Down Syndrome Association of Greater Cincinnati

December 31, 2021

Financial Statements and Independent Auditors' Report

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VonLehman
CPA & ADVISORY FIRM

INDEPENDENT AUDITORS' REPORT

Board of Directors
Down Syndrome Association of Greater Cincinnati
Cincinnati, Ohio

Opinion

We have audited the accompanying financial statements of Down Syndrome Association of Greater Cincinnati (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 Down Syndrome Association of Greater Cincinnati as of December 31, 2021, and the results of its operations 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Down Syndrome Association of Greater Cincinnati 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.

Prior Period Financial Statements

The December 31, 2020, financial statements were reviewed by us, and our report thereon, dated June 8, 2021, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

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 Down Syndrome Association of Greater Cincinnati's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 Down Syndrome Association of Greater Cincinnati's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Down Syndrome Association of Greater Cincinnati'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.

VonLehman & Company Inc.

Fort Wright, Kentucky
July 20, 2022

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2021 (Audited)	December 31, 2020 (Reviewed)
Current Assets		
Cash	$ 1,370,439	$ 971,757
Unconditional Promises to Give	61,761	-
Accounts Receivable	4,493	4,678
Prepaid Expenses	19,669	8,008
Total Current Assets	1,456,362	984,443
Property and Equipment, Net	50,053	71,440
Investments	700,504	625,137
Unconditional Promises to Give	108,469	-
Other Assets		
Security Deposits	3,150	3,150
Total Assets	$ 2,318,538	$ 1,684,170

LIABILITIES AND NET ASSETS

	December 31, 2021 (Audited)	December 31, 2020 (Reviewed)
Current Liabilities		
Accounts Payable	$ 18,543	$ 19,788
Accrued Expenses and Other Liabilities	36,207	31,922
Deferred Revenue	8,750	-
Total Current Liabilities	63,500	51,710
Net Assets		
Without Donor Restrictions		
Undesignated	876,666	758,432
Board Designated	1,097,767	726,549
Total Without Donor Restrictions	1,974,433	1,484,981
With Donor Restrictions	280,605	147,479
Total Net Assets	2,255,038	1,632,460
Total Liabilities and Net Assets	$ 2,318,538	$ 1,684,170

See accompanying notes.

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(Audited)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Program Revenue	$ 35,520	$ -	$ 35,520
Contributions	320,575	-	320,575
Capital Campaign, Net	98,951	187,130	286,081
Grants	59,333	25,417	84,750
Fundraising Events, Net	1,026,281	32,054	1,058,335
Net Investment Return	7,452	4	7,456
Paycheck Protection Program Revenue	130,187	-	130,187
Total Revenue, Support, and Gains	1,678,299	244,605	1,922,904
Net Assets Released From Restriction	111,479	(111,479)	-
Total Revenue, Support, Gains, and Reclassifications	1,789,778	133,126	1,922,904
Expenses			
Program Services	929,659	-	929,659
Management and General	163,700	-	163,700
Fundraising and Development	206,967	-	206,967
Total Expenses	1,300,326	-	1,300,326
Change in Net Assets	489,452	133,126	622,578
Net Assets, Beginning of Year	1,484,981	147,479	1,632,460
Net Assets, End of Year	$ 1,974,433	$ 280,605	$ 2,255,038

See accompanying notes.

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
(Reviewed)

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Program Revenue	$ 19,576	$ -	$ 19,576
Contributions	316,887	-	316,887
Grants	59,830	64,550	124,380
Fundraising Events, Net	788,714	-	788,714
Net Investment Return	36,876	-	36,876
Paycheck Protection Program Revenue	131,700	-	131,700
Total Revenue, Support, and Gains	1,353,583	64,550	1,418,133
Net Assets Released From Restriction	126,189	(126,189)	-
Total Revenue, Support, Gains, and Reclassifications	1,479,772	(61,639)	1,418,133
Expenses			
Program Services	797,970	-	797,970
Management and General	157,482	-	157,482
Fundraising and Development	174,985	-	174,985
Total Expenses	1,130,437	-	1,130,437
Change in Net Assets	349,335	(61,639)	287,696
Net Assets, Beginning of Year	1,135,646	209,118	1,344,764
Net Assets, End of Year	$ 1,484,981	$ 147,479	$ 1,632,460

See accompanying notes.

