

FOOD LITERACY CENTER

Independent Accountant's Review Report
and Financial Statements

Year Ended December 31, 2021

With summarized comparative financial information
for the year ended December 31, 2020

**FOOD LITERACY CENTER
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	<u>PAGE(S)</u>
Independent Accountant's Review Report.....	1-2
FINANCIAL STATEMENTS:	
Statement of Financial Position.....	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows.....	6
Notes to Financial Statements	7-15



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Food Literacy Center
Sacramento, CA

We have reviewed the accompanying financial statements of Food Literacy Center (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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; 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.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Food Literacy Center and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously reviewed Food Literacy Center's 2020 financial statements and are not aware of any material modifications that should be made to the financial statements in our report dated March 9, 2021. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2020, for it to be consistent with the reviewed financial statements from which it has been derived.

Fritzsche Associates, Inc.

Certified Public Accountants
Sacramento, CA
May 9, 2022

**FOOD LITERACY CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021**

WITH COMPARATIVE FINANCIAL INFORMATION AS OF DECEMBER 31, 2020

	2021	2020
Assets		
Cash and equivalents	\$ 1,056,462	\$ 822,722
Contributions receivable	1,615,544	202,989
Equity securities	17,757	-
Prepaid expenses	-	245
Deposits	-	2,200
Fixed assets, net	9,191	6,378
 Total assets	 \$ 2,698,954	 \$ 1,034,534
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 6,402	\$ 3,591
Accrued expenses	39,850	28,174
Refundable advance	-	67,415
 Total liabilities	 46,252	 99,180
Net assets:		
Without donor restrictions:		
Designated for reserves	400,000	400,000
Designated for capital assets	20,000	20,000
Designated for maintenance	20,000	20,000
Undesignated	609,860	242,110
	1,049,860	682,110
 With donor restrictions	 1,602,841	 253,244
 Total net assets	 2,652,701	 935,354
 Total liabilities and net assets	 \$ 2,698,953	 \$ 1,034,534

The accompanying notes are an integral part of these financial statements.

**FOOD LITERACY CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Support and revenue:				
Private grants, contributions, and bequests	\$ 585,272	\$ 1,637,876	\$ 2,223,148	\$ 896,961
Government grant (COVID Relief)	67,415	-	67,415	-
Donated goods and services	102,732	-	102,732	144,809
Special events	54,181	-	54,181	69,546
Program service revenue	3,750	-	3,750	4,375
Interest income	85	-	85	1,173
Net assets released from restrictions	288,279	(288,279)	-	-
 Total support and revenue	 <u>1,101,714</u>	 <u>1,349,597</u>	 <u>2,451,311</u>	 <u>1,116,864</u>
Expenses:				
Program services:				
Food Literacy program	600,357	-	600,357	686,601
Total program services	<u>600,357</u>	<u>-</u>	<u>600,357</u>	<u>686,601</u>
Supporting services:				
Management and general	66,949	-	66,949	61,052
Development	66,658	-	66,658	41,996
Total supporting services	<u>133,607</u>	<u>-</u>	<u>133,607</u>	<u>103,048</u>
Total expenses	<u>733,964</u>	<u>-</u>	<u>733,964</u>	<u>789,649</u>
Change in net assets	367,750	1,349,597	1,717,347	327,215
Net assets, beginning of year	<u>682,110</u>	<u>253,244</u>	<u>935,354</u>	<u>608,139</u>
Net assets, end of year	<u>\$ 1,049,860</u>	<u>\$ 1,602,841</u>	<u>\$ 2,652,701</u>	<u>\$ 935,354</u>

The accompanying notes are an integral part of these financial statements.

FOOD LITERACY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

	Food Literacy Program	Management and General	Development	2021 Total	2020 Total
Salaries & wages	\$ 292,330	\$ 29,233	\$ 35,870	\$ 357,433	\$ 328,179
Employee benefits	22,866	2,286	2,806	27,958	29,172
Payroll taxes	24,937	2,494	3,060	30,491	26,808
Staff development	10,221	1,022	1,254	12,497	1,291
Workers' compensation insurance	3,167	317	389	3,873	593
Subtotal personnel	353,521	35,352	43,379	432,252	386,043
Accounting fees	-	16,045	-	16,045	15,967
Bank & payroll charges	-	4	3,092	3,096	3,508
Depreciation	2,589	130	468	3,187	3,727
Donated food, supplies, & services	92,660	4,522	5,550	102,732	144,810
Donated rent	38,295	550	674	39,519	-
Grants to others	21,875	-	-	21,875	142,500
Insurance	2,988	299	367	3,654	3,613
Meeting expenses	1,188	119	146	1,453	400
Miscellaneous	2,213	4,927	2,602	9,742	5,635
Occupancy	8,360	836	1,026	10,222	21,000
Office supplies	2,278	228	280	2,786	2,287
Other professional fees	10,085	734	1,081	11,900	17,749
Printing & postage	4,640	277	4,966	9,883	8,526
Program expenses	49,962	-	-	49,962	16,903
Software & website	7,312	2,699	2,865	12,876	12,175
Telephone & internet	623	62	76	761	1,402
Travel & meals	1,065	95	-	1,160	1,518
Utilities	703	70	86	859	1,886
Total expenses	<u>\$ 600,357</u>	<u>\$ 66,949</u>	<u>\$ 66,658</u>	<u>\$ 733,964</u>	<u>\$ 789,649</u>

The accompanying notes are an integral part of these financial statements.

