

CHO-YEH CAMP AND
CONFERENCE CENTER, INC.
Livingston, Texas

FINANCIAL STATEMENTS

December 31, 2021 and 2020

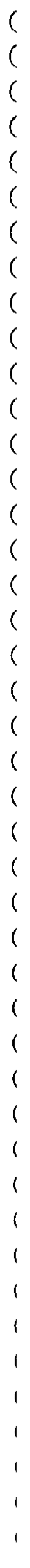


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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cho-Yeh Camp and Conference
Center, Inc.
Livingston, Texas

Opinion

We have audited the accompanying financial statements of Cho-Yeh Camp and Conference Center, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenditures, 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 the Organization as of December 31, 2021 and 2020, and the results of operations and 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 the Organization 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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



- 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 the Organization'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 the Organization'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.

Lufkin, Texas
May 13, 2022

Axley & Rode LLP
CERTIFIED PUBLIC ACCOUNTANTS



FINANCIAL STATEMENTS

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	
	2021	2020	2021	2020
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 3 409 789	\$ 1 619 585	\$ 24 999	\$ 24 999
Accounts receivable	35 280	-	-	-
Inventory	37 315	57 490	-	-
Unconditional promises to give, net	-	-	4 605 845	10 000
TOTAL CURRENT ASSETS	3 482 384	1 677 075	4 630 844	34 999
Property, plant and equipment	18 582 004	15 632 567	-	-
Other Assets:				
Investments	-	-	442 496	297 307
TOTAL OTHER ASSETS	-	-	442 496	297 307
TOTAL ASSETS	\$ 22 064 388	\$ 17 309 642	\$ 5 073 340	\$ 332 306
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable	\$ 227 308	\$ 78 671	\$ -	\$ -
Accrued expenses	12 927	3 579	-	-
Current portion of long-term debt	198 127	137 510	-	-
Advance deposits	608 636	518 607	-	-
TOTAL CURRENT LIABILITIES	1 046 998	738 367	-	-
Long-term debt	2 793 398	1 363 283	-	-
TOTAL LIABILITIES	3 840 396	2 101 650	-	-
Net Assets:				
Without donor restrictions	18 223 992	15 207 992	-	-
With Donor Restrictions:				
Scholarships	-	-	-	24 999
For purchase of property, plant and equipment	-	-	5 048 341	307 307
TOTAL NET ASSETS	18 223 992	15 207 992	5 048 341	332 306
TOTAL LIABILITIES AND NET ASSETS	\$ 22 064 388	\$ 17 309 642	\$ 5 048 341	\$ 332 306

See independent auditors' report and accompanying notes to financial statements.

TOTAL	
2021	2020
\$ 3 434 788	\$ 1 644 584
35 280	-
37 315	57 490
<u>4 605 845</u>	<u>10 000</u>
<u>8 113 228</u>	<u>1 712 074</u>
<u>18 582 004</u>	<u>15 632 567</u>
<u>442 496</u>	<u>297 307</u>
<u>442 496</u>	<u>297 307</u>
\$ <u>27 137 728</u>	\$ <u>17 641 948</u>
\$ 227 308	\$ 78 671
12 927	3 579
198 127	137 510
<u>608 636</u>	<u>518 607</u>
<u>1 046 998</u>	<u>738 367</u>
<u>2 793 398</u>	<u>1 363 283</u>
<u>3 840 396</u>	<u>2 101 650</u>
18 223 992	15 207 992
-	24 999
<u>5 048 341</u>	<u>307 307</u>
<u>23 297 332</u>	<u>15 540 298</u>
\$ <u>27 137 728</u>	\$ <u>17 641 948</u>

