LINCOLN LITERACY COUNCIL

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

DANA F. COLE
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

LINCOLN LITERACY COUNCIL
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DANA F. COLE & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lincoln Literacy Council
Lincoln, Nebraska

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lincoln Literacy Council (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Lincoln Literacy Council as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits 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 Lincoln Literacy Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Lincoln Literacy Council'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 and 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 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 judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lincoln Literacy Council'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 Lincoln Literacy Council'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.

Dana F Cole + Company, LLP

Lincoln, Nebraska
April 13, 2023

LINCOLN LITERACY COUNCIL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	336,711	399,587
Investments	552,250	313,557
Accounts receivable	113,353	30,658
Inventory	13,017	10,985
Prepaid expenses	3,582	3,628
Total current assets	1,018,913	758,415
PROPERTY AND EQUIPMENT		
Equipment	83,162	83,162
Less: accumulated depreciation	(75,048)	(62,592)
Total property and equipment	8,114	20,570
OPERATING LEASE RIGHT-OF-USE ASSETS		
Operating lease right-of-use asset	110,337	110,337
Less: accumulated amortization	(103,626)	(81,716)
Total operating lease right-of-use assets	6,711	28,621
TOTAL ASSETS	1,033,738	807,606

LINCOLN LITERACY COUNCIL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts payable	14,709	4,727
Sales tax payable	191	
Payroll tax payable	6,676	4,786
Wages payable	12,224	9,178
Unearned grant support and deferred revenue	8	8
Lease liabilities, current portion	6,711	21,910
Total current liabilities	40,519	40,609
LONG-TERM LIABILITIES		
Lease liability, net of current portion		6,711
NET ASSETS		
With donor restrictions		
Restricted by purpose or time	30,000	5,000
Without donor restrictions		
Net investment in property and equipment	14,825	20,570
Designated	552,250	277,557
Undesignated	396,144	457,159
Total without donor restrictions	963,219	755,286
Total net assets	993,219	760,286
TOTAL LIABILITIES AND NET ASSETS	1,033,738	807,606

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

LINCOLN LITERACY COUNCIL
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions	495,194		495,194	237,141		237,141
United Way funding	71,355		71,355	41,031		41,031
Other grants	110,540	165,000	275,540	125,714	170,000	295,714
Government grants		287,561	287,561		150,440	150,440
Fees	1,864		1,864			
Workshops, classes, and materials	56,835		56,835	5,910		5,910
Investment return	(48,230)		(48,230)	36,689		36,689
Gain on book sales						
Special events, net direct donor benefit costs of $- 0 - and $- 0 -, respectively	53,924		53,924	27,140		27,140
Net assets released from restriction	427,561	(427,561)		425,440	(425,440)	
Total revenues and other support	1,169,043	25,000	1,194,043	899,065	(105,000)	794,065
EXPENSES						
Program services						
FLAIR	85,351		85,351	87,445		87,445
BASIC	5,860		5,860	6,126		6,126
ESL	789,841		789,841	577,619		577,619
Management and general	58,455		58,455	33,293		33,293
Fundraising	21,603		21,603	17,869		17,869
Total expenses	961,110		961,110	722,352		722,352
CHANGE IN NET ASSETS	207,933	25,000	232,933	176,713	(105,000)	71,713
NET ASSETS, beginning of year	755,286	5,000	760,286	578,573	110,000	688,573
NET ASSETS, end of year	963,219	30,000	993,219	755,286	5,000	760,286

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

LINCOLN LITERACY COUNCIL
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022					
	Program Services			Management and	Fund-	
	ESL	BASIC	FLAIR	General	raising	Total
Wages and payroll taxes	659,153	5,860	72,295	38,264	16,024	791,596
Training/teaching materials	15,883					15,883
Office, postage, printing, supplies	50,878		3,856	9,494	3,075	67,303
Conference, workshop, dues, travel	14,434		1,200	725		16,359
Occupancy	37,932		8,000	9,464		55,396
Fees	11,561			508	2,504	14,573
	789,841	5,860	85,351	58,455	21,603	961,110

	2021					
	Program Services			Management and	Fund-	
	ESL	BASIC	FLAIR	General	raising	Total
Wages and payroll taxes	499,318	6,126	73,881	23,013	11,597	613,935
Training/teaching materials	9,022					9,022
Office, postage, printing, supplies	30,400		4,114	4,297	2,088	40,899
Conference, workshop, dues, travel	4,280		1,450	54		5,784
Occupancy	34,599		8,000	5,929		48,528
Fees					4,184	4,184
	577,619	6,126	87,445	33,293	17,869	722,352

