




KnowledgeWorks Foundation

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2024 and 2023



KnowledgeWorks Foundation
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June 30, 2024 and 2023

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Independent Auditor's Report

Board of Directors
KnowledgeWorks Foundation
Cincinnati, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of KnowledgeWorks Foundation and its subsidiaries (the "Foundation"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of KnowledgeWorks Foundation and its subsidiaries as of June 30, 2024 and 2023, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Foundation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2024, on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Cincinnati, Ohio
October 29, 2024**

KnowledgeWorks Foundation
Consolidated Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Cash and cash equivalents	\$ 2,104,877	\$ 7,099,222
Accounts receivable	374,307	225,498
Interest receivable	79,581	94,070
Grants receivable	746,848	920,253
Investments, at fair value	116,990,414	109,471,607
Other assets	268,756	335,118
Right-of-use assets - operating leases	1,043,858	1,120,766
Property and equipment, net	<u>158,894</u>	<u>183,940</u>
Total assets	<u>\$ 121,767,535</u>	<u>\$ 119,450,474</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,026,443	\$ 1,274,870
Operating lease liabilities	1,020,495	1,077,579
Deferred revenue	2,273,812	3,623,365
Total liabilities	<u>4,320,750</u>	<u>5,975,814</u>
Net Assets		
Without donor restrictions	115,857,426	109,897,121
With donor restrictions	1,589,359	3,577,539
Total net assets	<u>117,446,785</u>	<u>113,474,660</u>
Total liabilities and net assets	<u>\$ 121,767,535</u>	<u>\$ 119,450,474</u>

KnowledgeWorks Foundation
Consolidated Statements of Activities
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses) and Other Support						
Income from investments, net	\$ 1,954,527	\$ 35,593	\$ 1,990,120	\$ 2,631,359	\$ 27,539	\$ 2,658,898
Interest and fees on student loans receivable, net	-	-	-	627,348	-	627,348
Other revenue	1,092	-	1,092	-	-	-
Grant revenue	1,635,205	1,012,871	2,648,076	1,178,151	2,921,599	4,099,750
Contract service revenue	3,538,550	-	3,538,550	2,324,198	-	2,324,198
Unrealized and realized gains on investment securities, net	11,797,135	-	11,797,135	5,915,920	-	5,915,920
Loss on sale of student loans receivable	-	-	-	(686,463)	-	(686,463)
Net assets released from restrictions	3,036,644	(3,036,644)	-	5,438,196	(5,438,196)	-
Total revenues, gains (losses) and other support	<u>21,963,153</u>	<u>(1,988,180)</u>	<u>19,974,973</u>	<u>17,428,709</u>	<u>(2,489,058)</u>	<u>14,939,651</u>
Cost of Debt						
Interest expense	-	-	-	352,152	-	352,152
Amortization	-	-	-	257,477	-	257,477
Total cost of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>609,629</u>	<u>-</u>	<u>609,629</u>
Net Revenue, Gains (Losses) and Other Support After Cost of Debt	<u>21,963,153</u>	<u>(1,988,180)</u>	<u>19,974,973</u>	<u>16,819,080</u>	<u>(2,489,058)</u>	<u>14,330,022</u>
Provision for Student Loan Loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,870)</u>	<u>-</u>	<u>(17,870)</u>
Unrealized Loss on Liability for Student Loan Program Residual	<u>-</u>	<u>-</u>	<u>-</u>	<u>(155,047)</u>	<u>-</u>	<u>(155,047)</u>
Program and Supporting Expenses						
Operating programs	10,583,334	-	10,583,334	11,594,471	-	11,594,471
Student loan programs	-	-	-	137,163	-	137,163
Other programs	1,413,678	-	1,413,678	1,330,167	-	1,330,167
Total program expenses	<u>11,997,012</u>	<u>-</u>	<u>11,997,012</u>	<u>13,061,801</u>	<u>-</u>	<u>13,061,801</u>
General and administrative	4,005,836	-	4,005,836	3,824,862	-	3,824,862
Total program and supporting expenses	<u>16,002,848</u>	<u>-</u>	<u>16,002,848</u>	<u>16,886,663</u>	<u>-</u>	<u>16,886,663</u>
Change in Net Assets	<u>5,960,305</u>	<u>(1,988,180)</u>	<u>3,972,125</u>	<u>(240,500)</u>	<u>(2,489,058)</u>	<u>(2,729,558)</u>
Net Assets, Beginning of Year	<u>109,897,121</u>	<u>3,577,539</u>	<u>113,474,660</u>	<u>110,137,621</u>	<u>6,066,597</u>	<u>116,204,218</u>
Net Assets, End of Year	<u>\$ 115,857,426</u>	<u>\$ 1,589,359</u>	<u>\$ 117,446,785</u>	<u>\$ 109,897,121</u>	<u>\$ 3,577,539</u>	<u>\$ 113,474,660</u>

