

Ronald McDonald House Charities of Greater Charlotte, Inc

Financial Statements

December 31, 2022

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Ronald McDonald House Charities of Greater Charlotte, Inc.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Ronald McDonald House Charities of Greater Charlotte, Inc.
Charlotte, North Carolina

Opinion

We have audited the accompanying financial statements of Ronald McDonald House Charities of Greater Charlotte, Inc. (the "Organization" - a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ronald McDonald House Charities of Greater Charlotte, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of 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 Ronald McDonald House Charities of Greater Charlotte, 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 Ronald McDonald House Charities of Greater Charlotte, 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 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 judgment made by a reasonable user based on the financial statements.

Ronald McDonald House Charities of Greater Charlotte, Inc.
Charlotte, North Carolina

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.
- 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 purposes of expressing an opinion on the effectiveness of Ronald McDonald House Charities of Greater Charlotte, 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 Ronald McDonald House Charities of Greater Charlotte, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Foard & Company, P.A.

August 28, 2023

Ronald McDonald House Charities of Greater Charlotte, Inc.**Statement of Financial Position****December 31, 2022, With Prior Year Comparative Totals**

	2022	2021
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 4,335,145	\$ 4,239,949
Pledges receivable, net - current portion	50,301	73,548
Contributions receivable for use of land and services - current portion	33,999	33,999
Reimbursement receivable	-	126,381
Prepaid expenses and other assets	239,735	127,675
<u>Total Current Assets</u>	<u>4,659,180</u>	<u>4,601,552</u>
Restricted cash, endowment	138,585	138,585
Pledges receivable, net - noncurrent portion	10,000	28,333
Contributions receivable for use of land and services - noncurrent portion	1,223,964	1,257,963
Investments, board designated endowment	139,225	171,968
Investments, endowment	1,082,366	1,336,523
Property and equipment, net of accumulated depreciation of \$2,923,204	5,761,062	5,820,938
<u>TOTAL ASSETS</u>	<u>\$ 13,014,382</u>	<u>\$ 13,355,862</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	\$ 60,361	\$ 116,923
Accrued expenses	94,991	88,751
Capital lease obligation - current portion	-	6,562
<u>Total Current Liabilities</u>	<u>155,352</u>	<u>212,236</u>
<u>Total Liabilities</u>	<u>155,352</u>	<u>212,236</u>
Net Assets:		
Without Donor Restrictions:		
Undesignated	6,383,036	6,548,118
Operating reserve	3,481,962	3,064,747
Maintenance reserve	354,376	500,043
Board designated endowment	139,225	171,968
<u>Total Net Assets Without Donor Restrictions</u>	<u>10,358,599</u>	<u>10,284,876</u>
With donor restrictions	2,500,431	2,858,750
<u>Total Net Assets</u>	<u>12,859,030</u>	<u>13,143,626</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 13,014,382</u>	<u>\$ 13,355,862</u>

Ronald McDonald House Charities of Greater Charlotte, Inc.
Statement of Activities
Year Ended December 31, 2022, With Prior Year Comparative Totals

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2022	2021
<u>SUPPORT AND REVENUE</u>				
Contributions	\$ 1,247,494	\$ 1,098	\$ 1,248,592	\$ 1,848,512
In-kind contributions	110,886	-	110,886	38,992
Special events and fundraiser revenues	745,128	-	745,128	733,808
Investment earnings (losses)	9,084	(254,158)	(245,074)	203,535
Net assets released from restrictions:				
Satisfaction of program restrictions	62,494	(62,494)	-	-
Satisfaction of time restrictions	42,765	(42,765)	-	-
<i>TOTAL SUPPORT AND REVENUE</i>	<i>2,217,851</i>	<i>(358,319)</i>	<i>1,859,532</i>	<i>2,824,847</i>
<u>EXPENSES</u>				
Program services	1,516,179	-	1,516,179	1,418,983
Management and general	179,010	-	179,010	276,581
Fund raising	448,939	-	448,939	389,704
<i>TOTAL EXPENSES</i>	<i>2,144,128</i>	<i>-</i>	<i>2,144,128</i>	<i>2,085,268</i>
<i>CHANGE IN NET ASSETS</i>	<i>73,723</i>	<i>(358,319)</i>	<i>(284,596)</i>	<i>739,579</i>
<i>NET ASSETS, BEGINNING</i>	<i>10,284,876</i>	<i>2,858,750</i>	<i>13,143,626</i>	<i>12,404,047</i>
<i>NET ASSETS, ENDING</i>	<i>\$ 10,358,599</i>	<i>\$ 2,500,431</i>	<i>\$ 12,859,030</i>	<i>\$ 13,143,626</i>