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

LINCOLN LITERACY COUNCIL
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	232,933	71,713
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	12,456	15,393
Realized gain on investments	(13,676)	(194)
Unrealized gain on investments	74,087	(31,168)
(Increase) decrease in assets:		
Accounts receivable	(82,695)	3,866
Inventory	(2,032)	(800)
Prepaid expenses	46	39
Increase (decrease) in liabilities:		
Accounts payable	9,982	(8,108)
Sales tax payable	191	
Payroll taxes payable	1,890	656
Wages payable	3,046	48
Unearned grants		1
Total adjustments	3,295	(20,267)
Net cash provided by operating activities	236,228	51,446
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(299,104)	(4,635)
Net cash used in investing activities	(299,104)	(4,635)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(62,876)	46,811
CASH AND CASH EQUIVALENTS, beginning of year	399,587	352,776
CASH AND CASH EQUIVALENTS, end of year	336,711	399,587

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Lincoln Literacy Council, doing business as Lincoln Literacy (the Organization), is a Nebraska nonprofit corporation. Its purpose is to bring students together with volunteers to provide literacy services, support, and awareness to the community. The Organization's primary support comes from donors and grants.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

The financial statements report amounts by class of net assets, as required by ASU 2016-14, *Not-for-Profit Entities* (Topic 958)*: Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are currently available for operating purposes under the direction of the Board, designated by the Board for specific use, or invested in property and equipment.

Net Assets With Donor Restrictions

Net assets with donor restrictions are stipulated by donors for specific operating purposes, for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment return available for operations.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

The Organization utilizes Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-320, *Not-for-Profit Entities, Investments - Debt and Equity Securities*. FASB ASC 958-320 establishes standards of reporting at fair value certain investments, debt, and equity securities, held by not-for-profit organizations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)

Therefore, investments in equity securities that have a readily determinable fair value and all investments in debt securities are stated at fair value, with gains and losses included in the statements of activities. Fair value is determined by quoted market values.

Accounts Receivable

Accounts receivable have been adjusted for all known uncollectible accounts. No allowance for bad debts is considered necessary at year end.

Inventory

Inventories are stated at the lower-of-cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are stated at cost, if purchased, or fair market value, if donated. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation

The Organization provides for depreciation of property and equipment using annual rates which are sufficient to amortize the cost of depreciable assets using the straight-line method over their estimated useful lives for five years.

Revenue Recognition

Fees, Workshops, Classes, and Materials

The Organization conducts program-related experiences such as English for All, Family Literacy, Workforce Readiness for Refugees, and CNA and GED prep classes, where the performance obligation is delivery of the program. Employer and sponsor fees for classes are set by the Organization. For classes, fees include program supplies, staffing, and facility costs. As is customary, these items are not separately priced and, are therefore considered to be one performance obligation. Some activities require the purchase of course materials, which are separately priced.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Special Fundraising Event Revenue

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event, the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of direct donor benefits in the statement of activities and changes in net assets. The performance obligation is delivery of the event. The event fee is set by the Organization. FASB Accounting Standards Update (ASU) 2014-09 requires allocation of the transaction price to the performance obligation(s). Special event fees collected by the Organization in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event.

Grants

Grant amounts awarded, but not received, are reported as receivables. Grant revenue is recognized in the period the grant is awarded, provided it is unconditional, and is recorded as revenue in net assets with or without donor restrictions, depending on the grantor's intent. Unrestricted grant program revenues represent grant dollars received which were either not restricted by the donor, or for which restrictions were met in the year received. Conditional grants are recognized as revenue is earned.

Contributions

The Organization utilizes FASB ASC 958-605, *Accounting for Contributions Received and Made*. FASB ASC 958-605 requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Materials and Services

The Organization records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

Volunteers

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with its operations. The volunteer hours have not been recorded in the financial statements since those services do not meet the criteria for recognition.

Concentration of Support

The Organization receives approximately 25% and 31% of its annual budget from Woods Charitable Funds and a contract with the Nebraska Health and Human Services System, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been reported on a functional basis in the statement of functional expenses based on time and effort, actual costs, and estimates by the Organization.

Advertising

Advertising costs are expensed as incurred. Advertising expense was $179 and $960 for the years ended December 31, 2022 and 2021, respectively.

Compensated Absences

Employees' vacation benefits are recognized when paid.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Organization utilizes the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that would be material to the financial statements.

Reclassification

In certain instances, amounts for the prior year have been reclassified to place them on a basis comparable with the current year.

Leases

FASB ASU 2016-02, Topic 842, *Leases,* was implemented in the current year. Under the standard a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as a variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

ROU assets for finance leases are amortized on a straight-line basis over the lease term. Operating leases with fluctuating lease payments: For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset or liability for those leases. Lease payments for short-term leases are recognized on a straight-line basis.

The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The risk-free rate option has been applied to the building class of assets.

Right-of-use assets and liabilities as of December 31, 2022 and 2021, are presented as separate line items on the Organization's statements of financial position.