KnowledgeWorks Foundation
Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services				Total
	Operating Programs	Other Programs	Total Program Services	General and Administrative	
Salaries and benefits	\$ 5,293,869	\$ 1,195,066	\$ 6,488,935	\$ 3,008,975	\$ 9,497,910
Grants made to other entities	725,308	43,169	768,477	-	768,477
Professional fees	2,613,394	19,494	2,632,888	244,158	2,877,046
Legal expense	-	-	-	24,984	24,984
Communications	57,683	-	57,683	85,805	143,488
Accounting and auditing fees	4,484	-	4,484	92,889	97,373
Travel	886,767	43,512	930,279	73,577	1,003,856
Meetings, conferences and convenings	380,654	12,209	392,863	30,937	423,800
Office administration	74,603	16,843	91,446	42,407	133,853
Lease expense	105,684	23,858	129,542	60,068	189,610
Telephone	-	-	-	609	609
Insurance	60,278	13,607	73,885	34,263	108,148
Technology support	39,954	9,018	48,972	22,703	71,675
Internet and network	269,205	26,212	295,417	61,383	356,800
Equipment leasing	10,452	2,359	12,811	6,093	18,904
Office supplies	6,174	478	6,652	12,786	19,438
Postage and delivery	10,264	-	10,264	2,038	12,302
Printing and copying	19,180	-	19,180	299	19,479
Depreciation	-	-	-	90,848	90,848
Training and developmental materials	16,820	1,055	17,875	61,788	79,663
Recruiting	25	-	25	315	340
Subscriptions	1,967	3,701	5,668	6,050	11,718
Dues and memberships	1,474	3,097	4,571	6,323	10,894
Other	5,095	-	5,095	36,538	41,633
Total expenses included in the statement of activities	\$ 10,583,334	\$ 1,413,678	\$ 11,997,012	\$ 4,005,836	\$ 16,002,848

KnowledgeWorks Foundation
Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services			Total Program Services	General and Administrative	Total
	Operating Programs	Student Loan Programs	Other Programs			
Salaries and benefits	\$ 5,051,548	\$ -	\$ 1,071,601	\$ 6,123,149	\$ 2,629,803	\$ 8,752,952
Grants made to other entities	2,610,986	-	25,800	2,636,786	-	2,636,786
Professional fees	1,990,212	-	23,245	2,013,457	382,415	2,395,872
Legal expense	-	-	-	-	93,289	93,289
Communications	79,734	-	-	79,734	127,734	207,468
Accounting and auditing fees	2,265	-	-	2,265	127,484	129,749
Travel	783,018	-	35,274	818,292	56,154	874,446
Meetings, conferences and convenings	446,611	-	22,931	469,542	20,476	490,018
Office administration	56,686	-	31,569	88,255	37,905	126,160
Lease expense	109,728	-	23,276	133,004	57,123	190,127
Telephone	56,789	-	11,172	67,961	20,801	88,762
Insurance	57,775	-	19,041	76,816	32,992	109,808
Technology support	36,212	-	11,767	47,979	20,387	68,366
Internet and network	244,003	-	38,455	282,458	59,162	341,620
Equipment leasing	10,299	-	3,394	13,693	5,881	19,574
Office supplies	6,130	-	1,402	7,532	17,558	25,090
Postage and delivery	6,605	-	558	7,163	912	8,075
Printing and copying	14,276	-	48	14,324	1,366	15,690
Depreciation	-	-	-	-	84,696	84,696
Training and developmental materials	25,879	-	4,694	30,573	12,734	43,307
Recruiting	805	-	-	805	210	1,015
Subscriptions	2,287	-	3,641	5,928	6,352	12,280
Dues and memberships	1,259	-	1,946	3,205	6,448	9,653
Other	1,364	-	353	1,717	22,980	24,697
Loan servicing fees	-	59,432	-	59,432	-	59,432
Trustee and administrative fees	-	77,731	-	77,731	-	77,731
Total expenses included in the statement of activities	\$ 11,594,471	\$ 137,163	\$ 1,330,167	\$ 13,061,801	\$ 3,824,862	\$ 16,886,663

