

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

November 16, 2022

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Arc - Jefferson, Clear Creek & Gilpin Counties
Lakewood, Colorado

Opinion

We have audited the accompanying financial statements of **The Arc - Jefferson, Clear Creek & Gilpin Counties** (a Colorado nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Arc - Jefferson, Clear Creek & Gilpin Counties as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United State of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Arc - Jefferson, Clear Creek & Gilpin Counties 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 Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Arc - Jefferson, Clear Creek & Gilpin Counties' ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Arc - Jefferson, Clear Creek & Gilpin Counties' 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 aggregative, that raise substantial doubt about The Arc - Jefferson, Clear Creek & Gilpin Counties' 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.

Report on Summarized Comparative Information

We have previously audited The Arc - Jefferson, Clear Creek & Gilpin Counties' 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 347,411	\$ 439,593
Promises to give and grant receivable	317	3,900
Prepaid expenses	30,390	30,132
Investments (Note 3)	2,212,220	2,261,743
Property and equipment (Note 4)	-	-
Total assets	<u>\$ 2,590,338</u>	<u>\$ 2,735,368</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 7,985	\$ 21,266
Payroll liabilities	50,646	46,988
Deferred rent (Note 5)	14,255	11,422
Commitments (Note 5)		
Total liabilities	<u>72,886</u>	<u>79,676</u>
<u>Net assets</u>		
Without donor restrictions	2,496,447	2,650,686
With donor restrictions (Note 6)	<u>21,005</u>	<u>5,006</u>
Total net assets	<u>2,517,452</u>	<u>2,655,692</u>
Total liabilities and net assets	<u>\$ 2,590,338</u>	<u>\$ 2,735,368</u>

The accompanying notes are an integral part of these financial statements

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
arc Thrift Store funding (Note 7)	\$ 1,281,538	\$ -	\$1,281,538	\$ 1,070,288
Contributions	100,776	36,000	136,776	106,741
Paycheck Protection Program loan forgiveness (Note 8)	-	-	-	166,800
Investment income(loss) (Note 3)	(299,517)	-	(299,517)	393,650
Other	1,748	-	1,748	1,007
In-kind contributions (Note 9)	10,000	-	10,000	-
Net assets released from restrictions (Note 10)	20,001	(20,001)	-	-
	1,114,546	15,999	1,130,545	1,738,486
<u>Expense</u>				
Program services	1,034,023	-	1,034,023	840,395
Supporting services				
Management and general	169,760	-	169,760	123,366
Fund-raising	65,002	-	65,002	54,422
	1,268,785	-	1,268,785	1,018,183
Total expense				
Change in net assets	(154,239)	15,999	(138,240)	720,303
Net assets, beginning of year	2,650,686	5,006	2,655,692	1,935,389
Net assets, end of year	\$ 2,496,447	\$ 21,005	\$2,517,452	\$ 2,655,692

The accompanying notes are an integral part of these financial statements

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021	
	<u>Supporting Services</u>				
	Program Services	Manage- ment and General	Fund- raising	Total	Total
Salaries	\$ 692,257	\$ 73,495	\$ 43,261	\$ 809,013	\$ 620,862
Payroll taxes and benefits	145,897	15,489	9,117	170,503	119,360
Rent	66,848	2,228	5,199	74,275	118,047
Contract services	29,995	23,218	2,268	55,481	33,479
Accounting and audit	-	47,370	-	47,370	42,000
IT and software licenses	17,793	1,889	1,112	20,794	18,998
Conferences and travel	14,431	1,531	902	16,864	1,202
Supplies	11,620	1,000	652	13,272	20,019
Telephone	10,924	548	323	11,795	10,289
Events	8,654	-	648	9,302	-
Dues and subscriptions	7,137	327	192	7,656	5,653
Meals	6,571	420	265	7,256	520
Insurance	5,511	586	345	6,442	10,364
Client assistance	4,182	-	-	4,182	1,152
Postage	2,531	269	158	2,958	2,169
ED discretionary fund and other	1,910	662	119	2,691	1,644
Printing	2,010	213	126	2,349	2,859
Advertising	1,594	169	100	1,863	615
Bank charges and fees	1,303	138	81	1,522	1,620
Awards and gifts	1,403	54	43	1,500	1,847
Repairs and maintenance	1,042	111	65	1,218	1,506
Equipment purchases and lease	410	43	26	479	479
Bad debts	-	-	-	-	925
	<u>1,034,023</u>	<u>169,760</u>	<u>65,002</u>	<u>1,268,785</u>	<u>1,015,609</u>
Depreciation	-	-	-	-	2,574
Total expenses	<u>\$ 1,034,023</u>	<u>\$ 169,760</u>	<u>\$ 65,002</u>	<u>\$ 1,268,785</u>	<u>\$ 1,018,183</u>

