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# Caring for Cambodia

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**Financial Report  
December 31, 2019**

<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4-5
Statement of Cash Flows	6
Notes to Financial Statements	7-13

## Independent Auditor's Report

To the Board of Directors  
Caring for Cambodia

We have audited the accompanying financial statements of Caring for Cambodia (the "Organization"), which comprise the statement of financial position as of December 31, 2019 and 2018 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 Caring for Cambodia as of December 31, 2019 and 2018 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Plante & Moran, PLLC".

February 10, 2020

**Statement of Financial Position**

**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash	\$ 671,485	\$ 652,566
Investments (Note 4)	443,181	351,462
Contributions receivable	18,000	77,800
Deposits	702	1,249
Land, school buildings, and equipment (Note 3)	<u>729,470</u>	<u>740,065</u>
Total assets	<u><b>\$ 1,862,838</b></u>	<u><b>\$ 1,823,142</b></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b> - Accounts payable	\$ -	\$ 1,300
<b>Net Assets</b>		
Without donor restriction	1,622,727	1,587,957
With donor restrictions (Note 5)	<u>240,111</u>	<u>233,885</u>
Total net assets	<u>1,862,838</u>	<u>1,821,842</u>
Total liabilities and net assets	<u><b>\$ 1,862,838</b></u>	<u><b>\$ 1,823,142</b></u>

Statement of Activities and Changes in Net Assets

Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>						
Contributions	\$ 402,834	\$ 288,849	\$ 691,683	\$ 338,265	\$ 221,936	\$ 560,201
In-kind donations (Note 2)	140,203	-	140,203	80,566	-	80,566
Fee for services	4,561	-	4,561	3,816	-	3,816
Miscellaneous	1,095	-	1,095	1,594	-	1,594
Special event revenue	181,803	-	181,803	382,530	-	382,530
Realized and unrealized gains (losses)	18,698	30,756	49,454	(11,034)	(16,736)	(27,770)
Interest and dividend income - Net of fees	12,248	-	12,248	1,280	-	1,280
Total revenue and other support	761,442	319,605	1,081,047	797,017	205,200	1,002,217
<b>Net Assets Released from Restrictions</b>	313,379	(313,379)	-	260,071	(260,071)	-
Total revenue, support, and net assets released from restrictions	1,074,821	6,226	1,081,047	1,057,088	(54,871)	1,002,217
<b>Expenses</b>						
Program services	769,656	-	769,656	759,766	-	759,766
Support services:						
General and administrative	146,009	-	146,009	137,034	-	137,034
Fundraising	124,386	-	124,386	167,755	-	167,755
Total expenses	1,040,051	-	1,040,051	1,064,555	-	1,064,555
<b>Increase (Decrease) in Net Assets</b>	34,770	6,226	40,996	(7,467)	(54,871)	(62,338)
<b>Net Assets - Beginning of year</b>	1,587,957	233,885	1,821,842	1,595,424	288,756	1,884,180
<b>Net Assets - End of year</b>	<u>\$ 1,622,727</u>	<u>\$ 240,111</u>	<u>\$ 1,862,838</u>	<u>\$ 1,587,957</u>	<u>\$ 233,885</u>	<u>\$ 1,821,842</u>

**Statement of Functional Expenses**

**Year Ended December 31, 2019**

	Program Services	General and Administrative Expenses	Fundraising Expenses	Total
Staff and teacher salaries	\$ 312,985	\$ -	\$ -	\$ 312,985
Services expense	-	101,480	86,222	187,702
Events expense	-	-	29,240	29,240
Staff and teacher training	43,927	-	-	43,927
Food for Thought	60,319	-	-	60,319
Depreciation	83,869	-	-	83,869
Rent	2,175	-	-	2,175
Educational supplies	43,815	-	-	43,815
First aid and medical supply	7,065	-	-	7,065
Utilities	14,555	-	-	14,555
Furniture, fixtures, and facility maintenance	32,410	-	-	32,410
Property cleaning	21,492	-	-	21,492
Volunteer trip expenses	4,948	-	-	4,948
Charitable activities expense in-kind	110,656	-	-	110,656
Printing and copying	-	56	-	56
Technology licenses and support	9,630	10,334	-	19,964
Financial statement audit	-	18,750	-	18,750
Postage	-	1,105	960	2,065
Registration fees	-	770	5,504	6,274
Transportation	11,485	-	-	11,485
Miscellaneous	10,325	252	2,460	13,037
Bank charges/Credit card fees	-	12,551	-	12,551
Realized exchange rate loss	-	711	-	711
<b>Total functional expenses</b>	<b>\$ 769,656</b>	<b>\$ 146,009</b>	<b>\$ 124,386</b>	<b>\$ 1,040,051</b>