KnowledgeWorks Foundation
Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 3,972,125	\$ (2,729,558)
Items not requiring (providing) cash		
Depreciation and amortization	90,848	402,365
(Gain) loss on disposal of property and equipment	(5,228)	665
Unrealized and realized gains on investment securities, net	(11,797,135)	(5,915,920)
Unrealized loss on liability for student loan program residual	-	155,047
Noncash operating lease expense	126,219	119,705
Provision for student loan loss	-	17,870
Loss on sale of student loans receivable	-	686,463
Changes in assets and liabilities		
Accounts receivable	(148,809)	15,167
Grants receivable	173,405	987,559
Interest receivable	14,489	875,594
Other assets	66,362	(83,233)
Interest payable	-	(27,985)
Deferred revenue	(1,349,553)	2,272,216
Accounts payable and accrued expenses	(248,427)	(457,432)
Operating lease liabilities	(106,395)	(95,002)
Student loan program residual	-	(7,873,120)
Net cash used in operating activities	<u>(9,212,099)</u>	<u>(11,649,599)</u>
Cash Flows From Investing Activities		
Receipt of principal repayments on student loans	-	4,282,355
Proceeds from sale of student loans	-	12,317,214
Purchases of property and equipment	(60,574)	(37,969)
Purchases of investments	(23,495,627)	(34,797,743)
Proceeds from maturities and sales of investments	27,773,955	40,036,298
Net cash provided by investing activities	<u>4,217,754</u>	<u>21,800,155</u>
Cash Flows From Financing Activity - principal repayments on bonds payable	<u>-</u>	<u>(11,006,374)</u>
Decrease in Cash and Cash Equivalents	(4,994,345)	(855,818)
Cash and Cash Equivalents, Beginning of Year	<u>7,099,222</u>	<u>7,955,040</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,104,877</u>	<u>\$ 7,099,222</u>
Supplemental Disclosures of Cash Flows Information		
Interest paid	\$ -	\$ 324,167
Right-of-use assets obtained in exchange for new operating lease liabilities	49,311	-

Note 1. Nature of Operations and Basis of Presentation

Nature of Operations

KnowledgeWorks Foundation (the “Foundation”) engages in the development and implementation of innovative tools, training and assistance to school leaders, teachers and community stakeholders to ensure that all students are prepared for college, career and civic life (Program Operations). Historically, the Foundation has also engaged in certain student loan activities. During 2013, the Foundation began an initiative to wind down its student loan operations. During 2023, the Foundation sold the remaining loans, which related to the KW2010 Program, officially ending the program.

Basis of Presentation

The consolidated financial statements include the accounts of the Foundation and all entities that are controlled by the Foundation and in which the Foundation has an economic interest. These entities include (1) the Foundation, which conducts the Program Operation activities; (2) KWI, which manages the Foundation’s investment portfolio; and (3) KWSL, LLC, which had historically engaged in student loan activities. All intercompany transactions and balances have been eliminated in consolidation.

Program and supporting expenses are classified in four categories in the consolidated statements of activities and the consolidated statements of functional expenses, including operating programs, student loan programs, other programs and general and administrative. Operating programs include work with school districts, educators, policymakers and communities to explore the future of learning, to create policies that promote systems transformation and to deliver innovative personalized learning opportunities for students through competency-based education. Other programs include strategy, thought leadership and grant-making activities.