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2021 (Audited)				Year Ended December 31, 2020 (Reviewed)			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries and Wages	$ 324,657	$ 73,906	$ 129,335	$ 527,898	$ 357,979	$ 72,600	$ 127,890	$ 558,469
Temporary Services	9,459	2,153	3,768	15,380	-	-	-	-
Payroll Taxes	24,197	5,508	9,640	39,345	28,360	5,752	10,132	44,244
Employee Benefits	28,836	6,860	11,330	47,026	31,562	7,127	12,217	50,906
Meetings	110,917	1,039	213	112,169	70,773	649	703	72,125
Dues	24,574	216	471	25,261	6,033	77	125	6,235
Occupancy	106,801	9,788	17,129	133,718	71,039	5,835	10,077	86,951
Depreciation	-	24,385	-	24,385	-	27,443	-	27,443
NDSAN	39,486	-	-	39,486	40,808	-	-	40,808
Supplies	30,150	933	2,766	33,849	21,014	822	1,419	23,255
Information Technology	28,094	200	-	28,294	27,159	2,200	-	29,359
Printing	5,174	-	5,943	11,117	2,968	-	6,464	9,432
Bank Charges	-	20,829	-	20,829	-	14,828	-	14,828
Conferences	2,069	-	-	2,069	2,187	-	-	2,187
Accounting Dues	15,685	138	301	16,124	12,770	163	264	13,197
Contributions	123,891	-	-	123,891	89,061	-	-	89,061
Scholarships	14,386	-	-	14,386	9,676	-	-	9,676
Fundraising Events	-	-	90,345	90,345	-	-	81,849	81,849
Local Travel	3,965	-	994	4,959	3,511	202	802	4,515
Postage	5,339	484	871	6,694	5,774	548	2,116	8,438
Insurance	6,474	1,070	1,871	9,415	5,834	554	2,138	8,526
Accounting Fees	-	12,633	-	12,633	-	14,741	-	14,741
Copier	1,253	224	393	1,870	2,168	340	588	3,096
Professional Services	20,376	-	21,724	42,100	6,700	-	-	6,700
Payroll Processing	-	2,405	-	2,405	-	2,309	-	2,309
Books	1,232	29	16	1,277	1,146	20	-	1,166
Training	258	-	202	460	502	216	50	768
Cell Phones	2,386	900	-	3,286	946	1,056	-	2,002
DSAGC at 40	22,790	-	2,612	25,402	-	-	-	-
Total Expenses by Function	952,449	163,700	299,924	1,416,073	797,970	157,482	256,834	1,212,286
Less Expenses Included with Revenues on the Statements of Activities								
DSAGC at 40	(22,790)	-	(2,612)	(25,402)	-	-	-	-
Fundraising Events	-	-	(90,345)	(90,345)	-	-	(81,849)	(81,849)
	(22,790)	-	(92,957)	(115,747)	-	-	(81,849)	(81,849)
Total Expenses Included in the Expense Section on the Statements of Activities	$ 929,659	$ 163,700	$ 206,967	$ 1,300,326	$ 797,970	$ 157,482	$ 174,985	$ 1,130,437

See accompanying notes.

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2021 (Audited)	2020 (Reviewed)
Cash Flows From Operating Activities		
Change in Net Assets	$ 622,578	$ 287,696
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	24,385	27,443
Net Investment Return on Investments	(4,927)	(29,560)
Changes in Operating Assets and Liabilities		
Accounts Receivable	185	4,832
Grants Receivable	-	10,000
Unconditional Promises to Give	(170,230)	-
Prepaid Expenses	(11,661)	(563)
Accounts Payable	(1,245)	1,579
Accrued Expenses and Other Liabilities	4,285	(4,042)
Deferred Rent	-	(15,145)
Deferred Revenue	8,750	(29,249)
Net Cash Provided by Operating Activities	472,120	252,991
Cash Flows From Investing Activities		
Purchase of Investments	(70,440)	(83,000)
Purchase of Property and Equipment	(2,998)	(59,863)
Net Cash Used by Investing Activities	(73,438)	(142,863)
Net Change in Cash	398,682	110,128
Cash, Beginning of Year	971,757	861,629
Cash, End of Year	$ 1,370,439	$ 971,757

See accountants' report and accompanying notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Down Syndrome Association of Greater Cincinnati (the Organization) is a nonprofit organization established to empower individuals, educate families, enhance communities, and together, celebrate the extraordinary lives of people with Down Syndrome. The Organization's programs envision a community that embraces, supports and inspires individuals with Down Syndrome to live healthy, self-determined and fulfilling lives, and uses its resources to achieve that vision. The Organization fulfills its mission by focusing its efforts in ten primary programs: Support at Every Age, Summer Programs, Summer Tutoring, Open Hangout, Independent Living Retreat, iCan Bike Camp, Social Clubs, Down Syndrome and Autism Support Groups, Community Groups and Ready to Hire.

