

MARATHON KIDS, INC.  
(A Nonprofit Corporation)

INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS

MAY 31, 2021

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(A Nonprofit Corporation)

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FINANCIAL STATEMENTS

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# Allman & Associates, Inc.

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Marathon Kids, Inc.  
Austin, Texas

We have audited the accompanying financial statements of Marathon Kids, Inc. (a nonprofit corporation), which comprise the statement of financial position as of May 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.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marathon Kids, Inc. as of May 31, 2021, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Allman & Associates, Inc.*

Austin, Texas  
August 10, 2021

MARATHON KIDS, INC.  
(A Nonprofit Corporation)

STATEMENT OF FINANCIAL POSITION

AS OF MAY 31, 2021

**Assets**

Current Assets:	
Cash and cash equivalents	\$ 752,447
Investments	1,501,472
Accounts receivable	514,990
Inventory	39,856
Prepaid expenses and other assets	<u>13,333</u>
Total Current Assets	2,822,098
Property and equipment, net of accumulated depreciation	309,664
Intangible assets	<u>200,000</u>
Total Assets	<u><u>\$ 3,331,762</u></u>

**Liabilities and Net Assets**

Current Liabilities:	
Accounts payable	<u>\$ 42,269</u>
Total Current Liabilities	42,269
Note payable, long-term portion	<u>162,750</u>
Total Liabilities	<u>205,019</u>
Net Assets:	
Without donor restrictions	2,651,743
With donor restrictions	<u>475,000</u>
Total Net Assets	<u>3,126,743</u>
Total Liabilities and Net Assets	<u><u>\$ 3,331,762</u></u>

See accompanying auditors' report and notes to financial statements.

MARATHON KIDS, INC.  
(A Nonprofit Corporation)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED MAY 31, 2021

**Net Assets Without Donor Restrictions:**

Revenues:

Contributions	\$ 427,047
Return on investments	339,691
Fees for service	80,935
Other revenues	40,516

Total Revenues 888,189

Net assets released from restrictions 1,044,986

Total revenues without donor restrictions 1,933,175

Expenses:

Marathon Kids Program	1,321,805
General and administrative	148,280
Fundraising	200,027

Total Expenses 1,670,112

Change in net assets without donor restrictions 263,063

**Net Assets With Donor Restrictions:**

Contributions	997,326
Net assets released from restrictions	<u>(1,044,986)</u>

Change in net assets with donor restrictions (47,660)

Total change in net assets 215,403

Net assets, beginning of year 2,911,340

Net assets, end of year \$ 3,126,743

See accompanying auditors' report and notes to financial statements.

MARATHON KIDS, INC.  
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STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MAY 31, 2021

Expense Category	Marathon Kids Program	General and Administrative	Fundraising	Totals
Banking and automation fees	\$ 3,758	\$ 936	\$ 992	\$ 5,686
Office expenses	10,649	11,331	2,810	24,790
Rent	39,072	4,884	10,311	54,267
Telephone	3,220	402	850	4,472
Computer and IT	76,451	1,077	2,273	79,801
Insurance	3,863	483	1,019	5,365
Event and program expense	183,139	-	-	183,139
Marketing and promotion	165,531	-	-	165,531
Professional fees	4,420	31,196	-	35,616
Payroll taxes	50,290	6,662	13,461	70,413
Employee benefits	46,540	13,237	12,364	72,141
Salaries and wages	597,396	78,072	155,947	831,415
Depreciation	137,476	-	-	137,476
	<u>\$ 1,321,805</u>	<u>\$ 148,280</u>	<u>\$ 200,027</u>	<u>\$ 1,670,112</u>

See accompanying auditors' report and notes to financial statements.

MARATHON KIDS, INC.  
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MAY 31, 2021

Cash Flows From Operating Activities:	
Change in Net Assets	\$ 215,403
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	137,476
Dividends reinvested, net of fees	(10,357)
Realized and unrealized (gains) losses on investments	(329,242)
Forgiveness of note payable	(158,400)
Change in assets and liabilities:	
Decrease (increase) in accounts receivable	(485,690)
Decrease (increase) in inventory	140,179
Decrease (increase) in prepaid expenses and other assets	5,683
Increase (decrease) in accounts payable	23,859
	<hr/>
Net Cash Flows From Operating Activities	(461,089)
	<hr/>
Cash Flows From Investing Activities:	
Purchases of property and equipment	(137,610)
Purchases of investments	(111,505)
Proceeds from sales/maturities of investments	110,213
	<hr/>
Net Cash Flows Used by Investing Activities	(138,902)
	<hr/>
Cash Flows From Financing Activities:	
Proceeds from long-term debt	162,750
	<hr/>
Net Decrease in Cash and Cash Equivalents	(437,241)
	<hr/>
Cash and Cash Equivalents at beginning of year	1,189,688
	<hr/>
Cash and Cash Equivalents at end of year	\$ 752,447
	<hr/> <hr/>
Supplemental data:	
Income taxes paid	\$ -
	<hr/> <hr/>
Interest paid	\$ -
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See accompanying auditors' report and notes to financial statements.

