



**READING ASSIST[®] INSTITUTE
WILMINGTON, DELAWARE**

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

READING ASSIST® INSTITUTE

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INDEPENDENT AUDITOR'S REPORT

March 15, 2023

To the Board of Directors
Reading ASSIST® Institute
Wilmington, Delaware

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Reading ASSIST® Institute, a nonprofit organization, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Reading ASSIST® Institute as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Reading ASSIST® Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

To the Board of Directors
Reading ASSIST® Institute

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Reading ASSIST® Institute's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reading ASSIST® Institute's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Reading ASSIST® Institute'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.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

READING ASSIST[®] INSTITUTE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 2,517,070	\$ 600,809
Accounts receivable	277,323	37,269
Prepaid expenses	9,997	17,832
Total current assets	2,804,390	655,910
Furniture and Equipment:		
Furniture and office equipment	82,900	82,900
Less: accumulated depreciation	(82,900)	(79,945)
Net furniture and equipment	-	2,955
Investments	623,877	755,869
Other assets	136	136
TOTAL ASSETS	\$ 3,428,403	\$ 1,414,870
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 21,517	\$ 6,660
Accrued salaries	17,648	18,849
Total current liabilities	39,165	25,509
Net Assets:		
Without donor restrictions:		
Undesignated	1,953,942	1,030,664
Board-designated endowment	10,228	36,501
Total without donor restrictions	1,964,170	1,067,165
With donor restrictions	1,425,068	322,196
Total net assets	3,389,238	1,389,361
TOTAL LIABILITIES AND NET ASSETS	\$ 3,428,403	\$ 1,414,870

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

READING ASSIST® INSTITUTE
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, (LOSSES), AND OTHER SUPPORT						
Contributions	\$ 59,079	\$ 1,780,054	\$ 1,839,133	\$ 465,667	\$ 27,500	\$ 493,167
Government grants	360,000	-	360,000	360,000	-	360,000
Gain on forgiveness of Paycheck Protection Program loan	-	-	-	64,439	-	64,439
Tuition income and material fees	2,916,612	-	2,916,612	704,605	-	704,605
Investment income (loss) - net	(127,481)	3,172	(124,309)	81,899	16,920	98,819
Net assets released from restrictions	680,354	(680,354)	-	212,684	(212,684)	-
TOTAL REVENUE, GAINS, (LOSSES), AND OTHER SUPPORT	3,888,564	1,102,872	4,991,436	1,889,294	(168,264)	1,721,030
OPERATING EXPENSES						
Program services	2,525,713	-	2,525,713	1,176,205	-	1,176,205
Management and general	261,131	-	261,131	144,068	-	144,068
Fundraising	204,715	-	204,715	88,110	-	88,110
TOTAL EXPENSES	2,991,559	-	2,991,559	1,408,383	-	1,408,383
CHANGE IN NET ASSETS	897,005	1,102,872	1,999,877	480,911	(168,264)	312,647
NET ASSETS, BEGINNING OF YEAR	1,067,165	322,196	1,389,361	586,254	490,460	1,076,714
NET ASSETS, END OF YEAR	<u>\$ 1,964,170</u>	<u>\$ 1,425,068</u>	<u>\$ 3,389,238</u>	<u>\$ 1,067,165</u>	<u>\$ 322,196</u>	<u>\$ 1,389,361</u>

