

LULU & LEO FUND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2022

**LULU & LEO FUND
TABLE OF CONTENTS
JUNE 30, 2022**

| | Page No. |
|----------------------------------|----------|
| INDEPENDENT AUDITOR’S 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 |

RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Lulu & Leo Fund
New York, NY

Opinion

We have audited the accompanying financial statements of Lulu & Leo Fund (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Lulu & Leo Fund as of June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lulu & Leo Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lulu & Leo Fund'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 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 Lulu & Leo Fund'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 Lulu & Leo Fund'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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, as of and for the year ended June 30, 2022, Lulu & Leo Fund adopted Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), using the modified retrospective transition method. Our opinion is not modified with respect to this matter.

Rich and Bander, LLP

New York, NY
March 27, 2023

RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

LULU & LEO FUND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Current assets

| | | |
|-------------------------------------|----|----------------|
| Cash and cash equivalents | \$ | 927,066 |
| Accounts receivable | | 8,000 |
| Grants and contributions receivable | | 47,369 |
| Prepaid expenses | | 8,483 |
| Total current assets | | 990,918 |

Intangible assets, net of accumulated amortization **7,875**

TOTAL ASSETS **\$ 998,793**

LIABILITIES AND NET ASSETS

Current liabilities

| | | |
|---|----|---------------|
| Accounts payable and accrued expenses | \$ | 31,370 |
| Grant advance - paycheck protection program | | 41,665 |
| Total current liabilities | | 73,035 |

Net assets

| | | |
|----------------------------------|--|----------------|
| Without donor restrictions | | |
| Undesignated | | 673,402 |
| Board-designated | | 252,356 |
| Total without donor restrictions | | 925,758 |
| Total net assets | | 925,758 |

TOTAL LIABILITIES AND NET ASSETS **\$ 998,793**

LULU & LEO FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| | Without Donor Restrictions Total |
|---------------------------------------|---|
| | <hr/> |
| Revenue and support | |
| Grants and contributions | |
| Individuals | \$ 177,967 |
| Foundations | 95,300 |
| Corporate | 41,000 |
| Total grants and contributions | <hr/> 314,267 <hr/> |
| Program service revenue | |
| Workshop income | 20,302 |
| Total program service revenue | <hr/> 20,302 <hr/> |
| Other income | |
| Miscellaneous income | 333 |
| Interest income | 190 |
| Total other income | <hr/> 523 <hr/> |
| Total revenue and support | <hr/> 335,092 <hr/> |
| Expenses | |
| Program services | 290,098 |
| Supporting services | |
| Management and general | 106,216 |
| Fundraising | 16,084 |
| Total expenses | <hr/> 412,398 <hr/> |
| Change in net assets | (77,306) |
| Net assets - beginning of year | 1,003,064 |
| Net assets - end of year | <hr/> \$ 925,758 <hr/> |

LULU & LEO FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

| | Program Services | Management & General | Fundraising | 2022 Total |
|--|-----------------------------|---|--------------------|-----------------------|
| Salaries and wages | \$ 158,155 | \$ 47,248 | \$ 13,124 | \$ 218,527 |
| Professional and consulting fees | 58,710 | 43,474 | - | 102,184 |
| Payroll taxes | 12,057 | 5,040 | 1,001 | 18,098 |
| Evaluations and site visits | 18,022 | - | - | 18,022 |
| Program development and implementation | 15,600 | - | - | 15,600 |
| Travel | 8,310 | 53 | - | 8,363 |
| Rent | 6,001 | 1,833 | 500 | 8,334 |
| Technology | 3,033 | 2,820 | 1,216 | 7,069 |
| Marketing | 4,827 | - | - | 4,827 |
| Depreciation and amortization | 1,737 | 519 | 144 | 2,400 |
| Creative coach fees | 2,343 | - | - | 2,343 |
| Credit card processing fees | - | 2,252 | - | 2,252 |
| Insurance | 1,071 | 327 | 89 | 1,487 |
| Website development | 24 | 1,145 | - | 1,169 |
| Employee benefits | - | 668 | - | 668 |
| Office expenses | 173 | 385 | 10 | 568 |
| Miscellaneous | - | 452 | - | 452 |
| Program supplies | 35 | - | - | 35 |
| | \$ 290,098 | \$ 106,216 | \$ 16,084 | \$ 412,398 |