Ronald McDonald House Charities of Greater Charlotte, Inc.
Statement of Functional Expenses
Year Ended December 31, 2022, With Prior Year Comparative Totals

	Program Services	Management and General	Fund Raising	Totals	
				2022	2021
Salaries and benefits	\$ 891,510	\$ 98,052	\$ 214,001	\$ 1,203,563	\$ 1,164,761
Utilities	106,209	1,362	2,263	109,834	93,998
Repairs and maintenance	136,885	1,755	2,916	141,556	201,769
Office supplies	99,149	10,490	32,188	141,827	122,947
Printing	591	62	8,114	8,767	14,220
Special events	-	-	168,120	168,120	119,047
Depreciation	190,982	2,449	4,068	197,499	194,754
Insurance	20,738	9,977	-	30,715	25,572
Professional fees	9,755	-	-	9,755	-
Travel	236	303	497	1,036	1,929
Other	60,124	54,560	16,772	131,456	146,271
<i>TOTAL EXPENSES</i>	\$ 1,516,179	\$ 179,010	\$ 448,939	\$ 2,144,128	\$ 2,085,268

Ronald McDonald House Charities of Greater Charlotte, Inc.
Statement of Cash Flows
Year Ended December 31, 2022, With Prior Year Comparative Totals

	2022	2021
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ (284,596)	\$ 739,579
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	197,499	194,754
Net unrealized and realized (gains) losses on investments	309,548	(162,469)
Change in provision for uncollectible pledges receivable	(633)	3,994
(Increase) decrease in operating assets:		
Pledges receivable	42,213	(93,448)
Contributions receivable for use of land and services	33,999	48,122
Reimbursement receivable	126,381	(126,381)
Prepaid expenses and other assets	(112,060)	3,245
Increase (decrease) in operating liabilities:		
Accounts payable	(56,562)	90,304
Accrued expenses	6,240	10,024
<i>Cash Flows From Operating Activities</i>	<i>262,029</i>	<i>707,724</i>
<u>INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(137,623)	(47,374)
Sales of investments	563,838	1,292,131
Purchases of investments	(586,486)	(54,088)
<i>Cash Flows From Investing Activities</i>	<i>(160,271)</i>	<i>1,190,669</i>
<u>FINANCING ACTIVITIES</u>		
Payments on capital lease obligation	(6,562)	(5,242)
<i>Cash Flows From Financing Activities</i>	<i>(6,562)</i>	<i>(5,242)</i>
<i>CHANGE IN CASH AND CASH EQUIVALENTS</i>	<i>95,196</i>	<i>1,893,151</i>
<i>CASH AND CASH EQUIVALENTS, BEGINNING</i>	<i>4,378,534</i>	<i>2,485,383</i>
<i>CASH AND CASH EQUIVALENTS, ENDING</i>	<i>\$ 4,473,730</i>	<i>\$ 4,378,534</i>

Ronald McDonald House Charities of Greater Charlotte, Inc.

Notes to Financial Statements

December 31, 2022

NOTE A - ORGANIZATION AND NATURE OF OPERATIONS

Ronald McDonald House Charities of Greater Charlotte, Inc. (the Organization) is a North Carolina nonprofit organization incorporated on March 27, 2006. The purpose of the Organization is to provide a home for seriously ill children and their families while the children are receiving treatment at nearby medical facilities, primarily Atrium Health's Levine Children's Hospital and Novant Health's Hemby Children's Hospital. The Organization operates under a license agreement with McDonald's Corporation by which the right to use certain trade and service marks relating to Ronald McDonald House is granted, subject to compliance with the terms of the agreement. The Organization's primary sources of funding are contributions from individuals and businesses, and special events and fundraiser revenues.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization uses the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when incurred. This basis of accounting conforms to U.S. generally accepted accounting principles (GAAP).

Basis of Presentation

Under GAAP the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions are those currently available for use in the day-to-day operations of the Organization and those resources invested in property and equipment. Designated net assets represent amounts designated by the Board of Directors for purposes other than operations.

Net assets with donor restrictions are those which are stipulated by donors for specific operating purposes or programs, those with time restrictions, or those not currently available for use until commitments regarding their use have been fulfilled. Net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Organization are also included as a component of net assets with donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include cash in checking and money market accounts.

Restricted Cash

Restricted cash represents funds held for endowments that have not yet been invested.

Contributions

The Organization reports contributions of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), 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.

Ronald McDonald House Charities of Greater Charlotte, Inc.