**Statement of Functional Expenses**

**Year Ended December 31, 2018**

	Program Services	General and Administrative Expenses	Fundraising Expenses	Total
Staff and teacher salaries	\$ 343,915	\$ -	\$ -	\$ 343,915
Services expense	-	85,827	73,731	159,558
Events expense	-	-	76,243	76,243
Events expense in-kind	-	-	7,195	7,195
Staff and teacher training	39,612	-	-	39,612
Food for Thought	65,384	-	-	65,384
Depreciation	90,517	-	-	90,517
Rent	2,119	-	-	2,119
Educational supplies	34,060	-	-	34,060
First aid and medical supply	7,000	-	-	7,000
Utilities	12,936	-	-	12,936
Furniture, fixtures, and facility maintenance	24,617	-	-	24,617
Property cleaning	33,751	-	-	33,751
Volunteer trip expenses	4,373	-	-	4,373
Charitable activities expense in-kind	73,701	-	-	73,701
Printing and copying	-	316	-	316
Technology licenses and support	3,411	12,644	-	16,055
Financial statement audit	-	16,000	-	16,000
Postage	-	1,837	1,315	3,152
Registration fees	-	-	6,276	6,276
Transportation	14,458	-	-	14,458
Miscellaneous	9,912	2,654	2,995	15,561
Bank charges/Credit card fees	-	12,748	-	12,748
Realized exchange rate loss	-	5,008	-	5,008
<b>Total functional expenses</b>	<b>\$ 759,766</b>	<b>\$ 137,034</b>	<b>\$ 167,755</b>	<b>\$ 1,064,555</b>

**Statement of Cash Flows**

**Years Ended December 31, 2019 and 2018**

	2019	2018
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 40,996	\$ (62,338)
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	83,869	90,517
Net realized and unrealized (gains) losses on investments	(61,702)	27,770
Donated stock	(50,231)	(22,360)
Changes in operating assets and liabilities that provided (used) cash:		
Contributions receivable	59,800	(27,800)
Deposits	547	(547)
Accounts payable	(1,300)	307
	71,979	5,549
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(73,274)	(68,725)
Proceeds from sale of investments	68,950	151,036
Purchases of investments	(48,736)	(128,663)
	(53,060)	(46,352)
<b>Net Increase (Decrease) in Cash</b>	18,919	(40,803)
<b>Cash - Beginning of year</b>	652,566	693,369
<b>Cash - End of year</b>	<b>\$ 671,485</b>	<b>\$ 652,566</b>



December 31, 2019 and 2018

## Note 1 - Nature of Organization

Caring for Cambodia (the "Organization") is a nongovernmental United States 501(c)(3) public charity whose mission is to create and sustain safe, modern, technologically equipped schools; mentor and professionally train teachers; and fund supplies and other tools needed to teach those who want to learn. The Organization provides educational opportunities for over 6,800 Cambodian children in 21 schools so they may reach their highest potential and make valuable contributions to their communities.

Assets held abroad include two bank accounts, petty cash held by the schools in Cambodia, and all of the school buildings and equipment. Assets held abroad totaled \$744,394 and \$957,109 as of December 31, 2019 and 2018, respectively.

## Note 2 - Significant Accounting Policies

### *Basis of Presentation*

The financial statements of Caring for Cambodia have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require Caring for Cambodia to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and that may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities and changes in net assets.

