

**Literacy Alliance of Northeast Florida, Inc.**  
(a non-profit organization)  
Jacksonville, Florida

**Financial Statements**  
**June 30, 2022 and 2021**

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Literacy Alliance of Northeast Florida, Inc.  
Jacksonville, Florida

### **Opinion**

We have audited the accompanying financial statements of Literacy Alliance of Northeast Florida, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, statements of functional expenses, and statements of 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 Literacy Alliance of Northeast Florida, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our 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 Literacy Alliance of Northeast Florida, Inc. 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 Literacy Alliance of Northeast Florida, Inc.'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 '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 Literacy Alliance of Northeast Florida, Inc.'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Source and Expenditures of City Grant Funds on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ralston : Company*

December 15, 2022

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Statements of Financial Position**  
**June 30, 2022 and 2021**

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|   | <u>ASSETS</u>            |                          |
|---|--------------------------|--------------------------|
|   | <u>2022</u>              | <u>2021</u>              |
| Cash  | \$ 525,979               | \$ 531,280               |
| Accounts receivable   | 37,397                   | 26,136                   |
| Reading materials supplies  | 20,005                   | 16,969                   |
| Prepaid expenses  | 3,356                    | 3,361                    |
| Property and equipment, net of accumulated<br>depreciation of \$23,855 and \$20,253 | <u>4,149</u>             | <u>1,213</u>             |
| Total assets  | <u><u>\$ 590,886</u></u> | <u><u>\$ 578,959</u></u> |
| <br><u>LIABILITIES AND NET ASSETS</u><br><br>                                       |                          |                          |
| Liabilities   |                          |                          |
| Accrued payroll and payroll taxes   | \$ 3,793                 | \$ 10,703                |
| Note payable  | <u>-</u>                 | <u>43,269</u>            |
| Total liabilities   | <u>3,793</u>             | <u>53,972</u>            |
| Net assets  |                          |                          |
| Without donor restrictions  | <u>587,093</u>           | <u>524,987</u>           |
| Total liabilities and net assets  | <u><u>\$ 590,886</u></u> | <u><u>\$ 578,959</u></u> |

The accompanying notes are an integral part of this statement.

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Statements of Activities**  
**For the years ended June 30, 2022 and 2021**

|   | <u>2022</u>       | <u>2021</u>       |
|---|-------------------|-------------------|
| Changes in net assets without donor restrictions  |                   |                   |
| Public support and revenue                        |                   |                   |
| Public support                                    |                   |                   |
| Contributions                                     | \$ 224,322        | \$ 171,536        |
| Noncash contributions                             | 10,622            | 2,494             |
| City of Jacksonville                              | 81,825            | 64,821            |
| Florida Commission on Community Service           | 144,511           | 53,546            |
| United Way of Jacksonville                        | 40,938            | 44,661            |
| Florida Department of Education                   | 21,237            | 7,600             |
|   | <u>523,455</u>    | <u>344,658</u>    |
| Revenues  |                   |                   |
| Paycheck Protection Plan forgiveness              | 43,269            | 38,690            |
| Fund raisers, net of costs                        | 21,082            | (2,865)           |
| Florida State College at Jacksonville             | 6,100             | 10,400            |
| Jacksonville Housing Association                  | 1,800             | -                 |
| Interest  | 70                | 334               |
|   | <u>72,321</u>     | <u>46,559</u>     |
| Total public support and revenue                  | <u>595,776</u>    | <u>391,217</u>    |
| Expenses  |                   |                   |
| Program service                                   | 452,084           | 242,683           |
| Supporting service                                |                   |                   |
| Management and general                            | 67,320            | 42,322            |
| Fund raising                                      | 14,265            | 7,512             |
|   | <u>81,585</u>     | <u>49,834</u>     |
| Total expenses                                    | <u>533,670</u>    | <u>292,517</u>    |
| Increase in net assets without donor restrictions | 62,106            | 98,700            |
| Net assets, beginning of year                     | <u>524,987</u>    | <u>426,287</u>    |
| Net assets, end of year                           | <u>\$ 587,093</u> | <u>\$ 524,987</u> |

The accompanying notes are an integral part of this statement.

