTE 7 – EMPLOYEE BENEFITS**

Foundation employees are covered under two retirement plans. Ordained clergy participate in a defined benefit plan, in which the Foundation contributes 18% of compensation. During the year ended December 31, 2023 the Foundation contributed \$24,369.

Foundation employees that are non-ordained participate in a defined contribution 403(b) plan that allows for contributions up to limits set by the IRS. The Foundation contributes 5% of their compensation and a match up to 4% of their contribution. During the year ended December 31, 2023 the Foundation contributed \$18,096.

The Foundation also provides a housing allowance for clergy. During the year ended December 31, 2023 the allowance was \$170,493.

BISHOP ANDERSON FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 8 – STATEMENT OF CASH FLOWS**

The statement of cash flows provides information about cash and cash equivalents. Net cash from (used for) operating activities reflects cash payments of \$-0- for interest and \$-0- for taxes for the year ending December 31, 2023.

**NOTE 9 – SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through May 22, 2024, which is the date the financial statements were available to be issued. The Foundation is not aware of any material subsequent events.