**FOOD LITERACY CENTER
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021**

WITH COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

	2021	2020
Cash flows from operating activities:		
Cash receipts from grants, contributions, and bequests	\$ 725,421	\$ 842,109
Cash from special events	54,181	69,546
Other cash receipts	71,250	5,548
Payments for salaries, benefits, and payroll taxes	(420,576)	(385,345)
Payments to vendors	(190,537)	(255,597)
Net cash provided by operating activities	239,739	276,261
Cash flows from investing activities:		
Purchases of fixed assets	(6,000)	(1,250)
Net cash used in investing activities	(6,000)	(1,250)
Net increase in cash	233,739	275,011
Cash and equivalents, beginning of year	822,722	547,711
Cash and equivalents, end of year	\$ 1,056,461	\$ 822,722

The accompanying notes are an integral part of these financial statements.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – NATURE OF THE ORGANIZATION

Food Literacy Center (the Center, we, us, our) of Sacramento, California is an independent, not-for-profit organization that was incorporated on November 16, 2011. Our mission is to inspire kids to eat their vegetables. We teach children in low-income elementary schools cooking, nutrition, gardening, and active play to improve our health, environment, and economy. We are primarily funded through foundation and corporate grants, individual donations, and special events.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Our financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). 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-) imposed restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. We report donor-restricted support whose restrictions are met in the same reporting period as support within net assets without donor restrictions.

Cash and Equivalents

Cash and equivalents consist of cash on hand and highly liquid investments with original or remaining maturities of three months or less at the time of purchase.

Investments

We record investment purchases at cost or at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions Receivable

Grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Grants and contributions receivable 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 statement of activities. Based on historical experience, an assessment of economic conditions, and a review of subsequent collections, we expect all such contributions to be collectible. Accordingly, an allowance for uncollectible contributions has not been established as of December 31, 2021 or December 31, 2020.

Fixed Assets

Acquisitions of fixed assets in excess of \$2,500 are capitalized and stated at cost. Donated fixed assets are reported at fair value at the date of the gift. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

Revenue and Revenue Recognition

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or a 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.

A portion of our revenue is derived from cost-reimbursable federal, state, and foundation contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. We have received cost-reimbursable grants totaling \$309,664 and \$88,566 that have not been recognized as of December 31, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under our federal and state contracts and grants.

We recognize special event revenue when the events are held.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses

The costs of providing our program services and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services based on our estimates of employees' time incurred and usage of resources.

Use of Estimates

In preparing financial statements in conformity with U.S. GAAP, our management is required to make estimates and assumptions that affect certain reported amounts and disclosures. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from these estimates under different assumptions or conditions.

Income Tax Status

We are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and related California code sections. In addition, we qualify for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and are considered a publicly-supported organization.

Management has processes presently in place to ensure maintenance of our tax-exempt status; to identify and report unrelated business income; to determine our filing and tax obligations for which we have nexus; and to identify and evaluate other matters that may be considered tax positions. We have evaluated the tax positions and related income tax contingencies and do not believe that any material uncertain tax positions exist that require recognition or disclosure in the financial statements.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from funding sources supportive of our mission.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Presentation of Certain Prior Year Information

The statement of activities and statement of functional expenses include certain prior year summarized financial information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with our financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and equivalents	\$ 1,056,462	\$ 822,722
Contributions receivable	94,737	202,989
Equity securities	17,757	--
Less: Board-designated amounts	<u>(440,000)</u>	<u>(440,000)</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 728,956</u>	 <u>\$ 585,711</u>

The board-designated amounts can be made available if necessary. We maintain a liquid cash balance in checking and money market accounts in an amount necessary to meet our anticipated expenditures for at least the next 60 days. Cash in excess of this may be invested in short-term investments.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 – CONTRIBUTIONS RECEIVABLE

Contributions receivable was comprised of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Contributions receivable	\$ 94,737	\$ 202,989
Promised use of facilities	1,731,512	--
Less unamortized discount	<u>(210,705)</u>	<u> --</u>
Total contributions receivable	<u>\$ 1,615,544</u>	<u>\$ 202,989</u>

As of December 31, 2021 and 2020, collection of the contributions receivable balance (other than the promised use of facilities) was expected as follows

	<u>2021</u>	<u>2020</u>
Due within one year	\$ 68,887	\$ 202,989
Due in one to five years	25,850	--
Due in more than five years	<u> --</u>	<u> --</u>
Total	<u>\$ 94,737</u>	<u>\$ 202,989</u>

The discount rate is 3% and only applies to the promised use of facilities.

In October 2021, we executed a ten-year lease agreement with the Sacramento City Unified School District whereby we receive the use of a building, parking lot and farm area (facilities) in Sacramento, California for no cost. The lease term may be extended by the written mutual consent of the parties.