The Organization's viability is dependent on the success of program services, contributions and grants, etc. and the Organization's ability to collect on its contracts with customers.

Use of Estimates

The process of preparing financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, support, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Accounts Receivable

Accounts receivables are stated at contractual outstanding balances, net of any allowance for doubtful accounts. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account or the anticipated due date. The Organization begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for doubtful accounts based on the Organization's collection history, the financial stability and recent payment history of the clients, and other pertinent factors. Accounts receivables are written off as uncollectable after the Organization has used reasonable collection efforts and deems them uncollectable. Based on these criteria, no allowance for doubtful accounts has been provided at both December 31, 2021 and 2020 since the Organization does not expect any material losses.

Contract Liabilities

Contract liabilities are reported as deferred revenue in the accompanying statements of financial position.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. Based on these criteria, no allowance for uncollectable promises to give has been provided at both December 31, 2021 and 2020 since the Organization does not expect any material losses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments if purchased are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less any external and direct internal investment expenses. Cash equivalents, and other securities and investments held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to $500,000 of protection for each brokerage account with a limit of $250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments.

Property and Equipment

Property and equipment are stated at cost, or if donated, at fair value at the date of donation, and depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method for financial reporting purposes. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized for items in excess of $2,500.

The useful lives of property and equipment for purposes of computing depreciation are:

Leasehold Improvements	6 Years
Furniture and Fixtures, Computers, and Equipment	5 Years

Long-Lived Assets

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are measured based on the fair value of the asset, and long-lived assets to be disposed of by sale are reported at the lower of the carrying amount or fair value less costs to sell. Long-lived assets were measured for impairment, and no adjustments were deemed necessary during both the years ended December 31, 2021 and 2020.

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, from net assets without donor restrictions, net assets for an operating reserve, board-designated endowment, and use of greatest need contributions for the living well program.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors 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 statements of activities as net assets released from restrictions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition

Revenue from Contracts with Customers

Revenue is measured as the amount of consideration expected to be received in exchange for providing services. The Organization recognizes contract revenue for financial reporting purposes at a point in time. Depending on the terms of the contract, the Organization may defer the recognition of revenue and record a contract liability when a further performance obligation has not yet occurred.

The Organization's workshops include fees for services provided to individuals seeking down-syndrome related assistance, education, etc. as well as events aimed towards accomplishing these objectives. All revenue is recognized at a point in time, which is upon completion of these services or events.

The Organization records special events revenue equal to the cost of direct benefits to donors. Revenue for special events is recognized at a point in time, which is at the time of the event.

Revenue from Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

PPP Revenue

The Organization received funding in the amount of $130,187 and $131,700, under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable within a 24-week period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains other designated thresholds. The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments until the date that the lender receives the forgiveness amount from the SBA. The Organization used the proceeds for purposes consistent with the PPP. The Organization accounts for the PPP Funding in accordance with ASC 958-605 Revenue Recognition for Nonprofit Entities. Revenue is recognized as eligible expenses and other conditions are substantially met or incurred.

During the years ended December 31, 2021 and 2020, the Organization recognized revenue of $130,187 and $131,700, respectively, as it determined eligible expenses and other conditions had been met regarding that portion of the PPP funding by each respective year end. This is recorded as payroll protection program revenue on the statements of activities. In April and September 2021, the loans were legally forgiven by the Small Business Administration, who has paid the lender the total amount of the loans.

Donated Services, Equipment, and In-Kind Contributions

Donations of equipment and in-kind contributions are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Donated services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization has significant time contributed to its mission through volunteers, however, the statements of activities do not reflect the value of these services as they do not meet recognition criteria required under U.S. GAAP.

Advertising Costs

The Organization expenses advertising costs as they are incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Plan

The Organization has an employee sponsored 401(k) profit sharing plan, which covers substantially all employees. The Organization makes a matching contribution equal to the employee contributions up to 3% of the employee's compensation. Organization profit sharing contributions to the plan are discretionary. By its nature, the plan is fully funded.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. All expenses are allocated on the basis of estimates of time and effort of employees.

Income Tax Status

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to the Internal Revenue Code.

The Organization has adopted the provisions of the accounting pronouncement related to accounting for uncertainty in income taxes. The Organization recognized no interest or penalties in the statements of activities for either of the years ended December 31, 2021 or 2020. If the situation arose in which the Organization would have interest to recognize, it would recognize this as interest expense and penalties would be recognized in other expenses. Currently, the prior three years are open under federal and state statute of limitations and remain subject to review and change. The Organization is not currently under audit, nor has the Organization been contacted by these jurisdictions.

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for either of the years ended December 31, 2021 or 2020.

