

Publicolor, Inc.

Financial Statements

June 30, 2019 and 2018



Independent Auditors' Report

Board of Directors Publicolor, Inc.

We have audited the accompanying financial statements of Publicolor, Inc., which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Publicolor, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the year ended June 30, 2019, Publicolor, Inc. adopted new accounting guidance resulting in a change in the manner in which it presents net assets and reports certain aspects of its financial statements. Our opinion is not modified with respect to this matter.

PKF O'Connor Davies, LLP

October 23, 2019

Publicolor, Inc.

Statements of Financial Position

	June 30	
	2019	2018
ASSETS		
Current Assets		
Cash	\$ 1,452,931	\$ 1,114,338
Investments	250,207	237,920
Receivables, net	931,286	972,551
Paint inventory	17,601	12,235
Prepaid expenses and other	96,138	66,469
Total Current Assets	2,748,163	2,403,513
Receivables, long-term	40,000	60,000
Security deposits	98,522	96,183
Property and equipment, net	371,035	431,256
Total Assets	\$ 3,257,720	\$ 2,990,952
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 53,597	\$ 69,325
Deferred rent payable	19,047	11,913
Total Current Liabilities	72,644	81,238
Deferred rent payable	228,705	247,752
Total Liabilities	301,349	328,990
Net Assets		
Without Donor Restrictions:		
Current	733,308	709,292
Board-directed (reserve fund)	976,354	681,945
Total Without Donor Restrictions	1,709,662	1,391,237
With donor restrictions	1,246,709	1,270,725
Total Net Assets	2,956,371	2,661,962
Total Liabilities and Net Assets	\$ 3,257,720	\$ 2,990,952

See notes to financial statements

Publicolor, Inc.

Statements of Activities

	Year Ended					
	June 30, 2019			June 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Contributions, including donated goods and services of \$59,845 and \$75,805	\$ 391,771	\$ 2,172,692	\$ 2,564,463	\$ 30,502	\$ 1,862,935	\$ 1,893,437
Fundraising campaign, net of direct costs of \$173,800 and \$205,165	1,029,218	-	1,029,218	1,142,337	-	1,142,337
Contract and service revenue	180,737	-	180,737	194,500	-	194,500
Investment return	19,876	-	19,876	6,529	-	6,529
Net assets released from restrictions	2,196,708	(2,196,708)	-	1,892,999	(1,892,999)	-
Total Public Support and Revenue	<u>3,818,310</u>	<u>(24,016)</u>	<u>3,794,294</u>	<u>3,266,867</u>	<u>(30,064)</u>	<u>3,236,803</u>
EXPENSES						
Program services	2,803,234	-	2,803,234	2,634,436	-	2,634,436
Management and general	334,984	-	334,984	300,154	-	300,154
Fundraising	361,667	-	361,667	418,617	-	418,617
Total Expenses	<u>3,499,885</u>	<u>-</u>	<u>3,499,885</u>	<u>3,353,207</u>	<u>-</u>	<u>3,353,207</u>
Change in Net Assets	318,425	(24,016)	294,409	(86,340)	(30,064)	(116,404)
NET ASSETS						
Beginning of year	<u>1,391,237</u>	<u>1,270,725</u>	<u>2,661,962</u>	<u>1,477,577</u>	<u>1,300,789</u>	<u>2,778,366</u>
End of year	<u>\$ 1,709,662</u>	<u>\$ 1,246,709</u>	<u>\$ 2,956,371</u>	<u>\$ 1,391,237</u>	<u>\$ 1,270,725</u>	<u>\$ 2,661,962</u>

See notes to financial statements

Publicolor, Inc.