The accompanying notes are an integral part of these financial statements

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	<u>2022</u>	<u>2021</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (138,240)	\$ 720,303
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Realized and unrealized (gains) losses on investments, net	339,494	(362,155)
Paycheck Protection Program loan forgiveness	-	(166,800)
Depreciation	-	2,574
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in arc Thrift Store receivable	-	66,531
(Increase)decrease in promises to give and grant receivable	3,583	525
(Increase)decrease in prepaid expenses	(258)	(2,468)
Increase(decrease) in accounts payable	(13,281)	2,677
Increase(decrease) in payroll liabilities	3,658	(4,635)
Increase(decrease) in deferred revenue	-	(7,325)
Increase(decrease) in deferred rent	2,833	11,422
Net cash provided (used) by operating activities	197,789	260,649
<u>Cash flows from investing activities</u>		
Purchase of investments	(250,000)	(100,000)
Reinvestment of net investment income	(39,971)	(31,485)
Net cash provided (used) by investing activities	(289,971)	(131,485)
Net increase(decrease) in cash and cash equivalents	(92,182)	129,164
Cash and cash equivalents, beginning of year	439,593	310,429
Cash and cash equivalents, end of year	<u>\$ 347,411</u>	<u>\$ 439,593</u>

The accompanying notes are an integral part of these financial statements

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

The Arc - Jefferson, Clear Creek & Gilpin Counties (The Arc or Organization) promotes and protects the human rights of people with intellectual and developmental disabilities (I/DD) and actively supports their full inclusion and participation in the community throughout their lifetimes. The Arc serves individuals from birth through end of life in our three county area.

Life-changing support is provided in a number of ways at The Arc. During the past year, we focused considerable time and energy to clearly identify the ways in which The Arc impacts the lives of people with IDD and our community and defined the following four program areas:

Empowering Families

Family members are often a person's lifelong advocate and typically the people who know the individual best. This program develops and strengthens advocacy skills in family members as they support the needs and desires of the individual with IDD whom they love. The Arc teaches people how to ensure that an individual can lead a full, self-directed life with the right support.

Supporting Self-Advocacy

The most important voice in any conversation about someone's life is that of the individual with disabilities themselves. Through this program, The Arc builds advocacy skills and confidence in people with IDD of all ages and encourages them to speak for themselves whenever possible.

Expanding Community Access

The systems that support individuals with I/DD are critical to their lives. This program ensures that The Arc represents the needs of our community locally, at the state level, and at the Federal level and helps to create positive systems change that truly makes lives better.

Changing Community Perceptions

One of the biggest obstacles people with I/DD encounter is the public's perception of them. Through this program, we work to dispel myths, correct misconceptions, change attitudes, and help people see individuals' abilities and worth. As a result, we will create a welcoming community where everyone is valued and respected.

Some of the specific areas in which the Organization provides support are education, health care, residential options, employment, legal concerns, and systems navigation, as well as social, recreational, and religious inclusion. In addition, The Arc is proactive and develops and delivers programming to educate people on issues ranging from getting the right special education supports in school to planning for an individual's future when a parent/guardian will no longer be able to care for them.

