NJ LEEP, INC.

Independent Auditors' Report and
Financial Statements for the
Year Ended June 30, 2021

NJ LEEP, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
of NJ LEEP, Inc.

Opinion

We have audited the accompanying financial statements of NJ LEEP, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 NJ LEEP, Inc. as of June 30, 2021, 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 NJ LEEP, Inc. 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 the 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 NJ LEEP, Inc.'s 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 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

P 973.406.3955 | F 973.406.3960 | W cullaricarrico.com | 55 Lane Road, Suite 300, Fairfield, NJ 07004

- 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 NJ LEEP, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NJ LEEP, Inc.'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.

Fairfield, New Jersey
January 31, 2022

NJ LEEP, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,921,742	$ 476,013	$ 2,397,755
Investments	837,869	-	837,869
Unconditional promises to give	174,300	160,000	334,300
Grants Receivable	2,426	-	2,426
Prepaid expenses	61,942	-	61,942
Total current assets	2,998,279	636,013	3,634,292
NON-CURRENT ASSETS:			
Long term unconditional promises to give, net	-	131,495	131,495
Security deposit	14,875	-	14,875
Total non-current assets	14,875	131,495	146,370
TOTAL ASSETS	$ 3,013,154	$ 767,508	$ 3,780,662
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
Accrued expenses	$ 143,416	$ -	$ 143,416
Corrective contributions	9,287	-	9,287
Other payables	7,822	-	7,822
Deferred rent	17,238	-	17,238
Total current liabilities	177,763	-	177,763
TOTAL LIABILITIES	$ 177,763	$ -	$ 177,763
NET ASSETS:			
Without donor restrictions	2,835,391	-	2,835,391
With donor restrictions	-	767,508	767,508
Total net assets	2,835,391	767,508	3,602,899
TOTAL LIABILITIES AND NET ASSETS	$ 3,013,154	$ 767,508	$ 3,780,662

NJ LEEP, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES:			
Contributions	$ 491,442	$ 864,100	$ 1,355,542
Special events	1,279,129	-	1,279,129
Non-cash contributions	103,876	-	103,876
Government funded assistance	19,426	-	19,426
Net assets released from restrictions			
Satisfaction of purpose restrictions	400,062	(400,062)	-
Total public support and revenues	2,293,935	464,038	2,757,973
EXPENSES AND LOSSES:			
Program services:			
Educate and empower urban youth	1,321,763	-	1,321,763
Total program services	1,321,763	-	1,321,763
Supporting services:			
Management and general	520,622	-	520,622
Fundraising	239,376	-	239,376
Total supporting services	759,998	-	759,998
Total expenses and losses	2,081,761	-	2,081,761
Changes in net assets before non-operating income	212,174	464,038	676,212
NON-OPERATING INCOME:			
Investment income	165,893	-	165,893
Forgiveness of refundable advance	195,170	-	195,170
Total non-operating income	361,063	-	361,063
CHANGES IN NET ASSETS	573,237	464,038	1,037,275
NET ASSETS, BEGINNING OF YEAR	2,262,154	303,470	2,565,624
NET ASSETS, END OF YEAR	$ 2,835,391	$ 767,508	$ 3,602,899

NJ LEEP, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services	Supporting Services		
	Educate and Empower Urban Youth	Management and General	Fundraising	Total
Personnel costs:				
Salaries and wages	$ 722,842	$ 298,001	$ 142,283	$ 1,163,126
Fringe benefits	69,252	23,918	19,462	112,632
Payroll taxes	70,811	31,314	18,118	120,243
Total personnel costs	862,905	353,233	179,863	1,396,001
Professional and consulting	154,596	112,155	1,529	268,280
Occupancy costs	118,068	31,986	33,123	183,177
Telephone, website and communications	63,150	15,042	12,257	90,449
Scholarships, stipends and gifts	85,077	-	-	85,077
Insurance	12,918	3,733	3,326	19,977
Postage, printing and reproduction	4,646	2,558	4,567	11,771
Supplies	6,132	-	175	6,307
Miscellaneous	5,262	283	-	5,545
Meetings and conferences	4,543	299	231	5,073
Equipment, repairs and maintenance	3,105	910	836	4,851
Licenses and fees	270	214	3,262	3,746
Travel	10	16	-	26
Total expenses before depreciation	1,320,682	520,429	239,169	2,080,280
Depreciation	1,081	193	207	1,481
Total expenses	$ 1,321,763	$ 520,622	$ 239,376	$ 2,081,761