Statements of Functional Expenses

	Year Ended							
	June 30, 2019				June 30, 2018			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,342,994	\$ 214,865	\$ 249,244	\$ 1,807,103	\$ 1,269,700	\$ 186,170	\$ 297,362	\$ 1,753,232
Payroll taxes and employee benefits	267,165	33,279	40,372	340,816	244,987	32,716	50,469	328,172
Students' stipends	178,221	-	-	178,221	164,808	-	-	164,808
Professional fees	38,400	30,218	9,600	78,218	39,010	22,757	59	61,826
Scholarships, college tours, and workshops	225,255	-	-	225,255	209,259	-	-	209,259
Food and onsite project costs	66,792	-	-	66,792	56,642	-	-	56,642
Project travel and auto	90,998	258	515	91,771	73,180	271	541	73,992
Paint and project supplies	114,724	-	-	114,724	61,727	-	-	61,727
In-kind-paint donations and other project supplies	68,574	-	8,359	76,933	90,294	-	6,906	97,200
Events	5,776	-	172,582	178,358	10,354	-	217,048	227,402
Occupancy	251,313	23,935	23,935	299,183	246,690	23,494	23,494	293,678
Depreciation and amortization	57,185	5,446	5,446	68,077	61,896	5,895	5,895	73,686
Office	55,309	5,268	5,268	65,845	49,424	4,707	4,707	58,838
Insurance	26,202	2,508	2,508	31,218	28,802	2,555	2,555	33,912
Subscription, payroll services, recruitment, and miscellaneous	6,348	3,207	1,664	11,219	5,299	1,830	1,203	8,332
Development and cultivation	7,978	-	15,974	23,952	22,364	-	13,543	35,907
Provision for bad debts	-	16,000	-	16,000	-	19,759	-	19,759
	<u>2,803,234</u>	<u>334,984</u>	<u>535,467</u>	<u>3,673,685</u>	<u>2,634,436</u>	<u>300,154</u>	<u>623,782</u>	<u>3,558,372</u>
Less Expenses of Direct Benefit to Donors	-	-	(173,800)	(173,800)	-	-	(205,165)	(205,165)
	<u>\$ 2,803,234</u>	<u>\$ 334,984</u>	<u>\$ 361,667</u>	<u>\$ 3,499,885</u>	<u>\$ 2,634,436</u>	<u>\$ 300,154</u>	<u>\$ 418,617</u>	<u>\$ 3,353,207</u>

See notes to financial statements

Publicolor, Inc.

Statements of Cash Flows

	Year Ended June 30	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 294,409	\$ (116,404)
Adjustments to reconcile change in net assets to net cash from operating activities		
Donated securities	(54,919)	-
Net realized and unrealized (gain) loss on investments	(6,345)	4,598
Depreciation and amortization	68,077	73,686
Provision for bad debts	16,000	19,759
Change in deferred rent payable	(11,913)	(4,953)
Changes in Assets and Liabilities		
Receivables	45,265	74,943
Paint inventory	(5,366)	5,894
Prepaid expenses and other	(29,669)	(20,675)
Security deposits	(2,339)	(4,137)
Accounts payable and accrued expenses	(15,728)	(5,840)
Net Cash From Operating Activities	<u>297,472</u>	<u>26,871</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	55,029	-
Purchase of investments	(6,052)	(7,121)
Purchase of property and equipment	(7,856)	(61,033)
Net Cash From Investing Activities	<u>41,121</u>	<u>(68,154)</u>
Net Increase (Decrease) in Cash	338,593	(41,283)
CASH		
Beginning of year	<u>1,114,338</u>	<u>1,155,621</u>
End of year	<u>\$ 1,452,931</u>	<u>\$ 1,114,338</u>

See notes to financial statements

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

1. Organization and Tax Status

Organization

Publicolor, Inc. (the “Organization”), is a nonprofit organization whose mission is to fight poverty by using design-based programming to aggressively address the alarming rate of youth disengagement in New York City. The Organization deliberately targets high-risk, low-income students in a multi-year continuum of programs to encourage academic achievement, college preparation, job readiness, and community service. This unique applied learning model uses design and design thinking to stimulate and inspire students, empowering them to prepare for success in school, work, and life.

The Organization’s continuum of creative youth development programs - Paint Club, COLOR Club, Next Steps, Summer Design Studio, Fresh Coat, and the Publicolor College Scholarship for Community Service - are anchored in high expectations and the belief that when students experience daily successes, they build the self-confidence necessary to achieve more in all areas of their life, including school, where risk-taking is inherent to real learning.