The Organization is supported primarily through arc Thrift Store funding.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

2. Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

3. Cash and Cash Equivalents

Cash and cash equivalents are considered to be all unrestricted highly liquid investments with an initial maturity of three months or less. Cash and cash equivalents does not include those amounts held for long-term investment purposes.

4. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for land, buildings, and equipment of \$5,000 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

5. Investments

Investments are reported at fair value, and classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 include mutual funds, listed equities, listed derivatives, cash and cash equivalents.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate and government bonds, less liquid and restricted equity securities, and certain over-the-counter derivatives.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt.

6. Estimates

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

7. Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended June 30, 2022, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain categories of expenses attributable to program services or a supporting function are allocated on a reasonable basis that is consistently applied. The significant expenses that are allocated include salaries, payroll taxes and benefits, and contractor services which are allocated based on time and effort. Occupancy costs are allocated based on use. Other expenses are allocated based upon the program or supporting service benefited.

9. Summarized Prior-Year Information

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

10. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

11. New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02, Leases (Topic 842). When this standard is adopted, the primary accounting change will require lessees to recognize right of use assets and lease obligations for most operating leases, as well as finance leases. This new standard is effective for financial statements issued for annual periods beginning after December 15, 2021. The Organization is evaluating what impact this new standard will have on its financial statements.

12. Subsequent Events

Management has evaluated subsequent events through November 16, 2022, the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organization's investments:

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Amount</u>
Money market mutual funds	\$ 111,003	\$ -	\$ 111,003
Equities	1,123,116	-	1,123,116
Fixed income	-	389,637	389,637
Mutual funds	347,652	-	347,652
Exchange traded investments	<u>240,812</u>	<u>-</u>	<u>240,812</u>
Total	<u>\$ 1,822,583</u>	<u>\$ 389,637</u>	<u>\$ 2,212,220</u>

The Organization's equity investments primarily represent United States based publicly traded securities. Mutual fund investments include funds largely invested in fixed income securities and also real estate. The fixed income investments mainly include corporate debt and asset backed securities and to a lesser extent municipal debt and United States Treasury obligations. Exchange traded investments are mostly represented by iShares fixed income investments. The investments are subject to market risk and the fixed income investments are also subject to credit risk.

Investment income is summarized as follows:

<u>Description</u>	<u>Amount</u>
Unrealized gains (losses), net	\$ (381,011)
Realized gains (losses), net	<u>41,517</u>
Net losses on securities	(339,494)
Interest and dividend income	62,114
Account fees	<u>(22,143)</u>
Net investment loss	<u>\$ (299,523)</u>

Additionally, the Organization earned interest income of \$6 on its operating cash accounts.

The investments are held in three separate investment accounts. In accordance with the Organization's investment policy, each investment account has its own separate investment objectives, performance expectations, and portfolio guidelines. The three investment account balances are shown below:

<u>Description</u>	<u>Amount</u>
Infrastructure and capacity fund	\$ 1,748,098
Operations and programs fund	244,972
Long-term growth opportunity	<u>219,150</u>
Total	<u>\$ 2,212,220</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Office equipment	\$ 21,064
Furniture	<u>1,189</u>
Total	22,253
Less: accumulated depreciation	<u>(22,253)</u>
Net property and equipment	<u>\$ -</u>

NOTE 5 - COMMITMENTS

The Organization leases office space under a lease agreement. Under the terms of the agreement, the future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 70,320
2024	71,572
2025	79,580
2026	74,324
2027	75,576
2028	<u>13,764</u>
Total	<u>\$ 385,136</u>

Deferred rent consists of the excess of rental expenses on a straight-line basis over the payments required by the lease.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Aging and Future Planning Initiative	\$ 18,000
People First Scholarship	<u>3,005</u>
Total	<u>\$ 21,005</u>

NOTE 7 - CONCENTRATION OF FUNDING SOURCE

Together with other chapters operating for a similar purpose, the Organization is a member chapter of The Arc of Colorado and arc Thrift Stores. The Arc Chapters are supported by funding from the operations of arc Thrift Stores in Colorado. The stores collect clothing and other household items from the community then resell them to the general public.