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

LULU & LEO FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

Cash flows from operating activities:

| | |
|--|--------------------------|
| Change in net assets | \$ (77,306) |
| <i>Adjustments to reconcile change in net assets to net cash used in operating activities:</i> | |
| Depreciation and amortization | 2,400 |
| (Increase) decrease in operating assets: | |
| Accounts receivable | (7,500) |
| Grants and contributions receivable | 25,082 |
| Prepaid expenses | (6,883) |
| Increase (decrease) in operating liabilities: | |
| Accounts payable and accrued expenses | 20,045 |
| Deferred revenue | (5,302) |
| Total adjustments | <u>27,842</u> |
| Net cash used in operating activities | <u>(49,464)</u> |
| | |
| Net decrease in cash and cash equivalents | (49,464) |
| | |
| Cash and cash equivalents, beginning of year | 976,530 |
| | |
| Cash and cash equivalents, end of year | <u><u>\$ 927,066</u></u> |

Supplemental disclosures of cash flow information:

| | |
|--------------------------------|------|
| Cash paid during the year for: | |
| Interest | \$ - |
| Income taxes | \$ - |

LULU & LEO FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

The Lulu & Leo Fund (the “Fund”) was established in memory of Lucia (Lulu) and Leo Krim in October 2012. The Fund was organized as a not-for-profit corporation under the laws of the State of New York. The Fund’s mission is to help educators, children, families and communities develop creative confidence and resilience through its flagship Choose Creativity Initiative and the 10 Principles of Creativity. The Fund currently provides:

Learn with Creative Confidence – Learn with Creative Confidence (LwCC) is a K-6 asset-based curriculum founded on the ideals of a healthy Belief Ecology. The curriculum puts emphasis on developing a student’s values, perspectives and identity, empowering children to generate original ideas, make connections, and problem-solve across a variety of contexts and settings.

The Fund’s programs are supported primarily by foundation, individual and corporate donor contributions as well as workshops revenues.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Cash and Cash Equivalent

The Fund considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash and cash equivalents.

Certificates of Deposit

The Fund invests in certificates of deposit (CD) with maturities of 6 months. These investments are stated at cost. The Fund’s CD is recorded under cash and cash equivalents.

Revenue, Revenue Recognition and Receivables

Grants and Contributions – Grants (from government and foundations) and contributions (from individuals, corporations, and other sources) are recognized when cash, securities or other assets; an unconditional promise to give; or 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 release/return, are not recognized until the conditions on which they depend have been substantially met.

LULU & LEO FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue, Revenue Recognition and Receivables (Cont'd)

Grants and Contributions Receivable – Grants and contributions that are not yet collected are recorded as grants and contributions receivable. Amounts expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Fund uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Program Service Revenue – The Fund provides whole school programs, after-school programs and workshops to partner organizations in a per schedule basis. The performance obligation of providing classes and trainings in exchange for workshop income are received at which time the Fund's performance obligation, therefore, the revenue is recognized at a point in time. All program service revenue amounts received in advance of the satisfaction of the performance obligation are deferred to the applicable period.

Accounts Receivable – Accounts receivable represents program service revenue that has been earned but not collected as of the financial statement date at amounts expected to be collected. The Fund uses the allowance method to determine uncollectible accounts receivable. The allowance is based on prior years' experience and management's analysis of specific accounts receivable.

Contributions of Nonfinancial Assets – A number of volunteers have donated significant amounts of their time to the Fund in connection with its programs. Directors and officers have made a significant contribution of their time to develop the Fund and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services. These donated services do not create or enhance a nonfinancial asset nor require a specialized skill that the contributors have and would typically need to be purchased if not provided through donation.