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Statement of Functional Expenses**  
**For the year ended June 30, 2022**

|  | Program<br>Services | Supporting<br>Services |                  | Total Program<br>and Supporting<br>Services |
|--|---------------------|------------------------|------------------|---|
|  |                     | Mgmt. &<br>General     | Fund<br>Raising  | 2022  |
| Salaries                               | \$ 335,453          | \$ 29,818              | \$ 7,455         | \$ 372,726                                  |
| Payroll taxes                          | 25,717              | 2,286                  | 571              | 28,574                                      |
| Employee benefits                      | 14,045              | 1,248                  | 312              | 15,606                                      |
| Total salaries and<br>related expenses | 375,215             | 33,352                 | 8,338            | 416,906                                     |
| Technology                             | 24,681              | 548                    | 2,194            | 27,423                                      |
| Rent                                   | 8,871               | 8,690                  | 543              | 18,104                                      |
| Professional fees                      | 4,806               | 4,708                  | 294              | 9,808                                       |
| Training and education                 | 4,450               | 4,359                  | 272              | 9,082                                       |
| Travel and transportation              | 6,077               | 2,170                  | 434              | 8,681                                       |
| Supplies                               | 5,536               | 1,977                  | 395              | 7,909                                       |
| Rental and maintenance<br>of equipment | 5,902               | 525                    | 131              | 6,558                                       |
| Insurance                              | 4,332               | 1,238                  | 619              | 6,188                                       |
| Printing and publications              | 3,002               | 2,940                  | 184              | 6,126                                       |
| Membership dues                        | 2,070               | 739                    | 148              | 2,957                                       |
| Telephone                              | 1,668               | 148                    | 37               | 1,853                                       |
| Conferences and conventions            | 68                  | 953                    | 340              | 1,361                                       |
| Postage and shipping                   | 520                 | 186                    | 37               | 743   |
| Miscellaneous expenses                 | 4,032               | 3,950                  | 247              | 8,229                                       |
| Total operating expenses               | 451,230             | 66,484                 | 14,214           | 531,928                                     |
| Depreciation                           | 854                 | 836                    | 52               | 1,742                                       |
| Total functional expenses              | <u>\$ 452,084</u>   | <u>\$ 67,320</u>       | <u>\$ 14,265</u> | <u>\$ 533,670</u>                           |

The accompanying notes are an integral part of this statement.

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Statement of Functional Expenses**  
**For the year ended June 30, 2021**

|  | Program<br>Services | Supporting<br>Services |                 | Total Program<br>and Supporting<br>Services |
|--|---------------------|------------------------|-----------------|---|
|  |                     | Mgmt. &<br>General     | Fund<br>Raising | 2021  |
| Salaries                               | \$ 180,536          | \$ 16,048              | \$ 4,012        | \$ 200,596                                  |
| Payroll taxes                          | 13,082              | 1,163                  | 291             | 14,535                                      |
| Employee benefits                      | 5,891               | 524                    | 131             | 6,545                                       |
| Total salaries and<br>related expenses | 199,508             | 17,734                 | 4,434           | 221,676                                     |
| Rent                                   | 7,722               | 7,565                  | 473             | 15,760                                      |
| Professional fees                      | 5,439               | 5,328                  | 333             | 11,100                                      |
| Supplies                               | 4,254               | 1,519                  | 304             | 6,077                                       |
| Travel and transportation              | 4,125               | 1,473                  | 295             | 5,893                                       |
| Rental and maintenance<br>of equipment | 5,013               | 446                    | 111             | 5,570                                       |
| Insurance                              | 3,450               | 986                    | 493             | 4,928                                       |
| Technology                             | 3,670               | 82                     | 326             | 4,078                                       |
| Printing and publications              | 1,635               | 1,602                  | 100             | 3,337                                       |
| Training and education                 | 1,334               | 1,307                  | 82              | 2,723                                       |
| Membership dues                        | 1,668               | 596                    | 119             | 2,383                                       |
| Telephone                              | 1,436               | 128                    | 32              | 1,595                                       |
| Conferences and conventions            | 40                  | 554                    | 198             | 792   |
| Postage and shipping                   | 508                 | 181                    | 36              | 725   |
| Miscellaneous expenses                 | 1,116               | 1,093                  | 68              | 2,278                                       |
| Total operating expenses               | 240,918             | 40,593                 | 7,404           | 288,915                                     |
| Depreciation                           | 1,765               | 1,729                  | 108             | 3,602                                       |
| Total functional expenses              | \$ 242,683          | \$ 42,322              | \$ 7,512        | \$ 292,517                                  |

The accompanying notes are an integral part of this statement.



