

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

November 19, 2025

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, 2025, 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, 2025, 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 States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 financial assurance, but it 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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' 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC

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

THE ARC - JEFFERSON, CLEAR CREEK & GILPIN COUNTIES

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 264,555	\$ 221,556
Other receivables	320	1,999
Prepaid expenses	28,960	30,252
Right of use asset (Note 3)	149,910	210,066
Property and equipment (Note 4)	12,851	17,828
Investments (Note 5)	<u>3,240,850</u>	<u>2,901,243</u>
Total assets	<u><u>\$ 3,697,446</u></u>	<u><u>\$ 3,382,944</u></u>
<u>Liabilities and net assets</u>		
Liabilities		
Accounts payable	\$ 22,243	\$ 13,362
Payroll liabilities	71,419	65,219
Lease liability (Note 3)	<u>158,522</u>	<u>219,767</u>
Total liabilities	<u><u>252,184</u></u>	<u><u>298,348</u></u>
Net assets		
Without donor restrictions	3,442,655	3,081,851
With donor restrictions (Note 6)	<u>2,607</u>	<u>2,745</u>
Total net assets	<u><u>3,445,262</u></u>	<u><u>3,084,596</u></u>
Total liabilities and net assets	<u><u>\$ 3,697,446</u></u>	<u><u>\$ 3,382,944</u></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, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>2025</u>	<u>2024</u>		
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and other support				
arc Thrift Store funding (Note 7)	\$ 1,571,433	\$ -	\$1,571,433	\$ 1,502,677
Investment income(loss) (Note 5)	339,617	-	339,617	294,537
Contributions and grants	81,293	29,193	110,486	79,220
Other	7,410	-	7,410	22,835
In-kind contributions	100	-	100	443
Net assets released from restrictions (Note 8)	<u>29,331</u>	<u>(29,331)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>2,029,184</u>	<u>(138)</u>	<u>2,029,046</u>	<u>1,899,712</u>
Expense				
Program services	1,389,471	-	1,389,471	1,239,929
Supporting services				
Management and general	192,169	-	192,169	189,323
Fund-raising	<u>86,740</u>	<u>-</u>	<u>86,740</u>	<u>93,268</u>
Total expense	<u>1,668,380</u>	<u>-</u>	<u>1,668,380</u>	<u>1,522,520</u>
Change in net assets	360,804	(138)	360,666	377,192
Net assets, beginning of year	<u>3,081,851</u>	<u>2,745</u>	<u>3,084,596</u>	<u>2,707,404</u>
Net assets, end of year	<u><u>\$ 3,442,655</u></u>	<u><u>\$ 2,607</u></u>	<u><u>\$3,445,262</u></u>	<u><u>\$ 3,084,596</u></u>

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, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025			2024	
	Supporting Services				
	Program Services	Manage- ment and General	Fund- raising	Total	Total
Salaries	\$ 878,313	\$ 93,248	\$ 54,889	\$ 1,026,450	\$ 920,381
Payroll taxes and benefits	262,392	27,857	16,398	306,647	266,915
Rent	71,115	2,371	5,531	79,017	74,583
Accounting and audit	-	52,740	-	52,740	50,903
Conferences and travel	42,553	4,591	1,734	48,878	40,853
Contract services	40,213	1,991	2,943	45,147	55,476
IT and software licenses	27,803	2,952	1,737	32,492	22,759
Telephone	11,664	1,238	729	13,631	13,356
Meals	10,790	1,146	674	12,610	16,604
Insurance	9,396	1,499	615	11,510	8,447
Dues and subscriptions	9,860	14	8	9,882	8,746
Supplies	6,894	732	431	8,057	9,774
Printing	3,782	402	236	4,420	6,933
ED discretionary fund and other	2,464	262	154	2,880	3,473
Postage	1,761	187	110	2,058	4,587
Awards and gifts	1,747	186	109	2,042	1,599
Equipment purchases and lease	806	86	50	942	551
Advertising	770	82	48	900	300
Repairs and maintenance	726	77	45	848	1,309
Bank charges and fees	525	56	33	614	767
Events	587	-	-	587	8,043
Client assistance	1,052	-	-	1,052	1,185
	1,385,213	191,717	86,474	1,663,404	1,517,544
Depreciation	1,776	189	111	2,076	2,076
Amortization	2,482	263	155	2,900	2,900
Total expenses	\$ 1,389,471	\$ 192,169	\$ 86,740	\$ 1,668,380	\$ 1,522,520

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, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>2025</u>	<u>2024</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 360,666	\$ 377,192
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Realized and unrealized (gains) losses on investments, net	(295,360)	(235,751)
Amortization of operating lease right-of-use asset	60,156	51,721
Depreciation	2,076	2,076
Amortization	2,900	2,900
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in promises to give and other receivables	1,679	(780)
(Increase)decrease in prepaid expenses	1,292	(2,666)
Increase(decrease) in accounts payable	8,881	(8,932)
Increase(decrease) in payroll liabilities	6,200	(7,938)
Increase(decrease) in lease liability	<u>(61,245)</u>	<u>(57,737)</u>
Net cash provided (used) by operating activities	87,245	120,085
<u>Cash flows from investing activities</u>		
Reinvestment of net investment income	<u>(44,246)</u>	<u>(58,699)</u>
Net cash provided (used) by investing activities	(44,246)	(58,699)
Net increase (decrease) in cash and cash equivalents	42,999	61,386
Cash and cash equivalents, beginning of year	<u>221,556</u>	<u>160,170</u>
Cash and cash equivalents, end of year	<u>\$ 264,555</u>	<u>\$ 221,556</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, 2025

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 (IDD) and actively supports their full inclusion and participation in the community throughout their lifetimes. The Arc serves individuals from birth through the end of life in our three-county area.