Paint Club

The Organization’s introductory program, engages at-risk students in the revitalization of low-performing middle and high schools. Participants learn commercial painting skills as well as strong, transferable work habits such as time management, attention to detail, communication, project management, and teamwork. By changing environments, the Organization aims to change attitudes and behaviors with a new sense of focus, determination and energized environments of learning.

COLOR Club (Community of Leaders Organizing Revitalization)

A multi-year, three-day-a-week apprenticeship program for Paint Club graduates at the 7th, 8th, 9th and 10th grade levels providing them with weekly career exposure and life skills workshops, academic tutoring, and Saturday painting opportunities that hone their work skills. COLOR Club offers rigorous weekly workshops organized into industry-centric modules that allow students to explore different career paths and the skills needed in each. COLOR Club students also learn design thinking skills, which helps them develop critical thinking skills and creative problem solving skills. Design thinking as an approach to education teaches meaningful control over their lives. Engaging in the design process helps the students draw from their own creativity, which in turn, empowers them to be shapers of their world.

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

1. Organization and Tax Status (*continued*)

Next Steps

A two-year, three-day-a-week college and career preparation program for 11th and 12th graders for approximately 180 high school juniors and seniors, college students, and students who are transitioning to college or post-secondary options. The program builds upon the COLOR Club model, offering weekly and college prep workshops, academic tutoring, and Saturday participation at school and community painting sites. Weekly career and college preparation activities include resume preparation, job shadowing, mock interviews, college applications, S.A.T. preparation, financial aid guidance, college search, and multi-day, multi-campus college tours.

Summer Design Studio (SDS)

A seven-week, five-day a week program that immerses students in math and literacy through the scaffold of production design for 75-80 youths, ages 14-21. The Organization created SDS as an antidote to summer learning loss. SDS enrolls students from its continuum of programs that are offered during the school year. The summer months prove to be critical for the low-income, academically struggling students whose families cannot afford to pay for summer enrichment activities. SDS offers the students a rare opportunity to continue their learning in July and August, ensuring that they stay on track for academic success. The SDS program also includes S.A.T. preparation classes and offers disadvantaged youth crucial employment and work experience every afternoon by involving them in painting under-resourced but vital neighborhood facilities.

Fresh Coat

A semi-professional painting crew of Next Steps students. The program offers students job training to enhance their work-readiness and deepen their knowledge of commercial painting. In FY2019, they transformed 20 community sites and had the opportunity to work next to one of the 1120 volunteers who informally mentor them by describing their jobs and the education needed to do them.

Publicolor College Scholarships for Community Service

A scholarship program to help fill the monetary gap between students' financial aid packages and the real cost of college.

Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is a publicly supported organization as described in Section 509(a) and is not subject to income taxes.

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

On July 1, 2018, the Organization adopted new guidance regarding the Presentation of Financial Statements for Not-for-Profit Entities. This guidance requires the Organization to collapse the three-category (unrestricted, temporarily restricted, and permanently restricted) classification of net assets into two categories: with donor restrictions and without donor restrictions. In addition, the new guidance requires the Organization to make certain expanded disclosures relating to (1) the liquidity of financial assets, and (2) expenses by both their natural and functional classification in one location in the financial statements.

Net Asset Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets are classified as with or without donor restrictions.

Net assets without donor restrictions include funds having no restrictions as to time or purpose imposed by the donors and are currently available at the discretion of the Organization for use in its programs and general operations. In addition, the Board of Directors designates certain net assets as a contingency fund.

Net assets with donor restrictions are those that will be met either by actions of the Organization 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 statements of activities as net assets released from restrictions.

Cash

Cash includes cash on hand, and cash held in checking, savings and money market accounts.