**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Statements of Cash Flows**  
**For the years ended June 30, 2022 and 2021**

|  | <u>2022</u>              | <u>2021</u>              |
|--|--------------------------|--------------------------|
| Cash flows from operating activities   |                          |                          |
| Change in net assets   | \$ 62,106                | \$ 98,700                |
| Adjustments to reconcile change in net assets to net cash provided by operating activities |                          |                          |
| Payroll Protection loan forgiveness  | (43,269)                 | (38,690)                 |
| Depreciation   | 1,742                    | 3,602                    |
| Change in accounts receivable  | (11,261)                 | (19,740)                 |
| Change in reading materials supplies   | (3,036)                  | 895                      |
| Change in prepaid expenses   | 5                        | (5)                      |
| Change in accrued payroll and payroll taxes  | (6,911)                  | 1,762                    |
|  | <u>(624)</u>             | <u>46,524</u>            |
| Cash flows from financing activities   |                          |                          |
| Purchase of property and equipment   | (4,677)                  | -                        |
| Proceeds from loan issued  | -                        | 43,269                   |
|  | <u>(4,677)</u>           | <u>43,269</u>            |
| Net cash provided by operating activities  | <u>(624)</u>             | <u>46,524</u>            |
| Net cash provided by financing activities  | <u>(4,677)</u>           | <u>43,269</u>            |
| Increase in cash   | (5,301)                  | 89,793                   |
| Cash, beginning of year  | <u>531,280</u>           | <u>441,487</u>           |
| Cash, end of year  | <u><u>\$ 525,979</u></u> | <u><u>\$ 531,280</u></u> |
| <b><u>Supplemental Disclosure</u></b>  |                          |                          |
| Cash paid during the year for interest   | <u><u>\$ -</u></u>       | <u><u>\$ -</u></u>       |
| Income taxes paid  | <u><u>N/A</u></u>        | <u><u>N/A</u></u>        |

The accompanying notes are an integral part of this statement.

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Notes to the Financial Statements**  
**June 30, 2022 and 2021**

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**1. Nature of Entity**

Organization

Literacy Alliance of Northeast Florida, Inc. is a non-profit organization located in the Jacksonville, Florida area whose mission is to create literacy awareness and to teach reading to individuals and families. Reading is taught by training volunteers to tutor adults and older youths.

**2. Summary of Significant Accounting Policies**

The financial statements of Literacy Alliance of Northeast Florida, Inc. have been prepared on the accrual basis. The significant accounting policies followed are described below.

Basis of Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. The Organization has adopted the provisions of Accounting Standards Update (“ASU”) 2016-14: *Not-for-Profit-Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*, which improves the current net asset classification and the related information presented in the financial statements and notes about the Organization’s liquidity, financial performance, and cash flows. Accordingly, the accounts of the Organization are reported in the following net asset categories:

Net Assets with Donor Restrictions – the part of net assets of the Organization that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net Assets without Donor Restrictions – the part of net assets of the Organization that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Revenue Recognition

The Organization adopted the provisions of FASB ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the years ending June 30, 2022 and 2021 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

Literacy Alliance of Northeast Florida, Inc. receives substantially all of its grant and contract revenue from State and City agencies. It recognizes contract revenue either to the extent of reimbursable expenditures or on a pro-rata basis over the contract period. Revenue recognition depends on the contract.

Grants and Contracts Receivable

Grants and contracts receivable are stated at the amount management expects to collect from outstanding balances and considers them to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to the program when the determination is made.

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Notes to the Financial Statements**  
**June 30, 2022 and 2021**

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Reading Materials Supplies

Educational materials are valued at the lower of cost or market, on a first-in, first-out basis.

Property and Equipment

The Organization capitalizes all expenditures in excess of \$500 for property and equipment at cost. Expenditures of less than \$500 are expensed. Ordinary repairs and maintenance are charged to expense when incurred. Contributed property and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Equipment is depreciated over estimated useful lives of five to ten years by the straight-line method.

Long-lived Assets

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate the carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are measured based on the fair value of the asset, and long-lived assets to be disposed of by sale are reported at the lower of the carrying amount or fair value less the cost to sell. Long-lived assets were measured for impairment and no adjustments were deemed necessary during the periods ended June 30, 2022 and 2021.

Contributions

Contributions received are recorded as with donor restriction or without donor restriction depending on the existence and/or nature of any donor restrictions. Contributions that are with restriction by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. When a restriction expires, net assets with restriction are reclassified to without restriction and are reported in the Statements of Activities as net assets released from restriction.

Donated Materials, Long-lived Assets, Facilities & Services

Donated materials are recorded as contributions at their estimated fair value at the date of donation. Long-lived assets or the use of facilities are recorded as contributions in the period received at fair value. Contribution of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills and are provided by individuals possessing those skills.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Income Tax

Literacy Alliance of Northeast Florida, Inc. is a tax-exempt organization as defined by section 501(c)(3) of the Internal Revenue Code; therefore, no provision for federal or state income taxes has been established.