Organizations that receive the free or discounted use of facilities, in which the donor retains legal title, for a specified period, should report these promises as contributions receivable and as donor restricted support that increases net assets restricted by donors. Expenses should be recognized in the periods the facilities are used. Therefore, we recognized contributions of \$1,560,326 for the free use of facilities during the year ended December 31, 2021. Contributions receivable are amortized as facilities expense on a straight line basis over the respective terms. We recognized facilities expense of \$39,520 for the year ended December 31, 2021.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 – EQUITY SECURITIES

In accordance with generally accepted accounting principles, we use the following prioritized input levels to measure fair value. The input levels used for valuing instruments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.

Level 2 – Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.

Level 3 – Unobservable inputs which reflect the reporting entity’s assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

Investments are reported at fair value and consist of the following as of December 31:

<u>2021</u>	Total	Level 1	Level 2	Level 3
Equity securities	\$ 17,757	\$ 17,757	\$ --	\$ --
Other assets carried at fair value	<u>\$ 17,757</u>	<u>\$ 17,757</u>	<u>\$ --</u>	<u>\$ --</u>

NOTE 6 – FIXED ASSETS

Fixed assets consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Computer equipment	\$ 6,862	\$ 11,739
Kitchen equipment	1,830	3,818
Furniture and equipment	642	4,523
Construction in progress	7,250	1,250
Less: accumulated depreciation	<u>(7,393)</u>	<u>(14,952)</u>
Total fixed assets	<u>\$ 9,191</u>	<u>\$ 6,378</u>

Depreciation expense was \$3,187 and \$3,727 for the years ended December 31, 2021 and 2020, respectively.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 – REFUNDABLE ADVANCE

We received a Paycheck Protection Program (PPP) loan established by the CARES Act and have elected to account for the funding as a conditional contribution by applying ASC Topic 958- 605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting FTE and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such an audit, adjustments could be required to the recognition of revenue. The PPP balance of \$67,415 was recognized as a refundable advance as of December 31, 2020, as conditions had not been met. However, the loan described above was forgiven in full by the U.S. Small Business Administration on January 12, 2021 and recognized as revenue for the year ended December 31, 2021.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Subject to the passage of time:		
General program and administrative activities	\$ 82,034	\$ 253,244
Promised use of facilities	<u>1,520,807</u>	<u>—</u>
Total net assets with donor restrictions	<u>\$ 1,602,841</u>	<u>\$ 253,244</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Expiration of time restriction	<u>\$ 288,279</u>	<u>\$ 103,500</u>

NOTE 9 – CONCENTRATIONS

For the year ended December 31, 2021, approximately 87% of contributions receivable (excluding the promised use of facilities) was due from two funding sources.

For the year ended December 31, 2020, approximately 74% of contributions receivable was due from two funding sources.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 – DONATED SERVICES, FACILITIES, AND MATERIALS

We received donated services, facilities, and materials as follows during the years ended December 31:

<u>2021</u>	<u>Food Literacy Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Food	\$ 43,477	--	--	\$ 43,477
Supplies	4,957	\$ 100	\$ 123	5,180
Professional services	44,226	4,422	5,427	54,075
Rent	<u>38,295</u>	<u>550</u>	<u>674</u>	<u>39,519</u>
Total	<u>\$ 130,955</u>	<u>\$ 5,072</u>	<u>\$ 6,224</u>	<u>\$ 142,251</u>

<u>2020</u>	<u>Food Literacy Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Food	\$ 82,353	--	--	\$ 82,353
Supplies	9,060	\$ 11	\$ 8	9,079
Professional services	<u>46,407</u>	<u>4,019</u>	<u>2,952</u>	<u>53,378</u>
Total	<u>\$ 137,820</u>	<u>\$ 4,030</u>	<u>\$ 2,960</u>	<u>\$ 144,810</u>

We also received donated services from a variety of unpaid volunteers assisting in leadership, committees, fundraising activities, and program services. The value of that donated time is not reflected in the accompanying financial statements since it does not meet the criteria for recognition as a contribution under accounting standards generally accepted in the United States of America.

NOTE 11 – FUNCTIONALIZED EXPENSES

Our financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, employee benefits, payroll taxes, insurance, postage and shipping, software and technology, telephone, travel and meals, and miscellaneous expenses, which are allocated on the basis of estimates of time and effort.

**FOOD LITERACY CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021**

WITH SUMMARIZED COMPARATIVE FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 – CONTINGENCIES

We have been awarded certain grants and contracts and are subject to financial and compliance requirements of those grantors or their representatives. The amount of expense which may be disallowed by the granting agencies cannot be determined at this time although we do not expect such amounts, if any, to materially affect the financial statements.

NOTE 13 – SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus (pandemic), economic uncertainties have occurred that may negatively impact our contribution revenue and program service activities. However, the related financial impact and duration of the pandemic cannot be reasonably estimated at this time.

Management has reviewed the results of operations for the period of time from our year ended December 31, 2021 through May 9, 2022, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.