MARATHON KIDS, INC.  
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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

**1. Organization**

Marathon Kids, Inc. (the Organization) incorporated in the State of Texas on February 26, 2004. Marathon Kids helps to enable each child participant, regardless of fitness level, to run up to the equivalent of four marathons incrementally during the school year. Kids set goals, track progress, and are rewarded at each milestone. The mission of the Organization is through running, showing kids they can achieve more than they ever thought possible and putting them on the path to healthier lives. The Organization is funded primarily through contributions and fees for service.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to not-for-profit organizations. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Contributions and fees for service are considered to be available for use without donor restrictions unless specifically restricted by the donor. Contributions reported that are restricted for future periods or for specific purposes are considered restricted and increase net assets with donor restrictions. Expenses are recorded in the accounting period incurred, regardless of when cash is disbursed.

**Financial Statement Presentation**

Financial statement presentation follows the recommendation of the “Financial Statements of Not-For-Profit Organizations” section of the Accounting Standards Codification (ASC). Under the ASC, the Organization is required to report information regarding its financial position and activities according to two classes of net assets as applicable.

- a) *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions include the revenues and expenses of the primary operations of the Organization.
- b) *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 the 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.

MARATHON KIDS, INC.  
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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

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

**Estimates**

The preparation of financial statements in conformity with GAAP 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.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all checking accounts, savings accounts, money market funds and certificates of deposit purchased with initial maturities of three months or less to be cash equivalents, unless designated for investment purposes.

**Investments**

The Organization records investments using the guidance of FASB ASC 985-320, *Not-for-Profit Entities: Investments – Debt and Equity Securities*. Investments are stated at their readily determinable fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**Property and Equipment**

Property and equipment are recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the assets, generally five to seven years for furniture and equipment, three to five years for software and website development, and ten years for vehicles. Donations of property and equipment are recorded as support at their estimated values. 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 and equipment are reported as restricted support. Absent donor stipulations regarding how long these assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

**Receivables**

The Organization records accounts receivable on the accrual basis. Upon determining that a receivable is uncollectible, that receivable is written off and charged to bad debt expense. There is no allowance for doubtful accounts recorded in the financial statements.

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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

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

**Revenue Recognition**

Unconditional grants and contributions received are recorded at fair value on the date of the award as with or without restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon expiration of time restriction or when purpose restrictions have been met. If restrictions are met in the same year as donation received, donation is recorded in net assets without donor restrictions. When both with or without restricted resources are available for use, it is the Organization's policy to use resources with restrictions first, then resources without restrictions as needed. Fees for services are recognized when the services are completed.

**Inventory**

Inventories (t-shirts, dog tags, shoelaces, shoe-tags and bracelets) are stated at the lower of cost (average cost) or market.

**Functional Allocation of Expenses**

The costs of providing the various programs and activities of the Organization have been summarized on a functional basis in the statement of activities. The statement of functional expenses reports the natural classification detail of expenses by function. Expenses that can be identified with a specific program or relate to a specific source of revenue are allocated directly to that program. Indirect expenses have been allocated based on management's estimates.

**Income Taxes**

The Organization is generally exempt from federal income taxes under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). Furthermore, the Organization is a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes has been included in these financial statements.

The Organization has adopted the recognition requirements for uncertain income tax positions as required by GAAP, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Organization has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial position, changes in net assets or cash flows. Accordingly, the Organization has not

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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

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

**Income Taxes (continued)**

recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at May 31, 2021. The Organization is subject to income tax audits for the previous three years. There are currently no income tax audits for any tax periods in progress.

**Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to credit risk consist of cash and cash equivalents, and investments. All depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, are insured by the FDIC up to the maximum deposit insurance amount of \$250,000. As of May 31, 2021, the Organization's uninsured cash balance totaled \$502,145. The Organization has not experienced any losses in any of these accounts in the past.

The Organization's investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the statement of financial position.