Note 2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in checking and money market accounts held at financial institutions. At June 30, 2024, the Foundation’s cash accounts exceeded federally insured limits by approximately \$406,000, however, the Foundation has not experienced any losses in such accounts.

Investments and Investment Return

Investments primarily consisting of equity securities and mutual funds are carried at current fair values based upon quoted market prices. Investments in private equity funds and hedge funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the consolidated statements of activities in the period in which the securities are sold. Unrealized gains and losses resulting from changes in fair values are recognized in the consolidated statements of activities. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date. Income from investments is reported net of related expenses of approximately \$274,000 and \$251,000 for the years ended June 30, 2024 and 2023, respectively. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities could occur in the near term and such changes could materially affect the amounts reported in the consolidated financial statements.

Accounts Receivable

Accounts receivable consists of fee for contract service revenues receivable. Accounts receivable are stated at the amount of consideration from customers of which the Foundation has an unconditional right to receive. Management believes all receivables are collectible. Management bases this assessment on specific analysis of outstanding balances at year-end, historical collection information and existing economic conditions, adjusted for current conditions and reasonable and supportable forecasts.

Student Loans Receivable

Student loans were reported in the consolidated statements of financial position at their unpaid

principal balances plus unamortized loan acquisition premiums and discounts. Costs related to

loan acquisition premiums and discounts were deferred and recognized over the life of the loan as an adjustment to yield using the effective yield method.

Student loan income was recognized on the accrual basis, including adjustments for the amortization of costs of loan origination and purchases.

Property and Equipment

Property and equipment acquisitions over \$1,000 are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is charged to expense on the straight-line basis over the estimated useful life of each asset, which range from three to seven years. Leasehold improvements are amortized over the shorter of the lease term or respective estimated useful lives.

Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2024 and 2023.

Deferred Revenue

Deferred revenue consists of consideration received for contract services that have not yet been earned. The majority of contracts have terms ranging from one to four years beyond the planning and start-up period, and revenue is recognized as performance obligations are satisfied.

Student Loan Program Residual

The student loan program residual was recorded at fair value. Unrealized changes in the fair value of the student loan program residual liability were recorded as unrealized gains or losses in the accompanying consolidated statement of activities for the year ended June 30, 2023.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grant restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions are subject to donor (or certain grantor) restrictions. Restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. When donor restrictions are met or the restrictions expire, net assets with donor restriction are reclassified as net assets without donor restriction and reported in the consolidated statements of activities as net assets released from restrictions. Restrictions generally permit the use of some or all of the income earned on the invested assets for specific purposes.

Revenue Recognition

The Foundation recognizes revenue from unconditional grants when such grants are awarded by the donor. Conditional grants depend on the Foundation overcoming a grantor-imposed barrier to be entitled to the funds and are recognized as the Foundation meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. As of June 30, 2024 and 2023, the Foundation had received conditional promises to give of approximately \$1,379,000 and \$2,894,000 respectively, that were not yet recognized in the consolidated financial statements.

Contract service revenue is recognized as the Foundation satisfies its performance obligations under the contract. Revenue is reported at the amount that reflects the consideration to which the Foundation expects to be entitled to in exchange for providing services.

Grant-Making Activities

Conditional promises to give are recorded as contributions made in the period they become unconditional. As of June 30, 2024, the Foundation had made future conditional promises to give of approximately \$204,500 to five nonprofit organizations over the next fiscal year.

Functional Allocation of Expenses

Costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among benefited programs and supporting services based on time and effort of Foundation personnel.

KnowledgeWorks Foundation
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

The Foundation files tax returns in the U.S. federal jurisdiction.

Note 3. Liquidity and Availability of Resources

Financial assets available for general expenditures without donor or other restrictions limiting their use within one year of June 30 are comprised of the following:

	<u>2024</u>	<u>2023</u>
Financial assets available to meet general expenditures over the next twelve months		
Cash and cash equivalents	\$ 2,104,877	\$ 5,010,231
Accounts receivable	374,307	225,498
Grants receivable	596,848	920,253
Investments, not restricted by donors, available to meet general expenditures over the next twelve months as approved by the Board of Directors	<u>9,269,077</u>	<u>8,679,000</u>
 Total financial assets available to meet general expenditures over the next twelve months	 <u>\$ 12,345,109</u>	 <u>\$ 14,834,982</u>

The Foundation actively monitors its liquidity and structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. General expenditures include operating expenses and other internally funded costs. The Foundation's Board of Directors formally approves amounts to be made available for spending in the next twelve months from net assets without donor restrictions.