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	
	2021	2020	2021	2020
Operating Revenues:				
Retreats and Conferences	\$ 1 393 871	\$ 849 736	\$ -	\$ -
Summer Camp	3 706 674	970 196	-	-
Gap Year program	-	3 445	-	-
Trading post	408 997	131 454	-	-
Other	51 579	1 046	-	-
TOTAL OPERATING REVENUES	5 561 121	1 955 877	-	-
Operating Expenses:				
Program	4 753 517	3 292 752	-	-
Management and general	952 543	671 194	-	-
Fundraising	160 058	65 578	-	-
TOTAL OPERATING EXPENSES	5 866 118	4 029 524	-	-
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(304 997)	(2 073 647)	-	-
Other Revenues (Expenses):				
Contributions	-	-	6 903 318	2 463 729
Interest and dividends	4 563	5 055	41 261	85 931
Loan forgiveness	1 191 389	494 078	-	-
Interest expense	(78 500)	(61 866)	-	-
Net assets released from restrictions	2 203 545	3 117 116	(2 203 545)	(3 203 047)
TOTAL OTHER REVENUES (EXPENSES)	3 320 997	3 640 314	4 741 034	(653 387)
CHANGE IN NET ASSETS	3 016 000	1 566 667	4 741 034	(653 387)
Net assets - Beginning of year	15 207 992	13 641 325	332 306	985 693
NET ASSETS - END OF YEAR	\$ 18 223 992	\$ 15 207 992	\$ 5 073 340	\$ 332 306

See independent auditors' report and accompanying notes to financial statements.

TOTAL	
2021	2020
\$ 1 393 871	\$ 849 736
3 706 674	970 196
-	3 445
408 997	131 454
51 579	1 046
<u>5 561 121</u>	<u>1 955 877</u>
4 753 517	3 292 752
952 543	671 194
160 058	65 578
<u>5 866 118</u>	<u>4 029 524</u>
<u>(304 997)</u>	<u>(2 073 647)</u>
6 903 318	992 636
45 824	10 801
1 191 389	-
(78 500)	(46 614)
-	-
<u>8 062 031</u>	<u>2 986 927</u>
7 757 034	913 280
<u>15 540 298</u>	<u>14 627 018</u>
\$ <u>23 297 332</u>	\$ <u>15 540 298</u>

CHO-YEH CAMP AND CONFERENCE CENTER, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 Years Ended December 31, 2021 and 2020

	2021			TOTAL EXPENSES
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND- RAISING	
Salaries	\$ 1 946 166	\$ 170 476	\$ 124 632	\$ 2 241 274
Taxes	228 194	7 802	5 030	241 026
Health insurance	62 806	3 549	2 316	68 671
Other benefits	15 628	12 240	9 271	37 139
TOTAL SALARY AND RELATED EXPENSES	<u>2 252 794</u>	<u>194 067</u>	<u>141 249</u>	<u>2 588 110</u>
Food	471 292	-	-	471 292
Kitchen - Non-food	18 168	-	-	18 168
Repairs and maintenance	158 485	-	-	158 485
Utilities	238 290	-	-	238 290
Trading post	196 624	-	-	196 624
Advertising	180 982	-	10 568	191 550
Scholarships	9 807	-	-	9 807
Staff development	76 580	-	-	76 580
Program activities	165 302	-	-	165 302
Construction	25 276	-	-	25 276
Miscellaneous	197 186	-	-	197 186
Insurance	-	149 735	-	149 735
Professional services	-	315 056	-	315 056
Postage	-	19 243	-	19 243
Supplies	-	274 442	8 241	282 683
Travel expenses	20 851	-	-	20 851
TOTAL EXPENSES BEFORE DEPRECIATION AND BAD DEBT	<u>1 758 843</u>	<u>758 476</u>	<u>18 809</u>	<u>2 536 128</u>
Depreciation	741 880	-	-	741 880
TOTAL EXPENSES	<u>\$ 4 753 517</u>	<u>\$ 952 543</u>	<u>\$ 160 058</u>	<u>\$ 5 866 118</u>

See independent auditors' report and accompanying notes to financial statements.