**Change in Not-for-Profit Accounting Standards**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09's core principle requires an entity to recognize revenue in a manner that depicts the transfer of goods and/or services to a customer in an amount that reflects the consideration to which it expects to be entitled in exchange for those good and/or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and changes in judgements and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for annual periods beginning after December 15, 2018, delayed until after December 15, 2019, and has been applied on a retrospective basis, with no material effect on revenue recognition.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13")*, to improve the effectiveness of disclosures in the notes to financial statements by facilitating clear communication of the information required by GAAP that is most important to users of each entity's financial statements. ASU 2018-13 takes effect for not-for-profit entities for fiscal years beginning after December 15, 2019. ASU 2018-13 has been applied prospectively beginning after December 31, 2020, with no significant impact on the financial statement disclosures.

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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

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

**Change in Not-for-Profit Accounting Standards (continued)**

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*. This guidance impacts the presentation of an entity's leasing activities and will require the recognition of lease (right-of-use) assets and related lease liabilities on the statement of financial position and disclosure of key information about leasing arrangements. ASU 2016-02 was scheduled to become effective for fiscal years beginning after December 15, 2019, but has been delayed until annual periods beginning after December 15, 2021. The Organization is currently evaluating the impact the adoption of this guidance will have on its financial statements.

**3. Investments**

Investments comprised the following at May 31, 2021:

Equity securities	\$	904,344
Money market funds		32,288
Fixed income mutual funds		136,972
Equity funds		302,203
Exchange traded funds		119,534
REIT funds		6,131
Total Investments	\$	<u>1,501,472</u>

Return on investments comprised the following for the year ended May 31, 2021:

Interest and dividends	\$	17,601
Interest on savings		92
Realized and unrealized gains (losses)		329,242
Investment expense		(7,244)
Total Return on Investments	\$	<u>339,691</u>

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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

**4. Property and Equipment**

At May 31, 2021, property and equipment consisted of the following:

Furniture and equipment	\$ 44,888
Website development and software	1,169,993
Total Property and Equipment	<u>1,214,881</u>
Less accumulated depreciation	<u>(905,217)</u>
Total Property and Equipment, Net	<u>\$ 309,664</u>

For the year ended May 31, 2021, depreciation expense was recorded in the amount of \$137,476.

**5. Intangible Assets**

In March 2013, the Organization entered into an agreement for the purchase and acquisition of all intellectual and other property rights related to the “Marathon Kids” brand, including but not limited to trade names, trademarks, URLs, goodwill or other tangible or intangible property associated with the brand. The Organization agreed to pay a total of \$200,000 to be paid as follows: \$100,000 on the execution of the agreement and two additional payments of \$50,000 each on the first and second anniversaries of the executed settlement. As of May 31, 2015, the amount has been paid in full. Accounting standards require that the Organization assess the fair value of the intangible assets on an annual basis. The Organization has determined that the value of \$200,000 for the intangible asset was not impaired at May 31, 2021.

**6. Note Payable**

During the year ended May 31, 2021, the Organization received a Paycheck Protection Program (PPP) loan under the Cares Act through the United States Small Business Administration (SBA). The Organization accounts for the loan received as a financial liability in accordance with the FASB ASC Topic 470, *Debt*, and accrued interest in accordance with the interest method under ASC Subtopic 835-30. The Organization would reduce the liability by the amount forgiven and record a contribution income once the loan is partly or wholly forgiven and legal release is received.

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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

**6. Note Payable (continued)**

A promissory note for the PPP loan was signed on February 4, 2021 in the amount of \$162,750 with a deferment period of fifteen months and interest rate after deferment period of 1% fixed per annum. Per the promissory note, the Organization shall apply to the bank for loan forgiveness. If the SBA confirms full and complete forgiveness of the unpaid balance of the loan, and reimburses the bank for the total outstanding balance, principal and interest, the Organization's obligation under the loan will be deemed fully satisfied and paid in full. If the SBA does not confirm forgiveness of the loan, or only partly confirms forgiveness of the loan, or the Organization fails to apply for forgiveness, the Organization will be obligated to repay to the bank the total outstanding balance remaining under the loan, including principal and interest. In this case, the bank will establish the terms for repayment of the loan balance in a separate letter, which will set forth the loan balance, the amount of each monthly payment, the interest rate, the terms of the loan, and the maturity date of five years from the funding date of the loan. At May 31, 2021, no payment had been made and the balance due is \$162,750.

The future minimum principal payments for the following years ending May 31:

<u>Year</u>	
2022	\$ -
2023	39,222
2024	43,199
2025	43,633
2026	36,696
Total	<u><u>\$ 162,750</u></u>

During the year ended May 31, 2021, the SBA forgave a PPP loan received in the previous year. The amount forgiven of \$158,400 was recognized as contribution income during the year ended May 31, 2021.