NJ LEEP, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021

	Total
CASH FLOWS FROM OPERATING ACTIVITIES:	
Changes in net assets	$ 1,037,275
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,481
Unrealized (gain) on investments	(150,358)
(Increase) decrease in operating assets:	
Unconditional promises to give	(154,527)
Grants receivables	(2,426)
Other receivables	254
Prepaid expenses	(1,583)
Increase (decrease) in operating liabilities:	
Accrued expenses	54,328
Compensated absences	(71,500)
Corrective contributions	(13,919)
Other payables	6,037
Deferred rent	(5,304)
Net cash provided by operating activities	699,758
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(15,477)
Net cash (used in) investing activities	(15,477)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Forgiveness of paycheck protection program loan	(195,170)
Net cash (used in) financing activities	(195,170)
INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	489,111
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	1,908,644
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	$ 2,397,755

1. NATURE OF ACTIVITIES

NJ LEEP, Inc. (the "Organization") empowers urban youth from underserved neighborhoods in northern New Jersey to perform at high academic levels by building skills through law-related, mathematic, and other educational programs, developing the habits necessary for lasting success and community leadership, and offering exposure to those who have achieved academic and professional success. The Organization is a non-profit organization incorporated in July 2006 in the State of New Jersey and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting --- The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly revenues are recognized when received and expenses are recognized when incurred.

Basis of presentation --- The Organization prepares its financial statements utilizing the American Institute of Certified Public Accountants' Audit and Accounting Guide, *Nonprofit Organizations,* and other pronouncements applicable to not-for-profit organizations. The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Paragraphs 958-205-45-2(a) through (d), which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to the existence or absence of donor-imposed restrictions; net assets with donor restrictions and net assets without donor restrictions.

ASC Paragraphs 958-605-45-3 through 7, *Contributions Received*, requires that unconditional promises to give be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions.

Accordingly, net assets of the Organization and changes therein would be classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Fair Value (hierarchy) of financial instruments --- The Organization measures fair value of its assets and liabilities as defined by FASB ASC Topic 820, *Fair Value Measurement and Disclosure*. This ASC Topic defines fair value, establishes a framework for measuring fair value, establishes a three-level fair value hierarchy based on the quality of inputs used to measure fair value and enhances disclosure requirements for fair value measurements. The three fair value hierarchy levels are defined as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Fair Value (hierarchy) of financial instruments (cont.) ---

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

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.

Level 3 – Inputs are unobservable inputs for the assets and liabilities. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available. Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the reporting entity's own data.

Unless otherwise noted, the fair values of financial instruments approximate their carrying values. The preceding methods described may produce 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 reporting date.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements.

As of June 30, 2021, none of the assets (except for investments) and liabilities were required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash, accounts receivable, investments, accounts payable, and accrued expenses, approximate fair values due to the short-term nature of these financial instruments. There are no changes in methods or assumptions during the year ended June 30, 2021.

Cash and cash equivalents --- For purposes of the statement of cash flow, the Organization considers all cash without donor restriction and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Restricted cash --- Restricted cash is the portion of cash that will be used to cover expenditures that have been purpose restricted by the donor.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Accounts receivable --- Accounts receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. For the year ended June 30, 2021 management believes all individual account balances are collectible and therefore has not applied an allowance against these accounts.

Impairment of long-lived assets --- The Organization continually evaluates whether current events or circumstances warrant adjustments to the carrying value or estimated useful lives of long-lived assets in accordance with the provisions of ASC 360-10-05, *Impairment or Disposals of Long-Lived Assets.*

Property and equipment --- Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance, repairs and renewals of minor items are charged to earnings as incurred. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the statement of activities.

The Organization's policy is to capitalize property and equipment with a purchase price of $5,000 or more and a useful life of one year or more based on the following schedule:

Asset Class	Years
Equipment	5
Leasehold improvements	15
Furniture and fixtures	15

Deferred rent --- The Organization uses the straight line method to determine rental costs over the term of the lease in order to match the timing of the benefit derived from the leased property.

Compensated absences --- In accordance with the Organization's policy handbook, employees may carry over up to forty hours of accrued, unused paid sick time from one year to the next. Employees accrue time from September 1st to August 31st annually. Accrued, unused paid sick time will not be paid out at separation from employment. Additionally, employees may carry over up to five vacation days per year, with no accumulation.