Notes to Financial Statements

December 31, 2022

Endowment contributions are recorded as increases in net assets with donor restrictions. Earnings on endowment investments that are available for distribution are recorded as net assets with donor restrictions until the earnings are appropriated for expenditure or until certain purpose-related restrictions are met. As the earnings are appropriated for expenditure or after purpose-related restrictions are met, the earnings are released into net assets without donor restrictions.

Pledges Receivable

Unconditional pledges receivable are recognized as support in the period the promise is received. Conditional pledges receivable are recognized when the conditions on which they depend are substantially met. Contributions that are expected to be collected in future years are recorded at the present value of their estimated cash flows and are recorded net of an allowance for uncollectible pledges, which is based on an evaluation of the pledges receivable, past experience, current economic conditions, and other inherent risks. The Organization applies the fair value option for valuing all pledges, thereby applying the rate commensurate with credit risk and borrowing to discount its pledges. Amortization of the resulting discount is taken into income as a contribution in subsequent years.

Investments

Investments are comprised of money market funds, equities, and mutual funds, and are reported at fair value in accordance with GAAP. Changes in the fair value of investments are reflected as investment earnings (losses) in the accompanying Statement of Activities. Endowment income is subject to time restrictions until appropriated for expenditure by the Board of Directors.

Donated Investments

The Organization sells any donated investments as soon as practicable after receipt. Such revenue is recorded at the fair value of the investment at the date of receipt.

Property and Equipment

Property and equipment are stated at cost when purchased, and at estimated fair value when donated, subject to a \$1,000 capitalization policy. The Organization records depreciation of its property and equipment using the straight-line method over the estimated useful lives of the related assets, which are as follows:

Building and building improvements	50 years
Land improvements	10 years
Vehicles	7 years
Furniture, fixtures, and office equipment	5 years
Computers and software	3 years

The costs of major improvements are capitalized, while the costs of maintenance and repairs are expensed. The cost and related accumulated depreciation of property and equipment are eliminated from the accounts upon disposal, and any resulting gain or loss is included in the change in net assets of the Organization. Long-lived assets held and used by the Organization are reviewed for impairment whenever changes in circumstances indicate the carrying value of an asset may not be recoverable.

Ronald McDonald House Charities of Greater Charlotte, Inc.

Notes to Financial Statements

December 31, 2022

Equipment acquired under a capital lease is stated at the estimated fair value at the date of the lease. Amortization of the capital lease asset is provided using the straight-line method over the estimated useful life and is included in depreciation expense.

Donated Services and Equipment

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated services related to landscaping and other building maintenance and repair services that would have otherwise been purchased are included as in-kind contributions on the statement of activities. Donated goods, if significant, are included in support at fair value. During the year, the Organization recorded \$55,671 of contributed services, \$55,215 of donated goods, and no donated property and equipment.

A number of volunteers, including members of the Board of Directors, contribute significant amounts of time to the Organization. The value of this contributed time does not meet the criteria for recognition of contributed services and, accordingly, is not reflected as support in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising and management and general activities. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort. Utilities, repairs and maintenance, and depreciation expense are allocated based on an estimate of each function's share of these expenses. Special events expense is allocated completely to fundraising. Office supplies, printing, insurance, travel, and other expenses are directly allocated to the appropriate function based on the nature of the expense.

New Accounting Pronouncement

The Organization adopted ASU 2016-02, *Leases* (Topic 842) during the year. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. The Organization determined that its leases in place during the year were immaterial to present under the new standard.

Ronald McDonald House Charities of Greater Charlotte, Inc.

Notes to Financial Statements

December 31, 2022

Prior-Year Comparative Totals

The financial statements include certain prior-year summarized information in total, but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's 2021 financial statements from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to current-year presentation.

NOTE C - PLEDGES RECEIVABLE

Pledges receivable are expected to be collected as follows:

Year ended December 31:	
2023	\$ 55,617
2024	10,000
Deduct:	
Allowance for uncollectible pledges	5,316
	<u>\$ 60,301</u>

NOTE D - INVESTMENTS

Investments as of year-end are comprised of the following:

Equities	\$ 962,369
Mutual Funds – Fixed income	244,178
Cash Fund	15,044
	<u>\$ 1,221,591</u>

Current accounting standards require fair value of financial instruments to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It establishes a three-level valuation hierarchy based upon observable and unobservable inputs, as follows:

Level 1 - Fair value is based on quoted prices in active markets for identical assets or liabilities.

Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Fair value is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

All investments held at year-end are classified as Level 1 assets.

