

**CRIMSON TIDE FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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PATTON AND COMPANY CPAs

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MEMBER:
AMERICAN INSTITUTE OF CPAs
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

August 15, 2024

Crimson Tide Foundation
PO Box 62
Pottsville, PA 17901

Management is responsible for the accompanying financial statements of Crimson Tide Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2023, and the related statements of support, revenues, expenses, and other changes in net assets – cash basis and functional expenses – cash basis for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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CRIMSON TIDE FOUNDATION
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -
CASH BASIS
DECEMBER 31, 2023

ASSETS

Cash in Bank - CACL Checking	\$ 11,728
Cash in Bank - CACL Savings	2,108
Cash in Bank - Mid Penn EITC	1,864
Cash in Bank - M&T Checking - Scholarship	374
Cash in Bank - PayPal	395
Cash in Bank - Mid Penn Certificate of Deposit	<u>10,000</u>

TOTAL ASSETS \$ 26,469

LIABILITIES AND NET ASSETS

LIABILITIES \$ -0-

NET ASSETS

Without Donor Restrictions 26,469

TOTAL NET ASSETS 26,469

TOTAL LIABILITIES AND NET ASSETS \$ 26,469

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

CRIMSON TIDE FOUNDATION
STATEMENT OF SUPPORT, REVENUES, EXPENSES, AND OTHER CHANGES IN NET ASSETS -
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

SUPPORT AND REVENUES

Contributions	\$	19,434
Contributions - EITC		1,500
Cornhole Event		3,694
Reunion		1,000
Interest		26
		25,654

TOTAL SUPPORT AND REVENUES WITHOUT DONOR RESTRICTIONS 25,654

EXPENSES

Program Services		37,439
Management and General		1,777
Fundraising		3,025
		42,241

TOTAL EXPENSES 42,241

INCREASE IN NET ASSETS (16,587)

NET ASSETS - JANUARY 1, 2023 43,056

NET ASSETS - DECEMBER 31, 2023 \$ 26,469

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**CRIMSON TIDE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES -
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>PROGRAM EXPENSES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Dues	\$ -0-	\$ 525	\$ -0-	\$ 525
Rent	-0-	-0-	400	400
Cornhole Event Costs	-0-	-0-	2,625	2,625
Legal and Accounting	-0-	1,070	-0-	1,070
Postage	-0-	82	-0-	82
Registration	-0-	100	-0-	100
EITC Expenditures - PASD	9,280	-0-	-0-	9,280
Venture Grants - PASD	23,159	-0-	-0-	23,159
Awards - PASD	5,000	-0-	-0-	5,000
	<u>5,000</u>	<u>-0-</u>	<u>-0-</u>	<u>5,000</u>
<u>TOTAL</u>	<u>\$ 37,439</u>	<u>\$ 1,777</u>	<u>\$ 3,025</u>	<u>\$ 42,241</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**CRIMSON TIDE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The organization is a nonprofit organization dedicated to the aid and support of various educational endeavors of the Pottsville Area School District encompassing the elementary, middle and high schools.

BASIS OF ACCOUNTING

The Organization's policy is to prepare its financial statements on the cash basis of accounting. Under that basis, revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when incurred.

CASH

For purposes of these financial statements, cash, including certificate of deposit, is defined as deposits held in banks.

REVENUE RECOGNITION

Unless specifically restricted by the donor, all contributions are considered to be available for unrestricted use.

FINANCIAL STATEMENT PRESENTATION

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (ASU 2016-14) which improves current reporting requirements for not-for-profit entities. The most significant provisions of the ASU require not-for-profit entities to 1) report only two classes of net assets, and 2) provide enhanced disclosure related to liquidity, underwater endowments, board designated net assets and time-restricted net assets. This update was effective for fiscal years beginning after December 15, 2017. The Organization has adopted this ASU 2016-14 for its financial statements.

CONTRIBUTIONS

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

ESTIMATES

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

**CRIMSON TIDE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 2 – INCOME TAX STATUS

The Organization is exempt from Federal income taxes under the Internal Revenue Code as an organization described in Section 501(c)(3).