2020

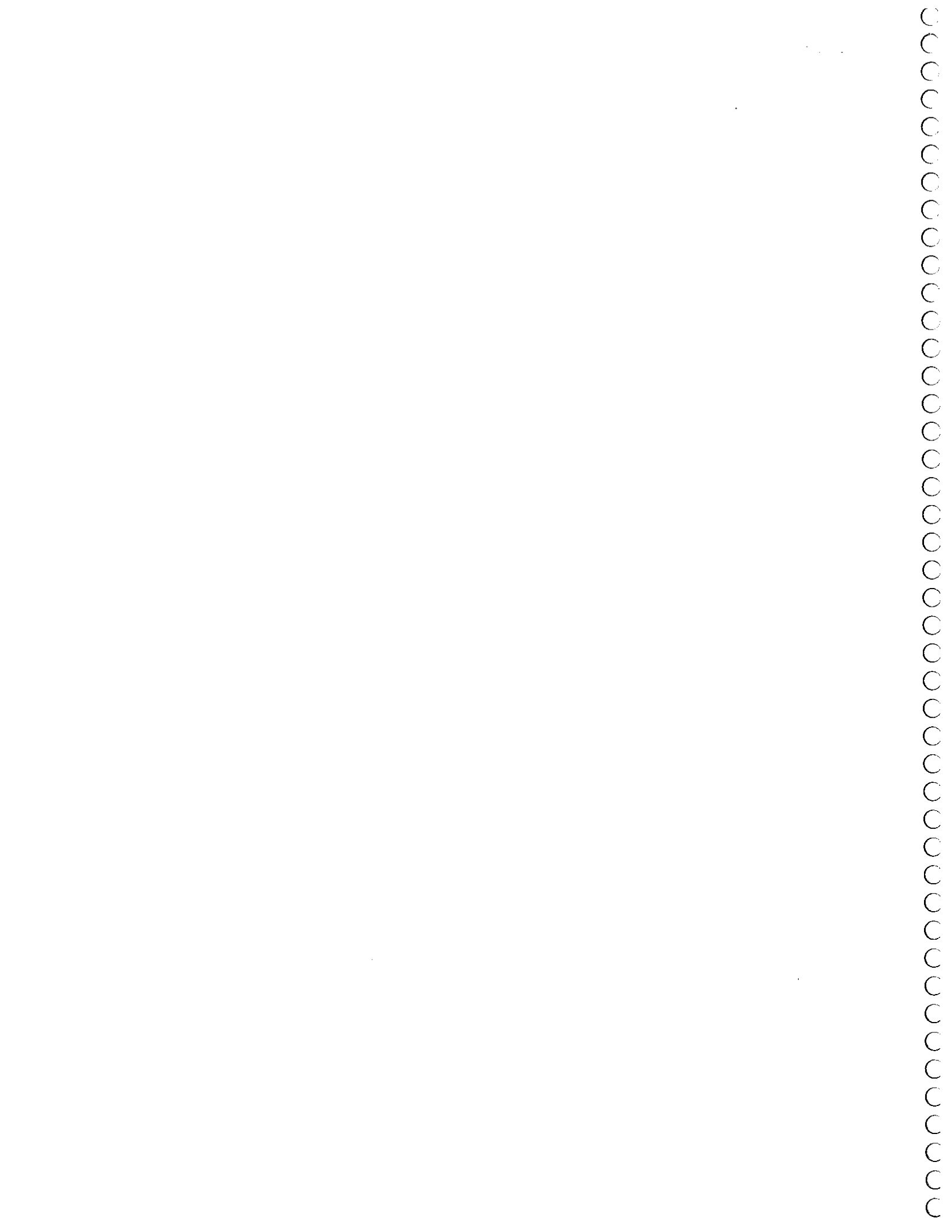
PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND-RAISING	TOTAL EXPENSES
\$ 1 434 410	\$ 176 330	\$ 50 474	\$ 1 661 214
151 061	16 345	3 684	171 090
101 758	8 452	1 491	111 701
20 108	41 289	3 960	65 357
<u>1 707 337</u>	<u>242 416</u>	<u>59 609</u>	<u>2 009 362</u>
200 414	-	-	200 414
9 183	-	-	9 183
136 123	-	-	136 123
173 439	-	-	173 439
77 468	-	-	77 468
48 266	-	190	48 456
10 828	-	-	10 828
31 524	-	-	31 524
87 269	-	-	87 269
458	-	-	458
97 203	-	-	97 203
-	179 520	-	179 520
-	74 689	-	74 689
-	8 365	-	8 365
-	166 204	1 793	167 997
5 198	-	3 986	9 184
<u>877 373</u>	<u>428 778</u>	<u>5 969</u>	<u>1 312 120</u>
<u>708 042</u>	<u>-</u>	<u>-</u>	<u>708 042</u>
<u>\$ 3 292 752</u>	<u>\$ 671 194</u>	<u>\$ 65 578</u>	<u>\$ 4 029 524</u>