Recently Issued Significant Accounting Standard

Lease Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases that are not excluded by this standard. Such leases create an asset and a liability for the lessee in accordance with FASB Concepts Statement No. 6, *Elements of Financial Statements,* and therefore, recognition of those lease assets and lease liabilities represents an improvement over previous GAAP, which did not require lease assets and lease liabilities to be recognized for most leases. The ASU is effective for nonpublic entities for years beginning after December 15, 2021.

The Organization is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

Subsequent Events

The Organization has evaluated subsequent events through July 20, 2022, which is the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY

Financial assets available for general use and without donor or other restrictions or designations limiting their use, within one year of the statements of financial position are comprised of the following:

	December 31, 2021	December 31, 2020
Cash	$ 1,370,439	$ 971,757
Investments	700,504	625,137
Unconditional Promises to Give	170,230	-
Accounts Receivable	4,493	4,678
Total Financial Assets	2,245,666	1,601,572
Restricted and Designated Funds		
Unconditional Promises to Give, Time Restricted	(131,630)	-
Unconditional Promises to Give, Donor Restricted	(38,600)	-
Donor Restricted Endowment Funds	(40,204)	(35,000)
Board Designated Endowments	(259,835)	(101,412)
Board Designated Operating Reserve	(700,504)	(625,137)
Board Designated Living Well	(137,428)	-
Other Donor Restricted Funds Held	(70,171)	(112,479)
Total Restricted and Designated Assets	(1,378,372)	(874,028)
Total Financial Assets Available	$ 867,294	$ 727,544

The Organization’s Board has designated an operating reserve and Quasi endowment which are subject to a zero-spending policy until reaching $1,000,000. Although the Organization does not intend to spend from these Board designated cash and investments it has the right to use the funds if needed.

NOTE 3 - CASH AND CASH FLOWS

For purposes of the statements of cash flows, cash includes cash on hand and cash in checking and savings accounts.

At various times throughout the year, the Organization may have cash in financial institutions in excess of insured limits. The Federal Deposit Insurance Corporation (FDIC) insures account balances up to $250,000 for each business depositor.

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give were as follows:

	December 31, 2021	December 31, 2020
Amounts Promised		
Within One Year	$ 170,230	$ -
In One to Five Years	108,469	-
Unconditional Promises to Give	$ 278,699	$ -

NOTE 5 - INVESTMENTS

Investments consisted of the following:

	2021	2020
Cash and Cash Equivalents	$ 187,774	$ 117,314
Mutual Funds	512,730	507,823
Total Investments	$ 700,504	$ 625,137

NOTE 6 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

LEVEL 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

LEVEL 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

LEVEL 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

Following are descriptions of the valuation methodologies used for marketable securities measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Cash and Cash Equivalents – Fair value approximates carrying value due to the initial maturities of the instruments being three months or less.

Mutual Funds (Including Money Market Funds)– Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the SEC.

The preceding methods described may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the operating date.

All investments were valued at Level 1 at both December 31, 2021 and 2020.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credits risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect account balances and amounts reported in the statements of financial position.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation consisted of the following:

	December 31,	
	2021	2020
Leasehold Improvements	$ 197,082	$ 197,082
Computers and Equipment	36,165	33,165
Furniture and Fixtures	10,048	10,050
	243,295	240,297
Less Accumulated Depreciation	193,242	168,857
Total Property and Equipment, Net	$ 50,053	$ 71,440

NOTE 8 - ENDOWMENTS

The Organization's endowment consists of funds established to achieve a long-term investment objective. The endowment includes funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term.

NOTE 8 - ENDOWMENTS (Continued)

Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a checking account, which is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity.

Therefore, the Organization expects its endowment assets, over time, to appreciate without exposure to unnecessary risk. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Organization has not adopted a spending policy. The Organization has a goal to build the endowment to $1,000,000 prior to allowing any distributions. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of fund as of December 31, 2021 is as follows:

	Without Donor Restriction	With Donor Restriction
Board-Designated Endowment Funds	$ 259,835	$ -
Next 40 Endowment Funds	-	40,204
Endowment Net Assets Composition by Type of Fund	$ 259,835	$ 40,204

Changes in endowment net assets for the year ended December 31, 2021 are as follows:

Endowment Net Assets, Beginning of Year	$ 101,412	$ 35,000
Contributions	158,400	5,200
Investment Return, Net	23	4
Endowment Net Assets, End of Year	$ 259,835	$ 40,204

Endowment net asset composition by type of fund as of December 31, 2020 is as follows:

Board-Designated Endowment Funds	$ 101,412	$ -
Next 40 Endowment Funds	-	35,000
Endowment Net Assets Composition by Type of Fund	$ 101,412	$ 35,000