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Concentration of Credit Risk and Other

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of receivables, which are expected to be collected in the normal course of business, cash and investments. The Organization maintains its cash in bank deposits in one financial institution and its investments in one brokerage account. At times, these accounts may have exceeded the federally and securities protection insurance limits during fiscal 2019 and 2018, and subjected the Organization to a concentration of credit risk. At year-end, the Organization's cash deposits in the financial institution exceeded the federally insured limit by approximately \$902,000 in 2019 and \$594,000 in 2018. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on uninsured cash and investments.

Approximately 12% (or \$450,000) of the Organization's total public support and revenue of \$3,794,294 was received from one donor during the year ended June 30, 2019. The amount due from this donor was \$235,000 and \$225,000 as of June 30, 2019 and June 30, 2018.

Fair Value Measurements

The Organization follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investments as of June 30, 2019 and 2018 consist of an intermediate government fund and an inflation protected bond fund, and are both carried at fair value. These investments were valued using level 1 inputs.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Pledges Receivable

Unconditional pledges that are expected to be collected within one year are recorded at their net realizable value and are reflected in current assets on the statements of financial position. Unconditional pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows and are reflected as long-term receivables on the statements of financial position. Discounts on these amounts were not material. Conditional pledges are not included as support until such time as the conditions are substantially met.

An allowance for doubtful accounts is established for amounts where there exists doubt as to whether an amount will be fully collectible. The determination of this allowance is an estimate based on the Organization's historical experience, review of account balances and expectations relative to collections.

Paint Inventory

Inventory from in-kind donations is recorded at fair value when received. Inventories are stated at the lower of cost or net realizable value on a weighted-average basis.

Property and Equipment, Depreciation and Amortization

Property and equipment is stated at cost. The Organization capitalizes all purchases of property and equipment in excess of \$1,000. Depreciation is provided on the straight-line method over the estimated useful lives of the assets which are three to five years for equipment, accounting software and autos.

Amortization of leasehold improvements is provided on the straight-line method over the remaining term of the lease or the estimated useful life of the improvements, whichever is shorter.

Board-Directed Reserve Fund

The Board of Directors has resolved to segregate certain net assets without donor restrictions as a contingency fund to enable the Organization to withstand the impact of economic downturns as well as to provide adequate funding for unexpected major expenditures. The usage of such funds is dependent upon approval by the finance committee and/or the board of directors.

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Contributions

All contributions are recorded as support upon receipt of cash or unconditional pledges and are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases this net asset class. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Contract and Service Revenue

Contract revenue is recognized as revenue upon completion of a space transformation based on contracts with the New York City Department of Education and community-based nonprofit organizations.

Scholarships

Scholarships to students are recognized as expenses when awarded by the Organization's board of directors for the purpose of helping qualified students' fill the monetary gap between the financial aid they receive and the real cost of college. Scholarship direct expense in the amount of \$209,622 and \$197,758 for the years ended June 30, 2019 and 2018 was included in scholarships, college tours and workshops in the statements of functional expenses.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting services are allocated directly according to their natural expenditure classification; these expenses include student stipends, scholarships, college tours, and workshops, and paint and project supplies. Costs that are common to several functions are allocated among the program and supporting services based on time and effort records and estimates made by the Organization's management; these include salaries, payroll taxes and employee benefits, professional fees and occupancy.

Uncertain Tax Positions

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had taken no uncertain tax positions that require financial statement recognition or disclosure.

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

2. Summary of Significant Accounting Policies (continued)

Uncertain Tax Positions (continued)

The Organization is no longer subject to examinations by the applicable tax jurisdictions for periods prior to fiscal 2016.

Subsequent Events Evaluation by Management

The Organization evaluated events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected and/or disclosed in the financial statements. Such evaluation was performed through October 23, 2019, the date these financial statements were available for issuance.