Life-changing support is provided in a number of ways at The Arc.

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 I/DD of all ages and encourages them to speak for themselves whenever possible.

Expanding Community Access

The systems that support individuals with IDD 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 IDD 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.

Through recent surveys, focus groups, and direct feedback, The Arc is both listening and responding to our community's needs. Advocacy has been re-organized to focus on the specific needs of three age groups: children/families, teens/young adults, and adults – knowing that each stage of life comes with its own desires and challenges. We're engaged both proactively and responsively to support our community.

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.

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. Leases

The Organization determines if an arrangement is or contains a lease at inception and whether it will be classified as an operating or finance lease based upon the accounting criteria. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses its incremental borrowing rate to determine the present value of the future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization applies the short-term lease exemption of not recognizing a ROU asset and lease liability for leases that have terms of 12 months or less. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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

5. 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.

6. 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.

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.

7. 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.

8. 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.

9. Functional Reporting of Expenses

For the year ended June 30, 2025, 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.

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

10. 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, 2024, from which the summarized information was derived.

11. Subsequent Events

Management has evaluated subsequent events through November 19, 2025, the date the financial statements were available to be issued.

NOTE 3 - LEASE

The Organization has an agreement as a lessee for its office space. The lease agreement contains an option for the Organization to extend the lease term for one additional three-year period. Lease cost is solely comprised of the operating lease cost. Future minimum lease payments were as follows:

<u>Year</u>	<u>Amount</u>
2026	\$ 74,199
2027	75,450
2028	<u>20,646</u>
Total	170,295
Less amount representing interest	<u>(11,773)</u>
Present value of minimum lease payments	<u>\$ 158,522</u>

The discount rate used to calculate the present value of future minimum lease payments was 6.00%. The remaining lease term was two years and three months as of year-end.

Supplemental cash flow information follows:

<u>Description</u>	<u>Amount</u>
Cash paid for amounts included in measurement of lease liabilities	
Operating cash outflows from operating leases	\$ 72,948

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Client management software	\$ 14,500
Office equipment	12,045
Furniture	<u>1,189</u>
Total	27,734
Less: accumulated depreciation	<u>(14,883)</u>
Net property and equipment	<u><u>\$ 12,851</u></u>

NOTE 5 - 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	\$ 78,721	\$ -	\$ 78,721
Equities	2,024,055	-	2,024,055
Mutual funds	162,832	-	162,832
Exchange traded investments	232,200		232,200
Annuity	<u>-</u>	<u>743,042</u>	<u>743,042</u>
 Total	 <u>\$ 2,497,808</u>	 <u>\$ 743,042</u>	 <u>\$ 3,240,850</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 largely comprised of 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	\$ 200,117
Realized gains (losses), net	<u>60,249</u>
Net gain on securities	260,366
Interest and dividend income	102,738
Account fees	<u>(23,496)</u>
Net investment income	<u><u>\$ 339,608</u></u>

The Organization earned interest income of \$9 on its operating cash accounts.

NOTE 5 - INVESTMENTS (continued)

The investments are held in four 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 four investment account balances are shown below:

<u>Description</u>	<u>Amount</u>
Infrastructure and capacity fund	\$ 1,680,796
Annuity fund	743,042
Operations and programs fund	142,094
Long-term growth opportunity	<u>674,918</u>
Total	<u>\$ 3,240,850</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

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

<u>Description</u>	<u>Amount</u>
People First Scholarship	<u>\$ 2,607</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.

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, 2025, the arc Thrift Stores allocated \$1,571,433 to the Organization, which represents approximately 78% of the total revenue and other support. The arc Thrift Stores also provides the Organization's staff with access to a health insurance plan and other benefit plans. Participants' net premiums of \$10,272 were deducted from the total payments to the Organization.

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS

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

<u>Description</u>	<u>Amount</u>
Peer Advocacy	\$ 26,668
Community Outreach LifeAbility	2,496
People First Scholarship	<u>167</u>
Total	<u>\$ 29,331</u>

NOTE 9 - BENEFIT PLAN

The Organization provides a benefit of paid health insurance to all employees working an average of 32 hours or more per week in addition to a cash benefit equal to 5% of gross pay. The cash benefit is applied at each employee's discretion, to premiums under the Organization's medical, dental, and life insurance plans 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 5% amounting to \$50,731.

NOTE 10 - 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 a deposit in the amount of \$8,034 with the State of Colorado against future claims.

NOTE 11 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general operating expenditures within one year of June 30, 2025:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 264,555
Promises to give and other receivables	320
Investments	<u>3,240,850</u>
	3,505,725
Less: amounts not available for general expenditures within one year due to:	
Donor purpose restrictions	<u>(2,607)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,503,118</u>

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 \$1,850,000 to \$1,875,000.