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

READING ASSIST[®] INSTITUTE
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022				2021			
	Program Service	Management and General	Fund Raising	Total	Program Service	Management and General	Fund Raising	Total
Salaries and wages	\$ 1,816,167	\$ 145,019	\$ 145,873	\$ 2,107,059	\$ 802,237	\$ 64,058	\$ 64,435	\$ 930,730
Payroll taxes	129,438	11,320	19,386	160,144	58,235	5,093	8,722	72,050
Employee benefits	69,264	37,464	-	106,728	22,822	12,344	-	35,166
Total salaries and related expenses	2,014,869	193,803	165,259	2,373,931	883,294	81,495	73,157	1,037,946
Advertising	104,892	11,175	1,879	117,946	52,094	5,550	933	58,577
Bad debt expense	-	-	7,500	7,500	-	-	-	-
Dues and subscriptions	346	1,401	17	1,764	274	1,109	13	1,396
Human resources	4,626	2,873	-	7,499	3,925	2,438	-	6,363
Insurance	4,250	8,144	-	12,394	4,077	7,813	-	11,890
Office expense	63,281	4,075	5,527	72,883	33,934	2,185	2,964	39,083
Professional fees	56,601	10,710	-	67,311	45,111	8,536	-	53,647
Program materials	22,731	224	-	22,955	18,579	183	-	18,762
Reference material	207	564	-	771	43	117	-	160
Public relations	5,880	144	20,454	26,478	2,048	50	7,125	9,223
Rent	34,092	2,841	3,652	40,585	27,927	2,327	2,992	33,246
Staff development	1,125	877	187	2,189	3,018	2,353	502	5,873
Telecommunications	-	7,661	-	7,661	-	26,869	-	26,869
Travel and meal expense	4,974	1,435	54	6,463	364	105	4	473
Repairs and maintenance	-	180	-	180	-	1,202	-	1,202
Tutor expense	206,108	-	-	206,108	97,599	-	-	97,599
Website	-	14,880	-	14,880	-	1,410	-	1,410
Subtotal	2,523,982	260,987	204,529	2,989,498	1,172,287	143,742	87,690	1,403,719
Depreciation	1,731	144	186	2,061	3,918	326	420	4,664
TOTAL EXPENSES	\$ 2,525,713	\$ 261,131	\$ 204,715	\$ 2,991,559	\$ 1,176,205	\$ 144,068	\$ 88,110	\$ 1,408,383

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

READING ASSIST[®] INSTITUTE
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors and grantors	\$ 2,199,133	\$ 853,167
Cash received from clients	2,699,250	694,233
Cash paid to employees and suppliers	<u>(2,989,809)</u>	<u>(1,426,608)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,908,574</u>	<u>120,792</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of office equipment	-	(2,752)
Sale (purchase) of investments	<u>7,683</u>	<u>4,081</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>7,683</u>	<u>1,329</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>600,809</u>	<u>478,688</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,517,066</u></u>	<u><u>\$ 600,809</u></u>
NONCASH FINANCING ACTIVITIES		
Paycheck Protection Program loan forgiveness	<u><u>\$ -</u></u>	<u><u>\$ 64,439</u></u>

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

READING ASSIST® INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE A THE ORGANIZATION

The Reading ASSIST® Institute (the Organization) is a not-for-profit organization that exists to advance literacy by training teachers and volunteers in a multi-sensory, sequential approach to intensive phonics for the teaching of reading, writing, and spelling to those children who need an alternative approach.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Financial Statement Presentation

In accordance with the section of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) regarding financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present a statement of cash flows.

Investment Income and Gains (Losses)

Investment income and gains (losses) from donor-restricted investments are reported as changes in net assets with donor restrictions in the reporting period in which the income and gains (losses) are recognized.

Contributions

In accordance with the FASB ASC section regarding accounting for contributions received and contributions made, contributions received are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated a certain portion of net assets without donor restrictions for operating reserves.

READING ASSIST® INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Net Assets With Donor Restrictions – Contributions restricted by donors (or certain grantors) 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. This policy is applied to all contributions, with the exception of those from United Way of Delaware, which requires its recipients to include contributions as restricted for reporting purposes.