3. Receivables

Receivables consists of the following at June 30:

	<u>2019</u>	<u>2018</u>
Contract revenue	\$ 110,334	\$ 103,667
Pledges	612,436	721,008
Event income	241,225	183,490
Accounts and other	<u>21,291</u>	<u>28,386</u>
	985,286	1,036,551
Less: allowance for doubtful accounts	<u>14,000</u>	<u>4,000</u>
	971,286	1,032,551
Less: Receivables, long-term	<u>40,000</u>	<u>60,000</u>
	<u>\$ 931,286</u>	<u>\$ 972,551</u>

4. Property and Equipment

Property and equipment consists of the following at June 30:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 519,696	\$ 519,696
Equipment	247,738	239,882
Autos	<u>35,075</u>	<u>35,075</u>
	802,509	794,653
Less: accumulated depreciation and amortization	<u>431,474</u>	<u>363,397</u>
	<u>\$ 371,035</u>	<u>\$ 431,256</u>

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

5. Donated Goods and Services

Contributed materials and equipment are reported as contributions in the accompanying financial statements at their estimated fair values at date of receipt. Contributed services are reported in the accompanying financial statements at the fair value of the services received. The contribution of services is recognized if the services rendered (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation. The value of donated goods and services recorded in the accompanying financial statements was approximately \$64,000 and \$76,000 for the years ended June 30, 2019 and 2018.

In addition, the Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization's programs, fund-raising campaigns, and management. The compensation equivalent of approximately \$248,000 and \$193,000 for the years ended June 30, 2019 and 2018 for such services has been determined by management to be reasonable for obtaining such services, but is not reflected in the accompanying financial statements, as they do not meet the criteria outlined above.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 consist of the following:

	<u>2019</u>	<u>2018</u>
Paint Club	\$ 123,971	\$ 93,540
Summer Design Studio Program	-	11,248
Scholarship Program	483,776	422,145
Other	8,180	15,997
Time restriction	<u>630,782</u>	<u>727,795</u>
	<u>\$ 1,246,709</u>	<u>\$ 1,270,725</u>

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

6. Net Assets With Donor Restrictions (continued)

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors, or by the passage of time. The following net assets were released from donor restrictions during the years ended June 30:

	<u>2019</u>	<u>2018</u>
Paint Club	\$ 720,499	\$ 451,344
COLOR Club/Next Steps	272,063	220,667
Summer Design Studio Program	296,860	369,103
Scholarship Program	243,357	243,537
Time restriction	607,612	556,846
Other	56,317	51,502
	<u>\$ 2,196,708</u>	<u>\$ 1,892,999</u>

7. Commitments and Contingencies

Operating Leases

In June 2015, the Organization entered into a ten year operating lease agreement to conduct its office operations. The lease commenced in November 2015 and includes a contribution of approximately \$103,000 in the form of leasehold improvements from the landlord as incentive for the Organization to sign the lease. The contribution is reflected in deferred rent payable in the statements of financial position and is amortized on a straight-line basis over the term of the lease.

Deferred rent payable of \$247,752 and \$259,665 at June 30, 2019 and 2018 is the difference between the cumulative amounts recorded for occupancy expense and the aforementioned credit for leasehold improvements on a straight-line basis over the term of the lease, as compared to the cumulative required amounts paid under the leases as of June 30, 2019 and 2018. Occupancy expense was approximately \$299,000 and \$294,000 for the years ended June 30, 2019 and 2018.

Future annual minimum lease commitments under this lease are approximately as follows for years ending June 30:

2020	\$ 292,500
2021	299,800
2022	307,300
2023	315,000
2024	322,900
Thereafter	442,100
	<u>\$ 1,979,600</u>

Publicolor, Inc.

Notes to Financial Statements
June 30, 2019 and 2018

8. Liquidity and Availability of Financial Assets

The Organization's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the statement of financial position were as follows:

Financial assets:	
Cash	\$ 1,452,931
Investments	250,207
Receivables - due within one year	<u>931,286</u>
Total Financial Assets	<u>2,634,424</u>
Less:	
Board-directed (reserve fund)	(976,354)
Donor restricted for time and purpose	<u>(1,246,709)</u>
	<u>(2,223,063)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 411,361</u>

The Organization monitors its cash needs regularly and receives contributions and fundraising support throughout the year in addition to contract and service revenue earned from services provided to schools. The Board of Directors can also decide to draw upon the reserve fund if additional funds are needed.

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