Revenue and support recognition --- Contributions, including unconditional promises to give, are recorded as received. All contributions are available for use unless specifically restricted by the donor. The Organization has a policy of classifying donations with donor restrictions as without donor restrictions when those restrictions are met in the same reporting period. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using interest rates consistent with unsecured individual credit rates applicable to the years in which the promises to give are to be received. The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Revenue and support recognition (cont.) --- Fundraising revenue is considered an exchange transaction and, accordingly, amounts are recognized when the event takes place and matched against expenses. Additionally, funds received in advance of the event(s) are accounted for as deferred revenue in the statement of financial position.

Donated services --- Individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition under accounting principles generally accepted in the United States.

Donated goods --- Donated use of facilities for program activities is presented at its fair value on the Statement of Activities.

Income taxes --- The Organization is a not-for-profit organization described under Section 501(c)(3) of the Internal Revenue Code ("I.R.C.") and is therefore exempt from federal income taxes under Section 501(a) of the I.R.C. The Organization is also exempt under Title 15 of the State of New Jersey *Corporations and Associations Not for Profit Act*. Accordingly, no provision for Federal or State income taxes has been presented in the accompanying financial statements.

The Organization adheres to FASB ASC Topic 740, *Income Taxes,* which provides guidance and clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and also provides guidance on de-recognition, classification, interest and penalties, disclosure and transition. For the year ended June 30, 2021, the Organization has no material uncertain tax positions to be accounted for in the financial statements.

Annually, the Organization files an informational return with the United States Internal Revenue Service. The Organization also files an annual charitable registration with the State of New Jersey, Division of Consumer Affairs. All required informational returns have been filed and all taxes, if any, have been paid. The Organization is subject to tax examinations generally within three years from the latest filing date.

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

Functional allocation of expenses --- Expenses are charged to each program based on direct expenditures incurred. Any program or supporting service expenditure not directly chargeable is allocated based on an indirect cost pool that is reasonable and consistently applied.

Allocated indirect expenditures include salaries and benefits, which are allocated on the basis of estimates of time and effort, supported by timesheets and time analysis. The indirect labor hours cost pool serves as the basis for allocating all other indirect costs.

3. RISKS AND UNCERTANTIES

Arising from cash deposits in excess of insured limits --- The Organization maintains its cash in two financial institutions located in New Jersey. During the year, cash balances can exceed federally insured limits of $250,000. Management believes that the Organization has no significant risk of loss on these amounts due to the failure of the institution.

Funding dependence --- All of the funding for the Organization comes from donor and government assistance. This funding is dependent upon monies from individuals, government agencies and other nonprofits or foundations, accordingly there is no guarantee that such funding will continue.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization deposits excess cash balances into an investment account. Per the Organization's investment policy, the assets purchased are mutual funds, traded in active markets for which daily closing prices are measured primarily on a net asset value basis. The value of these assets as of June 30, 2021 was $837,869.

5. INVESTMENT INCOME

The cost basis and estimated fair value of investments held as available for sale by the Organization at June 30, 2021 are as follows:

	Cost	Gross Unrealized Holdings Gains	Gross Unrealized Holdings Losses	Fair Value
Mutual funds	$ 641,149	$ 196,720	$ -	$ 837,869

The composition of investment returns included in net assets without donor restrictions in the statement of activities for the year ended June 30, 2021, are as follows:

Dividends	$ 16,769
Net realized gains on investments	481
Change in net unrealized gains	148,643
Total	$ 165,893

6. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consisted of the following at June 30, 2021:

Promises without donor restrictions	$	174,300
Promises with donor restrictions:		
Summer program		35,000
Middle school program		75,000
Time restriction		200,000
Gross unconditional promises to give		484,300
Less: Discount for long-term pledges		(18,505)
Net unconditional promises to give	$	465,795

Promises to give due in more than one year are recognized at fair value, using present value techniques and discount rates of approximately 5% based on risk adjusted credit ratings. These rates are adjusted annually based on the market.

Amounts due:		
Less than one year	$	334,300
One to five years		131,495
Unconditional promises to give, net	$	465,795

7. EQUIPMENT

A summary of the Organization's equipment as of June 30, 2021:

Equipment	$	7,726
Less: accumulated depreciation		7,726
Total	$	-

The total depreciation expense charged to operations for the year ended June 30, 2021 was $1,481.

8. CORRECTIVE CONTRIBUTIONS

In the prior year, management became aware of certain operating deficiencies surrounding its SIMPLE IRA plan, detailed in Note 13. At that time, management calculated an estimate of the required corrective contributions of $23,206. As of the year ended June 30, 2021, the remaining corrective contributions amount to $9,287, which they anticipate correcting during the year ended June 30, 2022, through a self-correction program offered by the Department of Labor.