The Foundation's goal is generally to maintain financial assets without donor or other restrictions to meet 90 days of operating expenses (approximately \$3.6 million). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. To help manage unanticipated liquidity needs, the Foundation has a committed line of credit in the amount of \$10,000,000, which it could draw upon (see Note 5).

KnowledgeWorks Foundation
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Note 4. Property and Equipment

Property and equipment as of June 30, 2024 and 2023, are summarized as follows:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 234,798	\$ 234,798
Computer hardware and software	144,967	143,128
Equipment	211,303	232,519
Leasehold improvements	4,770	4,770
Total property and equipment	<u>595,838</u>	<u>615,215</u>
Less accumulated depreciation and amortization	<u>(436,944)</u>	<u>(431,275)</u>
Property and equipment, net	<u>\$ 158,894</u>	<u>\$ 183,940</u>

Note 5. Line of Credit

The Foundation has a \$10,000,000 margin line of credit with a bank that is terminable by either party at any time, subject to the terms of the note. No amounts were borrowed against this line at June 30, 2024 and 2023. The line is collateralized by the Foundation's investments held by the bank. Interest is payable monthly and varies with the Secured Overnight Financing Rate (SOFR) plus 1.2%.

Note 6. Employee Benefit Plan

The Foundation maintains a 401(k) plan (the "Plan"). The Plan is available to eligible employees, as defined. Employer contributions to the Plan include non-discretionary contributions of 3%, matching contributions of 50% of employee pre-tax deferrals up to a maximum of 4% and discretionary profit-sharing contributions as determined by the Board of Directors. The Foundation's profit-sharing and 401(k) expense for the years ended June 30, 2024 and 2023, approximated \$376,000 and \$334,000, respectively, and is included in the accompanying consolidated statements of functional expenses in salaries and benefits.

Note 7. Net Assets With Donor Restrictions

Periodically, the Foundation receives contributions and grants that contain donor-imposed restrictions on the use of the contributed funds. As of June 30, net assets with donor restrictions are restricted for the following programs:

	<u>2024</u>	<u>2023</u>
KW in Schools	\$ 383,090	\$ 1,031,488
Policy & Strategic Foresight	1,206,269	1,723,004
Impact & Improvement	-	823,047
	<u>\$ 1,589,359</u>	<u>\$ 3,577,539</u>

KnowledgeWorks Foundation
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2024</u>	<u>2023</u>
KW in Schools	\$ 851,269	\$ 2,456,241
Policy & Strategic Foresight	1,307,672	1,806,940
Impact & Improvement	877,703	1,175,015
	<u>\$ 3,036,644</u>	<u>\$ 5,438,196</u>

Note 8. Leases

Accounting Policies

The Foundation determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Foundation determines lease classification as operating or finance at the lease commencement date.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Foundation used the readily determinable implicit rate for its building lease, which is 8%. Lease expense is generally recognized on a straight-line basis over the lease term.

Nature of Leases

The Foundation has an operating lease for office space that expires in 2031. This lease contains a renewal option for a five-year period and requires the Foundation to pay all executory costs (property taxes, maintenance and insurance). Lease payments have an escalating fee schedule, which range from a 2 to 3 percent increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

The Foundation has no material related-party leases. The Foundation's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

Total lease cost for the years ended June 30, 2024 and 2023, was approximately \$190,000. The remaining lease term at June 30, 2024 and 2023 is approximately 6.8 years and 7.8 years, respectively.