Contract Balances

Contract assets are recognized when the Fund has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment, or when the Fund has the right to bill a customer before satisfying any or some of the performance obligations. Contract liabilities are recognized when the Fund has an obligation to perform services to a customer for which the Fund has received advanced consideration or when payment is due prior to satisfying any or some of the performance obligations.

Use of Estimates

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

LULU & LEO FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property and Equipment

Property and equipment are recorded at cost or, if donated, the fair market value at the date of donation. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

| | <u>Years</u> |
|----------|--------------|
| Computer | 3 |

Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is reported. Expenditures for major renewals and improvements that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Intangible Assets

The Organization amortizes intangible assets with finite lives on a straight-line basis over their estimated useful lives. Intangible assets include website development costs that are being amortized using the straight-line method over 5 years.

Net Assets

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) 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 those resources be maintained in perpetuity. The Fund reports contributions restricted by donors as increases in net assets without donor restrictions, if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Marketing

Marketing costs are expensed as incurred.

LULU & LEO FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Tax Status

The Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Fund does not have any unrelated business income.

The Fund's Forms 990, *Return of Funds Exempt from Income Tax*, for the years ended June 30, 2021, 2020, and 2019 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

The Fund has evaluated its current tax positions and has concluded that as of June 30, 2022, the Fund does not have any significant uncertain tax positions for which a reserve would be necessary.

Paycheck Protection Program

The Fund has elected to account for the Paycheck Protection Program ("PPP") loan under Accounting Standards Update ("ASU") 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) based on management's continued belief from loan inception to date that forgiveness is probable. In accordance with the standard, the Fund records the cash inflow of the PPP loan as a grant advance liability. The Fund reduces the liability by recognizing government income once the conditions for the grant are substantially met. The Fund has elected to recognize government income when the conditions for the grant are explicitly waived by the Small Business Administration ("SBA"). Loan proceeds expected and not expected to be forgiven are reported on the statement of cash flows as operating activities and financing activities, respectively. No interest or accrued interest expense is recognized.

Adoption of Accounting Standard

In September 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) which requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement activities and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. This standard became effective for annual reporting periods beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. On July 1, 2021, the Fund adopted ASU 2020-07, using the modified retrospective transition method. There were no material changes to the financial statements upon adoption.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recent Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The new ASU establishes a right-of-use (“ROU”) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with terms longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Fund is currently evaluating the effect that this update will have on its financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the statement of activities. The statement of functional expenses presents the natural classification details of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2) FAIR VALUE MEASUREMENTS

The Fund’s financial instruments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Accounting Standards Codification 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; level 2, defined as inputs other than the quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At June 30, 2022, no investments at fair value are noted in the statement of financial position.

LULU & LEO FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

3) LIQUIDITY AND AVAILABILITY

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

| | |
|-------------------------------------|-------------------|
| Cash and cash equivalents | \$ 927,066 |
| Grants and contributions receivable | 47,369 |
| Accounts receivable | <u>8,000</u> |
| Total | <u>\$ 982,435</u> |

As part of the Fund's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4) ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 totaled \$8,000. These amounts are generally collected within one year. The Fund believes its receivables to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

5) GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at June 30, 2022 consists of the following:

| | |
|--------------------------|------------------|
| Brian Fox & Putney Cloos | \$ 20,000 |
| Kevin Krim | 10,567 |
| Maura Miller | 5,000 |
| Various | <u>11,802</u> |
| Total | <u>\$ 47,369</u> |

These amounts are generally collected within one year. The Fund believes its receivables are to be fully collectible. Accordingly, the Fund has determined that no allowance for doubtful accounts is necessary.

6) CERTIFICATE OF DEPOSIT

Investments in certificates of deposit (CD) are stated at cost, which approximates market value. On February 24 2020, the Fund purchased a 6-month term CD of \$250,000, which bore interest of approximately 2.0% with automatic renewal. As at June 30, 2022, the Fund's CD will mature on August 24, 2022.

The interest income earned on the CD amounted to \$190. As of June 30, 2022, the CD amounted to \$252,356.