Changes in endowment net assets for the year ended December 31, 2020 are as follows:

Endowment Net Assets, Beginning of Year	$ 101,098	$ -
Contributions	-	35,000
Investment Return, Net	314	-
Endowment Net Assets, End of Year	$ 101,412	$ 35,000

NOTE 9 - BOARD DESIGNATED NET ASSETS

The Board designated net assets for the following purposes:

	December 31, 2021	December 31, 2020
Endowment Purposes	$ 259,835	$ 101,412
Operating Reserve	700,504	625,137
Living Well	137,428	-
	$ 1,097,767	$ 726,549

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	2021	2020
Subject to Expenditure for Specified Purpose		
Adult Programs	$ -	$ 52,000
Healthy Aging Program	1,250	-
Outreach	10,000	5,000
New Family Support	-	10,000
Early Matters Programs	2,500	-
Educational Workshops	1,000	7,929
Educational Support Services	11,667	-
Employment	-	37,550
Living Well	11,700	-
Unconditional Promises to Give Restricted by Donors for		
Living Well	21,300	-
Endowment Purposes	17,300	-
	76,717	112,479
Subject to Passage of Time:		
Unconditional Promises to Give Without Donor Restrictions	131,630	-
Future Events	32,054	-
	163,684	-
Subject to Spending Policy and Appropriations		
Next 40 Endowment	40,204	35,000
Total Net Assets with Donor Restrictions	$ 280,605	$ 147,479

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

	Years Ended December 31, 2021	2020
Satisfaction of Purpose Restrictions		
Adult Programs	$ 52,000	$ 25,000
Healthy Aging Program	-	10,000
Employment	37,550	-
Outreach	5,000	-
New Family Support	10,000	10,000
DS Press	-	2,200
Educational Workshops	6,929	7,071
Youth Empowerment	-	10,000
Empowerment Center	-	60,084
Discover You	-	1,834
Total Net Assets Released From Restrictions	$ 111,479	$ 126,189

NOTE 11 - FUNDRAISING EVENTS

The Organization had fundraising revenues and expense as follows:

	Year Ended December 31, 2021		
	Revenue	Expenses	Net
Buddy Walk	$ 764,053	$ 24,417	$ 739,636
Golf Outing	303,289	56,631	246,658
All Other Activities	81,338	9,297	72,041
	$ 1,148,680	$ 90,345	$ 1,058,335

	Year Ended December 31, 2020		
	Revenue	Expenses	Net
Buddy Walk	$ 585,010	$ 25,243	$ 559,767
Golf Outing	237,233	50,441	186,792
All Other Activities	48,320	6,165	42,155
	$ 870,563	$ 81,849	$ 788,714

In 2021 and 2020, the Organization collaborated with another local nonprofit organization with a similar mission to jointly organize their golf outing. The golf outing is planned jointly with the expenses all recorded though the Organization. Once all revenue is determined an allocation of revenues based on a predetermined sliding scale is remitted to the local nonprofit organization. Total contribution remitted for the years ended December 31, 2021 and 2020 were $123,891 and $89,061, respectively.

NOTE 12 - OPERATING LEASES

The Organization has a lease for equipment that is classified as an operating lease. The monthly payments total $83. The lease expires September 2025. Lease expense was $992 and $1,782 for 2021 and 2020, respectively.

The Organization leases its office space under an operating lease. During 2020, the lease was expanded to include additional space and was extended through December 2025. The lease carried a monthly payment of $6,499. Lease expense, including utilities and taxes, was $118,707 and $65,699 for 2021 and 2020, respectively.

The following are the net minimum lease payments for the remainder of these leases:

Years Ending December 31,	Equipment	Office Space	Total
2022	$ 992	$ 79,577	$ 80,569
2023	992	81,162	82,154
2024	992	82,747	83,739
2025	663	84,412	85,075
	$ 3,639	$ 327,898	$ 331,537

NOTE 13 - RETIREMENT PLAN

During the years ended December 31, 2021 and 2020, the Organization incurred expenses related to the Organization sponsored retirement plan in the amounts of $39,503 and $43,637, respectively.

NOTE 14 - RISKS AND UNCERTAINTIES – COVID-19 OUTBREAK

In 2020, the World Health Organization announced a global health emergency later classified as a global pandemic as a result of the COVID-19 outbreak. The outbreak and response has impacted financial and economic markets across the World and within the United States. The full impact continues to evolve and as such, it is uncertain as to the full magnitude that the pandemic will have on the Organization’s financial condition, liquidity, and future results of operations. Management is actively monitoring the possible effects on every aspect of the Organization.