CHO-YEH CAMP AND CONFERENCE CENTER, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in net assets	\$ 7 757 034	\$ 913 280
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	741 880	708 042
Unconditional promises to give - Net	(4 595 845)	(10 000)
(Increase) Decrease in Current Assets:		
Accounts receivable	(35 280)	63 373
Inventory	20 175	(4 005)
Increase (Decrease) in Current Liabilities:		
Accounts payable	148 637	(42 228)
Accrued expenses	9 348	(120 136)
Advance deposits	90 029	27 356
NET CASH PROVIDED BY OPERATING ACTIVITIES	4 135 978	1 535 682
Cash Flows from Investing Activities:		
Change in Cash Restricted for:		
Scholarships	(145 189)	(83 903)
Purchase of property, plant and equipment	(3 691 317)	(2 205 389)
NET CASH USED FOR INVESTING ACTIVITIES	(3 836 506)	(2 289 292)
Cash Flows from Financing Activities:		
Payments on long-term debt	(109 268)	(31 400)
Proceeds from issuance of long-term debt	1 600 000	850 000
NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	1 490 732	818 600
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1 790 204	64 990
Cash and cash equivalents - Beginning of year	1 644 584	1 579 594
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3 434 788	\$ 1 644 584
Supplemental Disclosures:		
Amount paid for interest	\$ 48 544	\$ 61 866

See independent auditors' report and accompanying notes to financial statements.



CHO-YEH CAMP AND CONFERENCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Cho-Yeh Camp and Conference Center, Inc. (the Organization) was established in 1947 by the Presbytery of New Covenant, Presbyterian Church U.S.A. as an integrated auxiliary. The Organization incorporated and received separate 501(c)(3) status in 2002. Currently, the mission of the Organization is to be "a place where Jesus Christ transforms lives through meaningful relationships and outdoor adventures". This is achieved through various programs and facilities the Organization makes available, such as summer camp, retreats and conferences, Elderhostel, and related facilities.

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.

Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine the uncollectible portion of unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Accounts Receivable

Accounts receivable consist of those amounts that are due from various individuals or groups that utilize the Organization's services and facilities. Management believes that these amounts are fully collectible; therefore, no allowances for doubtful accounts have been provided. Management is not aware of any significant concentrations of credit or market risks related to receivables or other financial instruments reported in these financial statements.

Contributed Services

Unpaid volunteers have made contributions of their time to develop the Organization's programs. During the year ended December 31, 2021 and 2020, the value of contributed services meeting the requirements for recognition under Financial Accounting Standards Board Codification Section 958, was not material and has not been recorded.

Inventory

Inventory is carried at the lower of cost (determined by the use of the first in, first out method) or market and consists of books, clothing, gifts, etc. Food is expensed as purchased.

Estimates

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

Property, Plant and Equipment

Property, plant and equipment is carried at cost, if purchased, or fair market value at date of acquisition, if received as a donation, with depreciation being taken by the straight-line method over the following estimated useful lives:

Buildings and improvements	30 years
Furniture, fixtures and equipment	7 years
Vehicles	5 years

Interest costs related to building construction are capitalized as part of the building cost.

Maintenance and repairs, as well as minor betterments, are charged to expense as incurred. Major betterments are capitalized. The cost and related accumulated depreciation for property disposals are removed from the accounts and any gains or losses are included in income.

Donations of property, plant, and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, plant, and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated or acquired assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization then reclassifies temporarily restricted net assets to unrestricted net assets at that time.



NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fair Values of Financial Instruments

Current professional standards define fair value as 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. Fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk. Management assesses the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs are quoted market prices for identical instruments in an active market that the entity has the ability to access and are the most observable. Level 2 inputs include quoted market prices for similar assets and observable inputs such as interest rates, currency exchange rates, commodity rates, and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash and accounts receivable: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments. (Level 1)

Investments: The fair values of investments are based on quoted market prices for those or similar investments. (Level 1)

Long-term unconditional promises to give: The fair value of promises to give that are due in more than one year is estimated by discounting the future cash flows using a current risk free rate of return based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection period. (Level 2)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Federal Income Tax

The Organization is classified as a nonprofit corporation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Uncertain Tax Positions

Financial Accounting Standards Board Codification Section 740 requires recognition, measurement and disclosure of uncertain tax positions. The Organization currently accounts for uncertain tax positions based on the estimated likelihood of assessment and has not determined that any tax positions require an accrual based on current standards of accounting. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the date on which those returns are filed.

Statements of Cash Flows

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. Cash restricted for purchase of property, plant and equipment and designated cash is not included in cash and cash equivalents.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on a historical percentage determined by the organization.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. Such reclassifications had no effect on previously reported net assets.