KnowledgeWorks Foundation
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Future minimum lease payments and reconciliation to the consolidated statements of financial position at June 30, 2024, are as follows:

2025	\$	188,000
2026		192,000
2027		196,000
2028		198,000
2029		201,000
Thereafter		<u>346,000</u>
Total future undiscounted lease payments		1,321,000
Less interest		<u>(300,505)</u>
Lease liabilities	<u>\$</u>	<u>1,020,495</u>

Note 9. Revenue From Contracts With Customers

Contract Service Revenue

The Foundation receives fees for service provided to high schools, school districts and communities by providing technical assistance needed to implement new instructional approaches to learning and improve student achievement and opportunity. The amount and timing of revenue recognition varies based on the nature of the goods or services provided and the terms and conditions of the customer contract. During the years ended June 30, 2024 and 2023, substantially all contract service revenue recognized by the Foundation was for contract services that transfer to the customer over time.

Contract Balances

The following table provides information about the Foundation's receivables and deferred revenue from contracts with customers:

	<u>2024</u>	<u>2023</u>
Receivables, beginning of year	\$ 223,583	\$ 240,665
Receivables, end of year	374,307	223,583
Deferred revenue, beginning of year	\$ 3,623,365	\$ 1,351,149
Deferred revenue, end of year	2,273,812	3,623,365

Note 10. Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

	Total Fair Value	Fair Value Measurements Using			Investments Measured at NAV ^(A)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2024					
Assets					
Investments					
U.S. Equities					
Large cap core stock fund	\$ 33,301,308	\$ 33,301,308	\$ -	\$ -	\$ -
Large cap growth stock fund	3,960,802	3,960,802	-	-	-
Mid cap core stock fund	1,261,984	1,261,984	-	-	-
Small cap value stock fund	1,141,131	1,141,131	-	-	-
International Equities					
Developed country funds	15,047,731	15,047,731	-	-	-
Emerging market fund	5,408,190	5,408,190	-	-	-
Global equity	649,217	649,217	-	-	-
Fixed income securities - strategic income fund	19,389,051	19,389,051	-	-	-
Real assets - commodities, real estate and real return fund	9,865,131	9,865,131	-	-	-
Hedge funds and private equity					
Diversified strategy	12,339,118	-	-	-	12,339,118
Distressed debt hedge fund	311,547	-	-	-	311,547
Private equity funds	14,315,204	-	-	-	14,315,204
Total investments	\$ 116,990,414	\$ 90,024,545	\$ -	\$ -	\$ 26,965,869

KnowledgeWorks Foundation
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

	Fair Value Measurements Using				Investments Measured at NAV ^(A)
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2023					
Assets					
Investments					
U.S. Equities					
Large cap core stock fund	\$ 28,714,736	\$ 28,714,736	\$ -	\$ -	\$ -
Large cap growth stock fund	4,036,283	4,036,283	-	-	-
Mid cap core stock fund	1,921,878	1,921,878	-	-	-
Small cap value stock fund	1,045,919	1,045,919	-	-	-
International Equities					
Developed country funds	13,625,436	13,625,436	-	-	-
Emerging market fund	5,354,876	5,354,876	-	-	-
Global equity	873,883	873,883	-	-	-
Fixed income securities - strategic income fund	21,444,475	21,444,475	-	-	-
Real assets - commodities, real estate and real return fund	9,640,751	9,640,751	-	-	-
Hedge funds and private equity					
Diversified strategy	10,927,637	-	-	-	10,927,637
Distressed debt hedge fund	335,113	-	-	-	335,113
Private equity funds	11,550,620	-	-	-	11,550,620
Total investments	<u>\$ 109,471,607</u>	<u>\$ 86,658,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,813,370</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2024.

Common Stocks and Mutual Funds—The Foundation’s investments in common stocks and mutual funds are commonly traded in active markets. The fair values of these investments are based on quoted market prices. These investments are classified as Level 1.