### *Donated Services and Assets*

Certain donated services are recognized as support in the statement of activities and changes in net assets. The value of these services is determined based on estimated fair value. The in-kind donations include impact and program studies, research and support, student supplies, uniforms, event auction items, utility services, and inventory items and totaled \$140,203 and \$80,566 for 2019 and 2018, respectively.

### *Investments*

Investments in mutual funds are recorded at fair value based on quoted market prices. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

### *Contributions*

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Contributions to be received after one year are initially recorded at fair value by the Organization as contributions receivable. They are subsequently valued at the present value of future cash flows. Other restricted gifts are reported as net assets with donor restrictions.

December 31, 2019 and 2018

**Note 2 - Significant Accounting Policies (Continued)**

All contributions receivable as of December 31, 2019 and 2018 are due in less than one year. Management determines allowances for doubtful pledges by reviewing and identifying receivable balances as needed. Recoveries of any written-off amounts would be recorded when received. Management believes the receivables to be fully collectible, and, therefore, no allowance was recorded as of December 31, 2019 and 2018.

***School Buildings and Equipment***

School buildings and equipment are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

***Federal Income Taxes***

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

***Foreign Currency Exchange***

The expression of assets and liabilities in a foreign currency amount gives rise to exchange gains and losses when such obligations are paid in United States dollars. Foreign currency exchange rate adjustments (i.e., differences between amounts recorded and actual amounts owed or paid) are reported in the statement of activities and changes in net assets as the foreign currency fluctuations occur. Foreign currency exchange rate adjustments are reported in the statement of cash flows using the exchange rates in effect at the time of the cash flows. The effect of the foreign currency fluctuations was immaterial in 2019 and 2018.

***Functional Allocation of Expenses***

The costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. All expenses are directly charged to their respective account, and no allocations are performed.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including February 10, 2020, which is the date the financial statements were available to be issued.

***Adoption of New Accounting Pronouncement***

As of December 31, 2019, the Organization adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, retroactively for the year ended December 31, 2019.

**Note 3 - Property and Equipment**

Property and equipment are summarized as follows:

	2019	2018	Depreciable Life - Years
Land	\$ 30,258	\$ 30,258	-
School buildings	1,199,051	1,170,295	3-20
Building improvements	34,396	9,606	5-20
Equipment	41,050	41,050	3-6
Computers and software	265,849	246,123	3-5
Total cost	1,570,604	1,497,332	
Accumulated depreciation	841,134	757,267	
Net property and equipment	<u>\$ 729,470</u>	<u>\$ 740,065</u>	

Depreciation expense was \$83,869 for 2019 and \$90,517 for 2018.

**Note 4 - Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at December 31, 2019 and 2018 and the valuation techniques used by the Organization to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

December 31, 2019 and 2018

## Note 4 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at December 31, 2019				
	Quoted Prices in			Balance at December 31, 2019
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Assets</b>				
Investments - Mutual funds:				
Low duration	\$ 48,163	\$ -	\$ -	\$ 48,163
Total return	34,223	-	-	34,223
International	100,244	-	-	100,244
Large cap	52,054	-	-	52,054
Small cap	8,202	-	-	8,202
Institutional	22,048	-	-	22,048
Income fund	18,055	-	-	18,055
Multialternative	16,068	-	-	16,068
Mid cap	16,517	-	-	16,517
Managed	7,998	-	-	7,998
Short term	24,081	-	-	24,081
Absolute return	8,026	-	-	8,026
Emerging markets	12,978	-	-	12,978
Long term	29,828	-	-	29,828
Common stock	34,344	-	-	34,344
Inflation protected	8,027	-	-	8,027
Total investments	<u>\$ 440,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,856</u>
Assets Measured at Fair Value on a Recurring Basis at December 31, 2018				
	Quoted Prices in			Balance at December 31, 2018
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>Assets</b>				
Investments - Mutual funds:				
Low duration	\$ 45,937	\$ -	\$ -	\$ 45,937
Total return	40,689	-	-	40,689
International	105,729	-	-	105,729
Large cap	49,864	-	-	49,864
Small cap	6,663	-	-	6,663
Institutional	17,498	-	-	17,498
Income fund	17,435	-	-	17,435
Multialternative	14,886	-	-	14,886
Mid cap	13,287	-	-	13,287
Managed	7,798	-	-	7,798
Short term	22,737	-	-	22,737
Absolute return	7,109	-	-	7,109
Total investments	<u>\$ 349,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349,632</u>

Not included in the table above are cash and money market accounts of \$2,325 and \$1,830 as of December 31, 2019 and 2018, respectively.