NOTE 2 - UNINSURED CASH BALANCES

The Organization's cash is deposited with three institutions. The amount on deposit in each of these institutions may exceed the \$250,000 federally insured limit from time to time.



CHO-YEH CAMP AND CONFERENCE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2021 and 2020

NOTE 3 - INVESTMENTS

Investments as of December 31, 2021 and 2020 consist of deposits with The Texas Presbyterian Foundation and are categorized as follows:

	COST		FAIR VALUE		CARRYING VALUE	
	2021	2020	2021	2020	2021	2020
With Donor Restrictions	\$ -	\$ -	\$ 442 496	\$ 297 307	\$ 442 496	\$ 297 307

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2021 and 2020.

	WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	
	2021	2020	2021	2020
Interest and dividends	\$ 4 563	\$ 5 055	\$ 41 261	\$ 85 931

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2021 and 2020 are as follows:

	2021	2020
Receivable in less than one year	\$ 4 605 845	\$ 10 000
Receivable in one to five years	-	-
Receivable in more than five years	-	-
TOTAL UNCONDITIONAL PROMISES TO GIVE	4 605 845	10 000
Less discounts to net present value	-	-
Less allowance for uncollectable promises	-	-
NET UNCONDITIONAL PROMISES TO GIVE	\$ 4 605 845	\$ 10 000

The Organization expects to collect all amounts in less than one year.

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, at cost, is summarized by major classification as follows:

	2021	2020
Land	\$ 5 431 859	\$ 5 431 859
Buildings and improvements	14 909 406	14 886 868
Furniture and equipment	1 870 054	1 701 628
Construction in progress	3 531 159	85 410
Vehicles	455 016	509 837
	26 197 494	22 615 602
Less accumulated depreciation	(7 615 490)	(6 983 035)
	\$ 18 582 004	\$ 15 632 567

Depreciation expense totaled \$741,880 and \$708,042 for the years ended December 31, 2021 and 2020, respectively.