9. COMMITMENTS

The Organization entered into an agreement commencing August 1, 2014 for the lease of facilities in Northern New Jersey for programmatic educational meetings. The lease terminates on November 30, 2024 and includes a one-time five-year extension option. As detailed in Note 15, the Organization exercised it's early termination option. The lease termination date is March 31, 2022.

9. COMMITMENTS (CONT.)

In December of 2019, the Organization entered into a five year lease agreement for a copier. Total annual payments on the lease are $4,752, paid monthly.

Future minimum payments due under all operating leases in effect at June 30, 2021 are as follows:

2022	$	159,587
2023		5,690
2024		5,105
2025		3,917
2026		235
	$	174,534

Total expenses related to the Organization's long term commitments were $183,177 for the year ended June 30, 2021.

10. PAYCHECK PROTECTION PROGRAM LOAN

On April 20, 2020 the Organization obtained a Paycheck Protection Program refundable advance in the amount of $195,170, pursuant to the terms of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") enacted March 27, 2020. On May 25, 2021, management received full forgiveness on the $195,700 balance of the refundable advance. Accordingly, these amounts have been reflected in income at June 30, 2021.

11. NET ASSETS

Net assets with donor restrictions available at June 30, 2021:

Middle school program	$	150,000
Diversity, equity & inclusion program		243,408
Instructional program manager		50,000
College application program		17,000
College student success		20,000
Summer program		35,000
Passage of time		252,100
Total net assets with donor restrictions	$	767,508

11. NET ASSETS (CONT.)

Net assets released from donor imposed restrictions by satisfying the purpose for which they were donated are as follows:

Middle school program	$	166,470
College student success		35,000
College bound		42,000
Legal diversity pipeline		35,000
Diversity, equity & inclusion program		6,592
Support change over to virtual instruction		5,000
Technology expenditures		10,000
Passage of time		100,000
Total restrictions satisfied	$	400,062

12. NON-CASH CONTRIBUTIONS

Non-cash contributions were provided to the Organization and recognized as revenue on the Statement of Activities for the year ended June 30, 2021 and were allocated based on their functional and natural classifications on the Statement of Functional Expenses as follows:

Functional Classification	Natural Classification	Amount	
Program	Professional and consulting	$	103,876
	Total	$	103,876

13. FRINGE BENEFITS

The Organization's fringe benefit package is offered to all full-time employees who are regularly scheduled to work at least thirty-five hours per week. Benefits become effective immediately following the employee's date of hire. These benefits include medical and dental insurance, paid vacation, sick and/ or personal days. For the year ended June 30, 2021, the fringe benefits paid by the Organization was $87,709.

On December 31, 2018, the Organization terminated the existing non-contributory 403(b) Plan and started a contributory, defined contribution Plan by offering a SIMPLE IRA. Employees are eligible to defer contributions and receive the 3% employer match, immediately upon hire. The Organization's retirement plan is in conformity with the Employee Retirement Income Security Act of 1974 and its successor legislation.

13. FRINGE BENEFITS (CONT.)

For tax purposes, management believes that the plan is operating as a qualified plan (except as detailed in Note 8), however at this time the Internal Revenue Service has not issued formal opinions on SIMPLE IRA plans. The Plan operates on a calendar year basis. For the year ended June 30, 2021, the Organization contributed $24,923 into to the Plan. As of the Plan year ended December 31, 2020, there were no discretionary contributions made by the Organization.

14. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has in place various contractual commitments as detailed in Note 9. Total annual expenditures from those contracts are included in the general expenditures of the Organization. Unconditional promises to give are subject to implied purpose and time restrictions but are expected to be collected within four years.

Management anticipates meeting general expenditures within one year of the date of the statement of financial position with the funding provided by anticipated contributions from the general public.

The following reflects the Organization's financial assets as of June 30, 2021, reduced by amounts not available for general use:

Financial assets at year-end	$	3,634,292
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted funding		767,508
Prepaid expenses		61,942
Financial assets available to meet cash needs for general expenditure within one year	$	2,804,842

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 31, 2022, the date on which the financial statements were available to be issued, and have determined that except for the following, there are no subsequent events that require disclosure.

COVID-19 --- The Organization is evaluating the impact of COVID-19 and its pervasive impact to the overall economy and has determined it cannot reasonably estimate the financial impact, if any, on its operations, assets, and material accounting estimates at this time.

Building lease --- The Organization exercised it's early termination option on their building lease in January, 2022. The lease termination date is March 31, 2022. The Organization is in the process of entering into a lease for a facility at 540 Broad Street. The lease commencement and price has not yet been determined, as the negotiations include a facility build-out.