For the years ended June 30, 2022 and 2021, there were no interest or penalties recorded or included in its financial statements. The Organization is no longer subject to U.S. federal income tax examinations by the tax authorities for years before June 30, 2020.

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Notes to the Financial Statements**  
**June 30, 2022 and 2021**

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Expense Allocation

Allocation of functional expenses between program services and support services is determined on a percentage basis according to the nature and purpose of the expense.

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.

Accounting Pronouncement Adopted

Effective July 1, 2021, the Organization adopted Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07). The amendments in this update apply to nonprofit organizations that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms. The amendments address presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes 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.

Accounting Pronouncement Issued but Not Yet Adopted

*Leases*

In February 2016, the Financial Accounting Standard Board (“FASB”) issued Accounting Standard Update (“ASU”) 2016-02, *Leases (Topic 842)*. This guidance amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheet. It also makes targeted changes to lessor accounting, including a change to the treatment of initial direct leasing costs, which no longer considers fixed internal leasing salaries as capitalizable costs. The standard is effective for fiscal years beginning after December 15, 2022. The Organization is currently evaluating the alternative methods of adoption and the impact it will have on its financial statements and related disclosures.

**3. Liquidity and Availability of Funds**

The Organization’s financial assets available for general expenditure that are without donor or other restrictions limiting their use, within one year of the statement of financial position date are as follows:

|  | <u>2022</u>       | <u>2021</u>       |
|--|-------------------|-------------------|
| Cash   | \$ 525,979        | \$ 531,280        |
| Accounts receivable  | <u>37,397</u>     | <u>26,136</u>     |
| Total financial assets as of year end  | <u>\$ 563,376</u> | <u>\$ 557,416</u> |
| Total financial assets available to meet<br>general expenditures within the next 12 months | <u>\$ 563,376</u> | <u>\$ 557,416</u> |

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

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Notes to the Financial Statements**  
**June 30, 2022 and 2021**

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**4. Property and Equipment**

Property and equipment consists principally of office furniture and equipment, which are depreciated over useful lives of five to ten years by the straight-line method.

**5. Note Payable**

On May 7, 2020 and March 3, 2021, the Organization received loan proceeds of \$38,690 and \$43,269, respectively, pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. Funds from the loan may be forgiven by the Small Business Administration, provided the loan proceeds are used to pay qualifying expenses during a certain period of time such as payroll costs, rent, utilities, and mortgage interest. The Organization intends to use the entire proceeds for qualifying expenses and therefore expects the loan to be forgiven in full. Upon forgiveness, the Organization will record a gain on extinguishment of debt equal to the amount forgiven.

|   | <u>2022</u> | <u>2021</u>      |
|---|-------------|------------------|
| Note issued in connection with the Paycheck Protection Program Phase 2, interest at 1.00%, payable in monthly installments of \$929 including interest beginning April 3, 2022, due in April 2026. All requirements were met and the loan was fully forgiven in the current year. | \$ -        | \$ 43,269        |
|   | -           | 43,269           |
| Less: current portion   | -           | -                |
|   | <u>\$ -</u> | <u>\$ 43,269</u> |

**6. Lease Agreement**

The Organization entered into a new real property lease for one year, \$2,154 per month expiring June 30, 2022. The lease was undated for one year, \$2,154 per month expiring June 30, 2023. The lease is for its office location.

The minimum lease payments over the next five years and in the aggregate are as follows:

|      |                  |
|------|------------------|
| 2023 | <u>\$ 25,815</u> |
|------|------------------|

**7. Fundraisers**

A detail of the net fund raising revenue for June 30, 2022 is as follows:

| <u>Event</u> | <u>Gross Revenue</u> | <u>Direct Costs</u> | <u>Net</u>       |
|--------------|----------------------|---------------------|------------------|
| Spelling Bee | \$ 25,070            | \$ 3,988            | \$ 21,082        |
|              | <u>\$ 25,070</u>     | <u>\$ 3,988</u>     | <u>\$ 21,082</u> |

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Notes to the Financial Statements**  
**June 30, 2022 and 2021**

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A detail of the net fund raising revenue for June 30, 2021 is as follows:

| <u>Event</u> | <u>Gross<br/>Revenue</u> | <u>Direct<br/>Costs</u> | <u>Net</u>        |
|--------------|--------------------------|-------------------------|-------------------|
| Various      | \$ 1,861                 | \$ 4,726                | \$ (2,865)        |
|              | <u>\$ 1,861</u>          | <u>\$ 4,726</u>         | <u>\$ (2,865)</u> |

COVID-19 restricted fundraisers in the year ending June 30, 2021.