KnowledgeWorks Foundation
Notes to Consolidated Financial Statements
June 30, 2024 and 2023

Private Investment Funds—The Foundation invests in a variety of private investment funds, including hedge funds and private equity funds. The value of the Foundation’s investments in private investment funds is based upon the per unit value of the fund as reported to the Foundation by the fund manager. Values are also compared to purchases and sales as reported by the fund managers. In accordance with FASB ASU 820, these investments for which fair value is measured at net asset value per share (or its equivalent) using the practical expedient should not be categorized in the fair value hierarchy. The fair value of alternative investments that have been estimated using the net asset value per share as a practical expedient consist of the following:

	June 30, 2024			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds (A)	\$ 12,650,665	\$ -	Quarterly	65-70 days
Private equity (B)	14,315,204	8,810,216	N/A	N/A
	<u>\$ 26,965,869</u>	<u>\$ 8,810,216</u>		

	June 30, 2023			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds (A)	\$ 11,262,750	\$ -	Quarterly	65-70 days
Private equity (B)	11,550,620	10,952,423	N/A	N/A
	<u>\$ 22,813,370</u>	<u>\$ 10,952,423</u>		

(A) This category includes investments in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. Management of the funds has the ability to shift investments among differing investment strategies.

(B) This category includes investments in private equity funds that invest primarily in corporate finance investments, as well as venture capital investments. There are no redemption features.

Note 11. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Grant Revenue

Approximately 90 and 94 percent of all grant revenue was received from three and five donors in 2024 and 2023, respectively.

Contract Service Revenue

Approximately 62 and 72 percent of all contract service revenue was received from two and three customers in 2024 and 2023, respectively.

General Litigation

In the normal course of business, the Foundation may become involved in legal proceedings. The Foundation accrues a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued.

Litigation

The Foundation is a defendant in a lawsuit that asserts the Foundation received redemption payments made by the plaintiff under unjust enrichment, money had and received, mistaken payment, unfair preference under the British Virgin Islands (BVI) Insolvency Act, and undervalue transaction under the BVI Insolvency Act. The plaintiff has claimed actual damages of approximately \$2,248,000. As of June 30, 2024, the Foundation cannot reasonably predict the ultimate resolution or estimate the losses, if any, that will result from the litigation. Events could occur that would change this estimate materially in the near term.

Note 12. Subsequent Events

The Foundation has evaluated subsequent events through October 29, 2024, the date the consolidated financial statements were available to be issued, to determine if either recognition or disclosure of significant events or transactions is required.

Supplementary Information

KnowledgeWorks Foundation
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Education				
COVID-19: American Rescue Plan - Elementary and Secondary School Relief (ARP-ESSER)				
<i>Pass Through from the Ohio Department of Education</i>				
Ohio Personalized Learning Network	84.425U	019980/0000050099	\$ -	\$ 1,630,206
Competitive Grants for State Assessments Program				
<i>Pass Through from the Kentucky Department of Education</i>				
Enhanced Assessment Instruments Grant Program	84.368A	5980001-22	-	49,712
Total Department of Education and Total Federal Expenditures			<u>\$ -</u>	<u>\$ 1,679,918</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Foundation under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Foundation has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
KnowledgeWorks Foundation
Cincinnati, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of KnowledgeWorks Foundation and its subsidiaries (the "Foundation"), which comprise the Foundation's consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 29, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Cincinnati, Ohio
October 29, 2024**

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
KnowledgeWorks Foundation
Cincinnati, Ohio

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited KnowledgeWorks Foundation and its subsidiaries' (the "Foundation") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Foundation's major federal program for the year ended June 30, 2024. The Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, KnowledgeWorks Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Cincinnati, Ohio
October 29, 2024**

KnowledgeWorks Foundation
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:
 Unmodified Qualified Adverse Disclaimer

2. Internal control over financial reporting:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

3. Noncompliance material to the financial statements noted? Yes No

Federal Awards

4. Internal control over major federal awards programs:
 Significant deficiency(ies) identified? Yes None reported
 Material weakness(es) identified? Yes No

5. Type of auditor’s report issued on compliance for major federal program(s):
 Unmodified Qualified Adverse Disclaimer

6. Any audit findings disclosed that are required to be reported by 2 CFR 200.516(a)? Yes No

7. Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.425U	American Rescue Plan – Elementary and Secondary School Relief (ARP-ESSER)

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.

9. Auditee qualified as a low-risk auditee? Yes No

**KnowledgeWorks Foundation
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2024**

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**KnowledgeWorks Foundation
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

Reference Number	Summary of Finding	Status
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No matters are reportable.