LULU & LEO FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

7) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment less accumulated depreciation as of June 30, 2022. Depreciation expense for the year then ended was \$300.

| | |
|--------------------------------|--------------|
| Computers | \$ 3,906 |
| Less: accumulated depreciation | <u>3,906</u> |
| | <u>\$ -</u> |

8) INTANGIBLE ASSETS

The following is a summary of intangible assets less accumulated amortization as of June 30, 2022. Amortization expense for the year then ended was \$2,100.

| | |
|--------------------------------|-----------------|
| Website | \$ 10,500 |
| Less: accumulated amortization | <u>2,625</u> |
| | <u>\$ 7,875</u> |

9) REVENUE FROM CONTRACTS WITH CUSTOMERS

Contract Balances

The Fund does not have opening balances for contract assets or such balances for the year ended June 30, 2022. The Fund's contract liabilities are presented as deferred revenue on the statement of financial position.

The following table provides information about significant changes in the contract liabilities for the year ended June 30, 2022:

| | |
|---|-------------|
| Deferred revenue, beginning of year | \$ 5,302 |
| Revenue recognized that was included in deferred revenue at the beginning of year | (5,302) |
| Increase in deferred revenue due to cash received during the year | <u>-</u> |
| Deferred revenue, end of year | <u>\$ -</u> |

Disaggregation

The following table disaggregates the revenue from the Fund's revenue from contracts with customers based on the timing of satisfaction of performance obligations for the year ended June 30, 2022:

| | |
|---|----------------------|
| Revenue recognized at a point in time: | |
| Workshop income | <u>\$ 20,302</u> |
| Total revenue recognized at a point in time | 20,302 |
| Total revenue from contracts with customers | <u>\$ 20,302</u> |

LULU & LEO FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

10) MARKETING COSTS

For the year ended June 30, 2022, marketing costs were \$4,827.

11) RENT EXPENSE

The Fund occupied an office space under a lease addendum with terms of discounted monthly rent of \$1,600 through October 31, 2021. At the end of the lease, the Fund started to run on a fully remote basis. Rent expense for the year ended June 30, 2022 was \$8,334.

12) FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Fund. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, employee benefits, depreciation and amortization and certain office expenses, which are allocated on the basis of estimates of time and effort, as well as insurance and rent expense which are allocated on a square-footage basis.

13) CONCENTRATION OF RISK

The Fund maintains its cash balances at various financial institutions. The balances, at times, may exceed federally insured limits. As of June 30, 2022, uninsured cash balances totaled \$577,093. The Fund has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

During the year ended June 30, 2022, the Fund received approximately 32% of its total grants and contributions revenue from one foundation donor and one corporate donor. As of June 30, 2022, approximately 65% of the grants and contributions receivable is from two donors. The concentration from the contributors does not make the Fund vulnerable to a risk of severe near-term impact because the Fund only spends money according to the amount received from the contributors and other revenue.

14) GRANT ADVANCE – PAYCHECK PROTECTION PROGRAM

In March 2021, the Fund was approved for a second round of loan proceeds in the amount of \$41,665 having an interest rate of 1% and maturity of 2 years from Chase Bank, pursuant to PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), and administered by the SBA. As described in the CARES Act, the PPP loan and accrued interest are forgivable if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and maintains its payroll levels.

On August 22, 2022, Chase Bank notified the Fund that the SBA approved forgiveness of the entire PPP loan. The Fund is required to maintain PPP documentation for six years and must furnish them to SBA and/or Chase Bank upon request.

15) COVID-19 AND SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization recognized the novel strain of coronavirus COVID-19, as a pandemic. In direct response, on March 22, 2020, the Governor of New York State issued executive order *New York State on PAUSE*, which closed all non-essential businesses state-wide. The coronavirus outbreak has severely impacted economic activity across the world. The Fund's Board of Directors and Management are in discussion to identify and limit the negative long-term implications of this pandemic to the Fund.

Management has evaluated subsequent events through March 27, 2023, which is the date the financial statements were available to be issued.