**Note 5 - Net Assets**

Net assets with donor restrictions as of December 31 are available for the following purposes:

	2019	2018
Purpose restrictions - Bricks and mortar, health projects, and teacher scholarships	\$ 205,030	\$ 201,877
Time restrictions - Term endowment	35,081	32,008
Total net assets with donor restrictions	<u>\$ 240,111</u>	<u>\$ 233,885</u>

**Note 6 - Endowments**

As of December 31, 2019 and 2018, the Organization's endowment consisted of a donor-restricted fund established for general operations. During 2012, the donor-restricted endowment was approved by the donor to be released from being held in perpetuity and transferred to a term endowment. Subsequent to 2012, various other donors contributed to the term endowment fund. The term endowment includes a stipulation that it will be held for five years to earn income, and then it will be released to net assets without donor restrictions for general operating expenses should the board of directors deem it necessary. Each year, the funds that have been held for five years are released per the stipulation.

As of December 31, 2019 and 2018, it is the intention of the board of directors to preserve the donor endowment gifts and earnings. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

***Interpretation of Relevant Law***

The Organization is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Organization had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Notes to Financial Statements

December 31, 2019 and 2018

Note 6 - Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of December 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 35,081	\$ 35,081
Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2019			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 32,008	\$ 32,008
Investment return - Net appreciation (realized and unrealized)	-	4,923	4,923
Appropriation of endowment assets for expenditure	-	(1,850)	(1,850)
Endowment net assets - End of year	\$ -	\$ 35,081	\$ 35,081
Endowment Net Asset Composition by Type of Fund as of December 31, 2018			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 32,008	\$ 32,008
Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2018			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 36,348	\$ 36,348
Investment return - Net depreciation (realized and unrealized)	-	(2,530)	(2,530)
Appropriation of endowment assets for expenditure	-	(1,810)	(1,810)
Endowment net assets - End of year	\$ -	\$ 32,008	\$ 32,008

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Organization to retain as a fund of perpetual duration. As of December 31, 2019 and 2018, there were no such deficiencies in the donor-restricted endowment fund.

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s).

Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 Index while assuming a limited level of investment risk to limit the chance of loss.

**Note 6 - Endowments (Continued)**

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Organization has a policy to appropriate assets as needed for operations. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

**Note 7 - General and Administrative Expense Support**

Caring for Cambodia receives contributions restricted for general and administrative and fundraising expenses. The Organization received support of \$56,803 and \$18,880 for these expenses as of December 31, 2019 and 2018, respectively.

**Note 8 - Related Party Transactions**

The Organization received \$153,676 and \$153,379 in contributions from its board in 2019 and 2018, respectively.

**Note 9 - Liquidity**

The Organization has \$1,132,666 and \$1,081,828 of financial assets available, of which \$892,555 and \$870,118 is available to be used in operations in the next year as of December 31, 2019 and 2018, respectively. The available assets consist of cash of \$671,485 and \$652,566, contributions receivable of \$18,000 and \$77,800, and short-term investments of \$203,069 and \$139,752 at December 31, 2019 and 2018, respectively. The Organization has an additional \$240,111 and \$211,710 of short-term investments that are subject to donor restrictions that make them unavailable for general expenditure within one year of the statement of financial position date as of December 31, 2019 and 2018, respectively. The contributions receivable are not subject to any restriction and were collected within 45 days of year end. The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 12 months of normal operating expenses, which are, on average, approximately \$70,000 per month. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization's endowment fund consists of endowments with donor restrictions. Income from donor-restricted endowments is restricted for a specific time period and, therefore, is not available for general expenditure.