**8. Commitments and Contingencies**

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. The World Health Organization has declared COVID-19 to constitute a “Public Health Emergency of International Concern.” COVID-19 subsequently forced cancellation and restricted in-person gatherings for a period of time and continues to have the potential for periodic cancellations and restrictions. However, the extent of the impact of the COVID-19 on the Organization’s operations and financial performance cannot be reasonably estimated at this time.

**9. Concentration of Credit Risk**

The Organization places its cash into FDIC insured financial institutions. At June 30, 2022, the cash balances were \$275,930 in excess of the balances, which were federally insured.

**10. In-kind Donations**

The Organization may receive equipment, reading material supplies, and professional services without payment or compensation. Contribution of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by an individual possessing those skills, and would typically need to be purchased when not provided by donation, are recorded. The value of such services is ascertainable and meets the requirements of FASB ASC 958-605-25-16, and is reflected in the accompanying financial statements as revenue and expenses. Materials and other noncash donations are recorded at cost or estimated fair value determined at the date of donation.

Various volunteers have made contributions of their time to the Organization, which do not meet the above criteria. The value of this contributed time is not reflected in these financial statements since there is no objective measurement or valuation of these services.

Total in-kind donations included in the accompanying financial statements in accordance with ASC 958-605-25-16, were as follows:

|                           | <u>2022</u>      | <u>2021</u>     |
|---------------------------|------------------|-----------------|
| Small equipment           | \$ 8,625         | \$ -            |
| Reading material supplies | <u>1,997</u>     | <u>2,494</u>    |
| Total in-kind donations   | <u>\$ 10,622</u> | <u>\$ 2,494</u> |

**Literacy Alliance of Northeast Florida, Inc.**  
**(a non-profit organization)**  
**Notes to the Financial Statements**  
**June 30, 2022 and 2021**

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**11. Subsequent Events**

Subsequent events were evaluated through December 15, 2022, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**



**Literacy Alliance of Northeast Florida, Inc.**  
(a non-profit organization)  
Per Ordinance Code Chapter 118.205(e)  
For the year ended June 30, 2022

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**CITY OF JACKSONVILLE PUBLIC SERVICE GRANT FOR FISCAL YEAR 2020 / 2021**

| <u>Receipt from City Funds</u>                          | City FY<br>2020 - 2021<br><u>Grant #1</u> | City FY<br>2021 - 2022<br><u>Grant #2</u> |
|---|---|---|
| Amount of award   | \$ 70,810                                 | \$ 77,858                                 |
| Actual funds received from city in last<br>audit period | 44,904                                    | -   |
| Actual amount received this period                      | <u>25,906</u>                             | <u>55,920</u>                             |
| Amount remaining to be distributed                      | <u>\$ -</u>                               | <u>\$ 21,938</u>                          |

**Expenditures of City Funds**

City FY 2020-2021 Grant Jax Reads Low Income - \$70,810

| <u>Item</u>  | <u>Budgeted</u>  | Actual<br>10/1/2020 -<br><u>6/30/2021</u> | Actual<br>7/1/2021 -<br><u>9/30/2021</u> | <u>Total Actual</u> | <u>Remaining<br/>Balance</u> |
|--------------|------------------|---|--|---------------------|------------------------------|
| Compensation | \$ 70,810        | \$ 64,048                                 | \$ 6,762                                 | \$ 70,810           | \$ -                         |
| Total        | <u>\$ 70,810</u> | <u>\$ 64,048</u>                          | <u>\$ 6,762</u>                          | <u>\$ 70,810</u>    | <u>\$ -</u>                  |

City FY 2021-2022 Grant Jax Reads Low Income - \$77,856

| <u>Item</u>  | <u>Budgeted</u>  | Actual<br>10/1/2021 -<br><u>6/30/2022</u> | Actual<br>7/1/2022 -<br><u>9/30/2022</u> | <u>Total Actual</u> | <u>Remaining<br/>Balance</u> |
|--------------|------------------|---|--|---------------------|------------------------------|
| Compensation | \$ 77,858        | \$ 61,300                                 | \$ -                                     | \$ 61,300           | \$ 16,558                    |
| Total        | <u>\$ 77,858</u> | <u>\$ 61,300</u>                          | <u>\$ -</u>                              | <u>\$ 61,300</u>    | <u>\$ 16,558</u>             |