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NOTES TO FINANCIAL STATEMENTS

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**7. Net Assets with Donor Restrictions**

Net assets with donor restrictions comprised the following at May 31, 2021:

Marathon Kids Program and Leadership Academy	\$ 450,000
Marathon Kids Connect	<u>25,000</u>
Net assets with donor restrictions	<u>\$ 475,000</u>

During the year ended May 31, 2021, net assets with donor restrictions totaling \$1,044,986 were released to net assets without donor restrictions because of the satisfaction of purpose restrictions.

**8. In-Kind Contributions**

During the year ending May 31, 2021, the Organization received in-kind advertising for Google Ads and from a local television station. The fair market value of the in-kind donations was \$109,063, for the year ending May 31, 2021, and is included in contributions revenue on the statement of activities and marketing and promotion on the statement of functional expenses.

The Organization also received substantial donated service hours by unpaid volunteers who assist with the Organization's programs and fundraising activities. These services have not created nor enhanced nonfinancial assets, nor required specialized skills that would typically need to be purchased if not provided by donation. Therefore, in accordance with GAAP, the value of these services has not been recorded in these financial statements.

**9. Retirement Plan**

In July 2009, the Organization established a Savings Incentive Match Plan for Employees (SIMPLE) Plan. Employees who are reasonably expected to receive at least \$5,000 in compensation for the current year and have completed one year of service are eligible to participate in the Plan beginning in the first January after the completion of one year of employment. The Organization matches contributions to the Plan up to 3% of eligible compensation. Retirement plan expense for the year ended May 31, 2021 totaled \$14,635.

Effective January 1, 2014, the Organization amended the SIMPLE Plan to allow employees to participate after the completion of six months of employment. The Organization continues to match contributions to the Plan up to 3% of eligible compensation.

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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

**10. Leases**

The Organization entered into a lease for office space in Austin, Texas with a lease term from May 15, 2018 through August 31, 2023. Base rent escalates from an initial rate of \$5,401 per month to \$5,774 per month at the end of the term.

The total future minimum lease payments required under this agreement are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 67,687
2023	68,819
2024	17,321
Total	<u>\$ 153,827</u>

Lease expense for the year ended May 31, 2021 was \$54,267.

**11. Fair Value Measurements and Disclosures**

The requirements of Fair Value Measurements and Disclosures of the Accounting Standards Codification apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement is the same in both cases – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price). Fair Value Measurements and Disclosures also establish a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 Inputs – Inputs other than quoted prices included with Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3 Inputs – Unobservable inputs for the asset or liability.

The fair value of the Organization’s cash, accounts receivable, prepaid expenses, and accounts payable, approximates the carrying amounts of such instruments due to their short maturity.

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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

**11. Fair Value Measurements and Disclosures (continued)**

The following table represents assets and liabilities reported on the statement of financial position at their fair value as of May 31, 2021 by level within the fair value measurement hierarchy.

Description	Amount	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Significant Unobservable inputs (Level 3)
Money market funds	\$ 32,288	\$ -	\$ 32,288	\$ -
Equity securities	904,344	904,344	-	-
Fixed income mutual funds	136,972	136,972	-	-
Equity funds	302,203	302,203	-	-
Exchange traded funds	119,534	119,534	-	-
REIT funds	6,131	6,131	-	-
Total Investments	<u>\$ 1,501,472</u>	<u>\$ 1,469,184</u>	<u>\$ 32,288</u>	<u>\$ -</u>
Note Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,750</u>

The following is a reconciliation of assets and liabilities for which significant unobservable inputs (level 3) were used in determining fair value at May 31, 2021:

Beginning balance	\$ 158,400
Proceeds from note payable	162,750
Principal repayments	(158,400)
Ending balance	<u>\$ 162,750</u>

**12. Risks and Uncertainties**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact future activities of the Organization. The continuing disruption is having a broad and negative impact on the US economy. As a result of the spread of the COVID-19 coronavirus, in-person gatherings have been cancelled or changed to a virtual format. The Organization has significantly cut expenses to essential costs as well as budgeted appropriately and conservatively to minimize impact and uncertainty as the COVID-19 crisis continues past May 31, 2021.

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NOTES TO FINANCIAL STATEMENTS

MAY 31, 2021

**13. 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:

Cash and cash equivalents	\$	753,447
Short-term investments		1,501,472
Accounts receivable		514,990
Less net assets with donor restrictions		<u>(475,000)</u>
Financial assets available for general expenditures within one year	\$	<u>2,294,909</u>

The Organization does not have a formal liquidity policy, but intends to meet cash needs through contributions, fees for service, and meeting budget expectations.

**14. Subsequent Events**

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. Management evaluated subsequent events through the date of August 10, 2021, with no additional events to be disclosed.