Ronald McDonald House Charities of Greater Charlotte, Inc.**Notes to Financial Statements****December 31, 2022**

NOTE E - CONTRIBUTION RECEIVABLE FOR USE OF LAND

The Organization entered into a ground lease in January 2010 for the property on which the facility was built. The initial term of the lease is fifty years following the commencement date. The Organization estimated the fair value of the lease at \$1,700,000 based on factors such as the estimated fair value of land and related fair value lease rates. In accordance with GAAP, the Organization recorded the use of land as an unconditional promise to give and as restricted support at its fair value. In the initial and future years, the receivable will be reduced and lease expense will be recorded in an amount equal to the estimated annual lease value of the land. At year-end, the contribution receivable for use of the land was \$1,257,963.

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment as of year-end is comprised of the following:

Buildings	\$ 7,146,174
Computers and software	520,424
Furniture and fixtures	795,432
Vehicles	24,111
Office equipment	59,773
Construction in progress	15,071
Leasehold improvements	<u>123,281</u>
Total Property and Equipment	8,684,266
Less - accumulated depreciation	<u>2,923,204</u>
Net Property and Equipment	<u><u>\$ 5,761,062</u></u>

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with restrictions which are temporary in nature as of year-end consist of the following:

Pledges receivable:	
Time restricted	\$ 10,000
Restricted for acquisition and installation of generator	13,205
Estimated fair value of the use of land	1,257,963
Accumulated earnings on endowment funds	<u>277,207</u>
	<u><u>\$ 1,558,375</u></u>

Ronald McDonald House Charities of Greater Charlotte, Inc.

Notes to Financial Statements

December 31, 2022

The purpose of the net assets that are restricted in perpetuity is to provide cash to fund current programs. These net assets are comprised of the following at year-end:

Restricted cash	\$	138,585
Endowment investments		803,471
	\$	<u>942,056</u>

NOTE H - ENDOWMENT

The Organization's endowment consists of two funds established to provide current programs with a predictable and stable stream of revenue. The endowment includes donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by 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.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as restricted net assets to be maintained in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in restricted net assets to be maintained in perpetuity is classified as net assets restricted on a temporary basis until those funds are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Organization expects its investment strategy to provide an annualized rate of return to grow its endowment over the long-term to provide programs with a predictable and stable stream of revenue. Endowed assets are invested in money market funds, mutual funds, bonds, ETF's, and closed ended funds, as approved by the Board of Directors.

Spending Policy

The Board of Directors has also approved an annual endowment earnings spending policy of 5% of the average total fair value of investments for the trailing three-year period ending December 31. In the event the annualized total return does not equal or exceed 5%, the policy provides for a spending limitation of only interest, dividends, and other income receipts from investments less expenses.

Ronald McDonald House Charities of Greater Charlotte, Inc.**Notes to Financial Statements****December 31, 2022**

Net asset composition by type of fund for endowed investments at year-end are as follows:

	Without Donor Restrictions	Restricted on a Temporary Basis	Restricted In Perpetuity	Total
Donor-restricted	\$ -	\$ 278,895	\$ 942,056	\$ 1,220,951
Board-designated	139,225	-	-	139,225
Total endowment funds	<u>\$ 139,225</u>	<u>\$ 278,895</u>	<u>\$ 942,056</u>	<u>\$ 1,360,176</u>

NOTE I - RETIREMENT PLAN

The Organization maintains a defined contribution retirement plan for its employees qualifying under Sections 401(k) of the Internal Revenue Code. The benefits are provided based on salary and hours worked for each year of service. In order to be eligible, employees must be at least twenty-one years of age and have provided at least one year of service. The plan provides for employer matching contributions of 100% of elective deferrals, up to 4% of compensation. The Organization's contribution to this plan totaled \$26,820 for the year.

NOTE J - CONCENTRATIONS OF CREDIT RISKCash and Cash Equivalents

Cash and cash equivalents held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). From time to time, the total cash and cash equivalents held by the Organization includes amounts in excess of insured limits covered by the FDIC. However, the Organization believes it is not exposed to any significant credit risk related to these accounts.

Support

The Organization's top 5 donors contributed 28 percent of cash contributions during the year.

NOTE K - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$4,385,446 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures, consisting of cash and cash equivalents of \$4,335,145, and pledges receivable of \$50,301. All of these receivables are expected to be received within one year. As part of its liquidity management, the Organization invests cash in excess of daily requirements in various investments, including money market accounts or certificates of deposit.

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the audited financial statements were available to be issued. During this period, no material recognizable subsequent events were identified.