Income Tax Status

No provision has been made for income taxes since the Organization qualifies as a tax-exempt organization under the Internal Revenue Code Section 501(c)(3), and its activities do not result in any income tax liability. In accordance with the section of the FASB ASC regarding accounting for uncertainty in income taxes, the Organization is required to recognize the financial statement effects of a tax position if it is more likely than not that the position will be sustained upon examination. The Organization has no uncertain tax positions that qualify for recognition in the financial statements.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax penalties and interest as a result of such challenge.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

In accordance with the FASB ASC section regarding accounting for investments of a not-for-profit organization, investments are reported at fair value. Donated securities also are reported at fair value as of the date of receipt. All realized and unrealized gains and losses arising from fluctuations in market value, sales, or other disposition of assets are accounted for in the class of net assets that owns the assets.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated

READING ASSIST® INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

among the programs and supporting services benefited. Salaries and related benefits are allocated based on time spent by each employee on the specified function. Direct expenses, such as tutor expense, are recorded to Program Service. Costs not directly attributable to a specific function are allocated based on an informal time study of time spent on each program or support function.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance 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 and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncement Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of the pending adoption of ASU 2016-02 on the financial statements.

NOTE C FURNITURE AND EQUIPMENT AND DEPRECIATION

Furniture and equipment are stated at cost if purchased. Donated facilities and equipment are recorded at their fair market values at the date of receipt. When such assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from their respective accounts, and any gain or loss on such disposition is recognized in the statement of activities. The Organization's policy is to capitalize items with a cost equal to or greater than \$500. Expenditures for maintenance, repairs, minor renewals, and betterments which do not improve or extend the useful life of the respective asset are expensed.

Depreciation is provided on a straight-line basis over the three to seven-year useful lives of the assets. Depreciation for the fiscal years ended June 30, 2022 and 2021 amounted to \$2,061 and \$4,664, respectively.

READING ASSIST® INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE D INVESTMENTS

Long-term investments consist of the following investment categories at June 30:

	2022	2021
Money market funds	\$ 429	\$ 133,161
Mutual funds:		
Component funds	37,675	42,883
Growth funds	112,999	71,789
International funds	61,608	84,153
Return funds	243,621	215,365
Value funds	167,545	208,518
TOTALS	\$ 623,877	\$ 755,869

Fair Value Measurement

The FASB ASC section regarding accounting for fair value measurements and disclosure establishes a hierarchy for information and valuations used in measuring fair value, which is broken down into the following three levels:

Level 1 – Valuations are based on quoted market prices in active markets for identical assets or liabilities.

Level 2 – Valuations are based on inputs that are observable, either directly or indirectly, other than quoted prices included within Level 1.

Level 3 – Valuations are based on information that is unobservable and significant to the overall fair value measurement.

The tables below present the Organization's investments measured at fair value on a recurring basis by level within the hierarchy established by the FASB ASC section regarding accounting for fair value measurements and disclosure.

Description	Fair Value Measurements at June 30, 2022			
		Level 1	Level 2	Level 3
Money market funds	\$ 429	\$ 429	\$ -	\$ -
Mutual funds:				
Component funds	37,675	-	37,675	-
Growth funds	112,999	112,999	-	-
International funds	61,608	61,608	-	-
Return funds	243,621	243,621	-	-
Value funds	167,545	167,545	-	-
	\$ 623,877	\$ 586,202	\$ 37,675	\$ -

READING ASSIST® INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE D INVESTMENTS (cont'd)

Description	Fair Value Measurements at June 30, 2021			
		Level 1	Level 2	Level 3
Money market funds	\$ 133,161	\$ 133,161	\$ -	\$ -
Mutual funds:				
Component funds	42,883	-	42,883	-
Growth funds	71,789	71,789	-	-
International funds	84,153	84,153	-	-
Return funds	215,365	215,365	-	-
Value funds	208,518	208,518	-	-
	<u>\$ 755,869</u>	<u>\$ 712,986</u>	<u>\$ 42,883</u>	<u>\$ -</u>

Investment income (loss) consists of the following components at June 30:

	2022	2021
Unrealized gain (loss)	\$ (134,894)	\$ 56,727
Realized gain (loss)	(2,034)	28,533
Interest income, net of fees	12,619	13,559
TOTALS	<u>\$ (124,309)</u>	<u>\$ 98,819</u>

NOTE E NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022 and 2021, net assets with donor restrictions were available for the following purposes:

	2022	2021
Subject to expenditure for specified purpose:		
Reading ASSIST® Intervention Program	<u>\$ 1,325,068</u>	<u>\$ 222,196</u>
TOTALS	<u>\$ 1,325,068</u>	<u>\$ 222,196</u>
Subject to the passage of time:		
Individual endowment	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Net assets with donor restrictions	<u>\$ 1,425,068</u>	<u>\$ 322,196</u>

READING ASSIST® INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE F BOARD DESIGNATED – ENDOWMENT FUND

The Board of Directors, through the generosity of an anonymous donor, established an endowment fund to teach underprivileged children how to read, write, and spell.