NOTE 7 - CONCENTRATION OF FUNDING SOURCE (continued)

To be a member chapter of arc Thrift Stores, a member must be an exempt organization under Internal Revenue Code Section 501(c)(3), be a member in good standing with The Arc of Colorado and demonstrate behavior that neither interferes with nor undermines arc Thrift Stores' business or other activities.

For the year ended June 30, 2022, the arc Thrift Stores allocated \$1,281,538 to the Organization, which represents approximately 90% of the total revenue and other support. The arc Thrift Stores also provides the Organization's staff with access to a health insurance plan. Participants' net premiums of \$73,097 were deducted from the total payments to the Organization.

NOTE 8 - PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

In April 2020, the Organization received a \$166,800 loan under the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) authorized under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). Under the program, this loan could be partially or fully forgiven if certain eligibility requirements were met, including that 60% of the loan must be spent on payroll. The Organization submitted a loan forgiveness application and received notification in May 2021 of the approval by the SBA for complete forgiveness of the loan.

NOTE 9 - IN-KIND CONTRIBUTIONS

During the year, the Organization received the following in-kind contribution valued by the consultant at the discount from standard rates:

<u>Description</u>	<u>Amount</u>
Strategic planning retreat facilitation	<u>\$ 10,000</u>

In in-kind contribution has been allocated to the management and general supporting services.

NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the following restricted program purposes:

<u>Description</u>	<u>Amount</u>
Aging and Future Planning Initiative	\$ 18,001
Computer purchases	<u>2,000</u>
Total	<u>\$ 20,001</u>

NOTE 11 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents in one financial institution. At year-end, the Organization had total deposit balances with the institution of approximately \$350,000. Amounts over \$250,000 are not insured by the Federal Deposit Insurance Corporation or other entities. Management has evaluated its banking needs and the strength of the financial institution and believes it is in the Organization's best interest to continue its existing banking relationship.

NOTE 12 - BENEFIT PLAN

The Organization provides a benefit of 12% of gross pay to all employees working an average of 32 hours or more per week. The cash benefit is applied, at each employee's discretion, to premiums under the Organization's medical/life insurance plan and/or to a qualified retirement plan under the Internal Revenue Code section 403(b). For the employees participating in the 403(b) plan, the Organization may make discretionary contributions. The contribution rate is determined each year through the annual budgeting process. During the fiscal year, the Organization made a discretionary contribution of 2% amounting to \$16,145.

NOTE 13 - UNEMPLOYMENT INSURANCE

The State of Colorado allows a tax-exempt, nonprofit two methods of paying costs of unemployment insurance. An organization may elect to be a "contributing" employer meaning they choose to pay a quarterly premium based upon the payroll paid. Separately, an employer can elect to be a "reimbursing" employer, meaning the organization will fund unemployment benefits if any are assessed against the organization. The Organization has elected the latter method. The Organization has funded \$6,617 to the State of Colorado as a deposit against future claims.

NOTE 14 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general operating expenditures within one year of June 30, 2022:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 347,411
Promises to give and grant receivable	317
Investments	<u>2,212,220</u>
	2,559,948
Less: amounts not available for general expenditures within one year due to:	
Donor purpose restrictions	<u>(3,005)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,556,943</u>

NOTE 14 - AVAILABILITY AND LIQUIDITY (continued)

The Organization considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The anticipated upcoming annual general operating expenditures are approximately \$1,500,000 to \$1,525,000.

NOTE 14 - SUBSEQUENT EVENT

In August 2022, the Organization transferred \$200,000 from the general cash account to investments.