NOTE 2. PROLITERACY ENDOWED FUND AND THE LINCOLN COMMUNITY FOUNDATION

The Lincoln Community Foundation is a holder of the Proliteracy Endowed Fund and the Organization is a beneficiary of the income from the fund. The income from this fund is remitted to the Organization in November of each year and the amount will vary depending on the investment returns of the Lincoln Community Foundation. The total received from these funds during the years ended December 31, 2022 and 2021, was $795 and $- 0 -, respectively.

NOTE 3. LEASE COMMITMENTS

In April 2018, the Organization renewed its lease for its current office space under a noncancelable lease expiring April 30, 2023, including shared complex expenses. On May 1 of each year of the lease term monthly rent will be increased by 2.5%. There is an option to renew the lease for an additional four years at an increased monthly rental plus the shared complex expenses. At December 31, 2022, monthly lease payments were $1,860. The present value of the lease liability (and right-of-use asset) at the commencement of the lease was $99,305 and the applicable federal rate was 2.66%. As of December 31, 2022, the value of the lease liability is $6,537. Lease payments under this lease totaled $22,142 and $21,602, for the years ended December 31, 2022 and 2021, respectively.

In February 2018, the Organization entered into a 60-month lease with Eakes Office Plus for a copier requiring payments of $195 due monthly. The present value of the lease liability (and right-of-use asset) at the commencement of the lease was $11,031 and the applicable federal rate was 2.29%. As of December 31, 2022, the value of the of the lease liability is $174. Lease payments under this lease totaled $2,337 for both years ended December 31, 2022 and 2021, respectively.

NOTE 3. LEASE COMMITMENTS (Continued)

Future minimum annual lease payments under the above are as follows:

Years Ending December 31,	
2023	7,636
Total lease payments	7,636
Less: interest	(925)
Present value of lease liabilities	6,711

NOTE 4. DESIGNATED NET ASSETS

The Board of Directors has designated net assets as of December 31, 2022 and 2021, of $552,250 and $277,557, respectively, for the Fund for the Future.

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following as of December 31, 2022 and 2021:

Bridgeway Program	30,000	5,000

NOTE 6. CONCENTRATION OF CREDIT RISK

The Organization had deposits in one financial institution in excess of the $250,000 federally insured limit by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2022 and 2021, the amount of deposits not covered was $43,020 and $130,764, respectively.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of trade receivables with a variety of grantors. The Organization generally does not require collateral from its grantors. Such credit risk is considered by management to be limited due to the Organization's broad grantor base and its grantors' financial resources.

NOTE 7. INVESTMENTS

The Organization utilizes FASB ASC 820-10, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. FASB ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis.

NOTE 7. INVESTMENTS (Continued)

As defined in FASB ASC 820-10, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the fiscal years ended December 31, 2022 and 2021, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

<u>Marketable Equity Securities</u>

The fair value of marketable equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

NOTE 7. INVESTMENTS (Continued)

Recurring Fair Value Measurements

The table below presents the balances of assets measured at December 31, 2022 and 2021, at fair value on a recurring basis.

	2022			
	Total	Level 1	Level 2	Level 3
Mutual Funds				
Money market	32,036	32,036		
Bond funds	180,072	180,072		
Corporate equity funds	340,142	340,142		
Total	552,250	552,250		

	2021			
	Total	Level 1	Level 2	Level 3
Mutual Funds				
Money market	22,623	22,623		
Bond funds	80,555	80,555		
Corporate equity fund	210,379	210,379		
Total	313,557	313,557		

The carrying amounts, market value, unrealized gains, and unrealized losses of the Level 1 marketable securities at December 31, 2022 and 2021, are as follows:

	2022		
	Cost	Unrealized Gain	Market Value
Mutual funds	503,963	48,287	552,250

	2021		
	Cost	Unrealized Gain	Market Value
Mutual funds	222,631	90,926	313,557

Management evaluates securities for other than temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial conditions and near-term prospects of the issuer, and (3) the intent and ability of the Organization to retain its investments in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold securities for the foreseeable future, no declines are deemed to be other than temporary.

NOTE 7. INVESTMENTS (Continued)

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2022 and 2021:

	2022 Total Unrestricted	2021 Total Unrestricted
Net investment income	12,181	5,327
Realized gains	13,676	194
Unrealized gains	(74,087)	31,168
	(48,230)	36,689

NOTE 8. LIQUIDITY AND AVAILABILITY

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

	2022	2021
Cash and cash equivalents	336,711	399,587
Investments	552,250	313,557
Accounts receivable	113,353	30,658
Total financial assets available within one year	1,002,314	743,802
Less amounts restricted by donors	30,000	5,000
Less amounts unavailable to management without Board of Directors approval	552,250	313,557
Total financial assets available to management for general expenditure within one year	420,064	425,245

NOTE 9. SUBSEQUENT EVENTS

Subsequent to year end, the Organization signed an agreement to purchase a building for $1,357,065. The Organization was awarded an ARPA grant of $700,000 to partially fund the purchase.

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 13, 2023, the date the financial statements were available to be issued.