Investment transactions are directed by and subject to the oversight of the Reading ASSIST® Institute Board Finance Committee.

Spending Policy

Upon determination by the Reading ASSIST® Institute Board Finance Committee, investment earnings on the principal may be withdrawn to fund the teaching of underprivileged children.

Strategy Employed for Achieving Objectives

Per the Organization’s investment policy, the assets of the endowment fund shall be invested in a manner intended to maximize the total return of the fund over the long term. The assets shall be invested in broadly diversified portfolios of various equity mutual funds, fixed-income mutual fund, or high quality corporate or government bonds. The assets are to be divided among asset classes within the following ranges:

Equity mutual funds	50% to 70%
Fixed income mutual funds, corporate bond, and government bonds	30% to 50%

At no time will individual stocks be purchased. Stocks gifted to the Organization may be retained or sold and reinvested above as deemed appropriate.

Changes in endowment for the years ended June 30, 2022 and 2021 are as follows:

	<u>2021</u>	<u>2021</u>
Endowment net assets, beginning of year	\$ 36,501	\$ 46,652
Redemption of investments	-	(50,000)
Net appreciation (depreciation)	<u>(26,273)</u>	<u>39,849</u>
Endowment net assets, end of year	<u>\$ 10,228</u>	<u>\$ 36,501</u>

NOTE G OPERATING LEASES

The Organization leases office space located in Wilmington, Delaware from the Community Service Building Corporation. The most recent lease extension commenced on December 1, 2020.

READING ASSIST® INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE G OPERATING LEASES (cont'd)

The Organization entered into equipment leases which commenced on June 2017 and December 2020, and will expire through November 2025.

Office lease expense for 2022 and 2021 amounted to \$48,413 and \$48,781, respectively. Future minimum rental payments are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 47,339
2024	47,339
2025	47,339
2026	<u>19,724</u>
	<u>\$ 161,741</u>

NOTE H ADVERTISING

The Organization expenses the production costs of advertising when incurred.

NOTE I CONCENTRATIONS

During the year ended June 30, 2022, the Organization received 24% of its total revenue, gains, and other support from a single contributor. During the year ended June 30, 2021, the Organization received 21% of its total revenue, gains, and other support from the State of Delaware and 20% of its total revenue, gains, and other support from a federal grant passed through the State of Delaware.

NOTE J CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. All accounts are FDIC insured for up to \$250,000. Cash at June 30, 2022 and 2021 exceeded FDIC limits by \$2,257,147 and \$376,486, respectively.

NOTE K PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

During the year ended June 30, 2020, the Organization received a loan through the Small Business Administration's Paycheck Protection Program (PPP) in the amount of \$64,439. The loan was fully forgiven on April 6, 2021.

READING ASSIST® INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE L LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets at June 30, 2022:

Financial assets at year end:	
Cash and cash equivalents	\$ 2,517,070
Investments	623,877
Accounts receivable	<u>277,323</u>
Total financial assets available at year-end	<u>3,418,270</u>
Less: amounts not available to be used within one year:	
Net assets with donor restrictions	<u>1,425,068</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,993,202</u>

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures, including administration and fund raising expenses. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The Organization's Board of Directors has designated a portion of its unrestricted resources for operating reserves. The Board-designated funds are invested in cash and cash equivalents and marketable securities and remain available to be spent for operations at the discretion of the Board. The funds could be drawn upon through a Board resolution.

NOTE M SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through March 15, 2023, the date the financial statements were available to be issued.