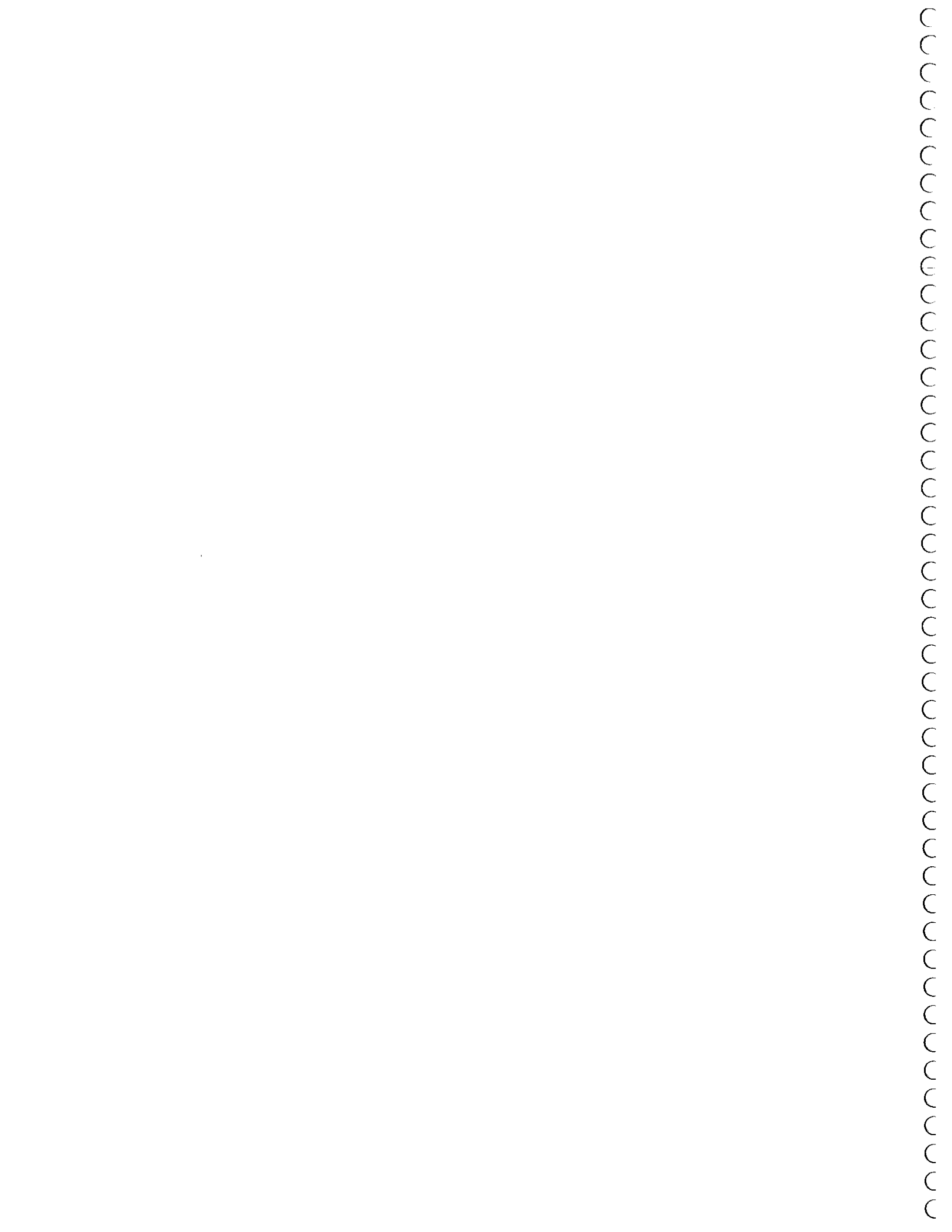
NOTE 6 - EMPLOYEE BENEFIT PLANS

The Organization participates in a 401(k) salary reduction plan, which covers all regular full-time employees who have completed twelve consecutive months of service. Contributions to the plan were \$58,564 and \$37,635 for the years ended December 31, 2021 and 2020, respectively.

NOTE 7 - NOTES PAYABLE

At December 31, 2021 and 2020, the Organization was liable for the following notes payable:

	2021	2020
Note payable - First National Bank of Livingston, due in 240 monthly installments of \$3,936, including interest at 4.25%, collateralized by deed of trust and real estate lien on a 345 acre tract of land in Polk County, Texas. Matures in August 2024.	\$ 150 910	\$ 176 159
Note payable - First National Bank of Livingston, due in 180 monthly installments of \$8,006, interest due at 4.25%, secured by buildings and equipment. Matures in May of 2026.	427 640	474 634
Note payable - First National Bank of Livingston, due in 179 monthly installments of \$6,395, interest due at 4.25%, secured by deed of trust and real estate lien on Andrews prop. Matures in May 2036.	821 276	850 000
Note payable - First National Bank of Livingston, due in 240 monthly installments of \$9,910, interest due at 4.25%, secured by building and equipment. Matures in December 2041.	1 591 699	-
	2 991 525	1 500 793
Less current maturities	198 127	137 510
	\$ 2 793 398	\$ 1 363 283



CHO-YEH CAMP AND CONFERENCE CENTER, INC.
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 2021 and 2020

NOTE 7 - NOTES PAYABLE - CONTINUED

The annual requirements for the five subsequent years are as follows:

2020	\$	198 127
2021		210 342
2022		222 279
2023		218 981
2024		196 461
Thereafter		<u>1 945 335</u>
	\$	<u>2 991 525</u>

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated for potential recognition or disclosure through the date of this report which is also the date the report was available to be issued.

A novel strain of coronavirus (COVID-19) was spread to the United States of America in January and February 2020. The World Health Organization declared the outbreak to constitute a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our students, employees and vendors all of which are uncertain and cannot be predicted. As of the date these financial statements are issued, COVID-19 had not materially affected results of operations in 2021. However, the impact of response efforts on future operations cannot be predicted.

NOTE 9 - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Organization purchases commercial insurance to cover general liabilities.

NOTE 10 - RELATED PARTY TRANSACTIONS

The Organization received contributions from related parties that approximated \$709,571 and \$1,069,000 for each year ending December 31, 2021 and 2020, respectively.

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's primary liquidity resource is collection of payments for services rendered and is supplemented by contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors.

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions or internal designations. There are no Board-approved appropriations and no internal designations for expenditure.

	2021
Current assets, excluding nonfinancial assets	\$ 3 507 383
Less: Donor restrictions for specific purposes	<u>(24 999)</u>
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>3 482 384</u>