NOTE 3 – COMMITMENTS AND CONTINGENCIES

The Organization receives a substantial amount of its support from contributions. If a significant reduction in the level of this support were to occur, it may have an effect on the Organization's programs and activities.

NOTE 4 – FUNCTIONAL EXPENSES

Expenses of the Organization are classified as program, management and general, and fundraising. For 2023, the expenses of the Cornhole Event and the reunion were considered fundraising. The expenses of operating the Organization were considered to be management and general. All other expenses are considered program expenses, and are for the benefit of the Pottsville Area School District.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the date of the statement of assets, liabilities, and net assets – cash basis, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

Financial Assets at year end which are also available to meet cash needs for general expenditures within one year	<u>\$ 26,469</u>
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As part of the Organization's liquidity management, it maintains cash in excess of daily requirements in bank demand deposit accounts, bank savings accounts and a certificate of deposit.

NOTE 6 – CONCENTRATION OF CREDIT RISK

The Organization maintains its bank accounts with M&T Bank, Mid Penn Bank and CACL Credit Union. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023, the balances in the banks were \$26,469, which is less than the insured ceilings.

NOTE 7 – DONATED SERVICES

No amounts have been reflected in the statement for donated services. However, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services and in the fund-raising event.

NOTE 8 – DATE OF MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 15, 2024, the date which the financial statements were available to be issued.

SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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ROBERT B. PATTON, CPA
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MEMBER:
AMERICAN INSTITUTE OF CPAs
PENNSYLVANIA INSTITUTE OF CPAs

August 1, 2024

Crimson Tide Foundation
PO Box 62
Pottsville, PA 17901

I am pleased to confirm my acceptance and understanding of the services I am to provide for Crimson Tide Foundation for the year ended December 31, 2023.

You have requested that I prepare the annual financial statements of Crimson Tide Foundation (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2023 and the related statements of support, revenues, expenses, and other changes in net assets – cash basis and functional expenses – cash basis for the year then ended, and the related notes to the financial statements, and perform a compilation engagement with respect to those financial statements.

My Responsibilities

The objective of my engagement is to –

1. prepare financial statements in accordance with the cash basis of accounting based on information provided by you and
2. apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with the cash basis of accounting.

I will conduct my compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

I am not required to, and will not, verify the accuracy or completeness of the information you will provide to me for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, I will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

My engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities since performing those procedures or taking such action would impair my independence.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that my role is to prepare financial statements in accordance with the cash basis of accounting and assist you in the presentation of the financial statements in accordance with the cash basis of accounting. You have the following overall responsibilities that are fundamental to my undertaking the engagement in accordance with SSARS:

1. The selection of the cash basis of accounting as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with the cash basis of accounting and the inclusion of all informative disclosures that are appropriate for the cash basis of accounting.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that the Organization complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to me for the engagement.
7. To provide me with –
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that I may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the Organization of whom I determine it necessary to make inquiries.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skill, knowledge, and experience to oversee my bookkeeping services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

My Report

As part of my engagement, I will issue a report that will state that I did not audit or review the financial statements and that, accordingly, I do not express an opinion, a conclusion, nor provide any assurance on them. There may be circumstances in which the report differs from the expected form and content. If, for any reason, I am unable to complete the compilation of your financial statements, I will not issue a report on such statements as a result of this engagement.

You agree to include my accountant's compilation report in any document containing financial statements that indicates that I have performed a compilation engagement on such financial statements and, prior to inclusion of the report, to obtain my permission to do so.

Other Relevant Information

Robert B. Patton, CPA is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

My invoice will be rendered at the completion of the engagement and is payable on presentation. Your cooperation and assistance are necessary to the successful completion of the services and can significantly affect my fees.

You agree to hold me harmless and to release, indemnify, and defend me from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to me.

I appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you acknowledge and agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return it to me.

Sincerely,



Patton and Company CPAs

This letter correctly sets forth the understanding of the Crimson Tide Foundation.

Signature: John H. Caldwell

Title: President

Date: 08/1/2024