

**HUDSON RIVER COMMUNITY SAILING INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT**

**NOVEMBER 30, 2021 AND 2020**

# HUDSON RIVER COMMUNITY SAILING INC.

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## INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of  
Hudson River Community Sailing Inc.

We have audited the accompanying financial statements of Hudson River Community Sailing Inc. (a nonprofit organization), which comprise the statements of financial position as of November 30, 2021 and 2020, and the related statements of activities, 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 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 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 Hudson River Community Sailing Inc. as of November 30, 2021 and 2020, 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.

New York, NY  
June 3, 2022

*Skody Scot & Company, CPAs, P.C.*

**HUDSON RIVER COMMUNITY SAILING INC.  
STATEMENTS OF FINANCIAL POSITION  
NOVEMBER 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash	\$ 1,367,189	\$ 1,004,118
Certificates of deposit	-	75,157
Program revenue and other receivables	74,000	39,407
Contributions receivable	3,770	210,833
Government grants receivable	62,360	-
Prepaid expenses	76,259	24,309
Property and equipment, net	592,267	621,924
	<b>\$ 2,175,845</b>	<b>\$ 1,975,748</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 102,181	\$ 82,212
Deferred income	213,120	123,120
Refundable advances	219,600	219,689
Total liabilities	534,901	425,021
Commitments and contingencies (see notes)		
Net Assets:		
Without donor restrictions	1,640,944	1,410,983
With donor restrictions	-	139,744
Total net assets	1,640,944	1,550,727
Total liabilities and net assets	<b>\$ 2,175,845</b>	<b>\$ 1,975,748</b>

**See accompanying notes to the financial statements.**

**HUDSON RIVER COMMUNITY SAILING INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED NOVEMBER 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenues:</b>						
Program service revenue	\$ 601,237	\$ -	\$ 601,237	\$ 323,226	\$ -	\$ 323,226
Membership dues	278,453	-	278,453	232,478	-	232,478
Contributions	547,286	-	547,286	792,624	80,302	872,926
Contributions - non-financial	30,000	-	30,000	-	-	-
Government grants	282,049	-	282,049	50,794	-	50,794
Special events:						
Income	351,197	-	351,197	260,714	-	260,714
Less: direct costs	(42,828)	-	(42,828)	(227)	-	(227)
Net special event income	308,369	-	308,369	260,487	-	260,487
Interest income	1,478	-	1,478	3,774	-	3,774
Other income	9,235	-	9,235	9,831	-	9,831
Net assets released from restriction:						
Satisfaction of purpose restrictions	139,744	(139,744)	-	162,674	(162,674)	-
Expiration of time restrictions	-	-	-	25,000	(25,000)	-
Total net assets released from restriction	139,744	(139,744)	-	187,674	(187,674)	-
Total support and revenues	2,197,851	(139,744)	2,058,107	1,860,888	(107,372)	1,753,516
<b>Expenses:</b>						
Program Expenses:						
Youth program	806,014	-	806,014	690,328	-	690,328
Adult program	710,026	-	710,026	556,382	-	556,382
Total program expenses	1,516,040	-	1,516,040	1,246,710	-	1,246,710
Supporting Services:						
Management and general	267,012	-	267,012	125,683	-	125,683
Fundraising	184,838	-	184,838	148,951	-	148,951
Total expenses	1,967,890	-	1,967,890	1,521,344	-	1,521,344
<b>Increase/(decrease) in net assets</b>	229,961	(139,744)	90,217	339,544	(107,372)	232,172
Net assets, beginning of year	1,410,983	139,744	1,550,727	1,071,439	247,116	1,318,555
Net assets, end of year	\$ 1,640,944	\$ -	\$ 1,640,944	\$ 1,410,983	\$ 139,744	\$ 1,550,727

See accompanying notes to the financial statements.

**HUDSON RIVER COMMUNITY SAILING INC.  
STATEMENT OF EXPENSES  
YEAR ENDED NOVEMBER 30, 2021**

	<u>Program Expenses</u>			<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Youth Program</u>	<u>Adult Program</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 546,402	\$ 432,048	\$ 978,450	\$ 179,498	\$ 120,008	\$ 1,277,956
Payroll taxes and benefits	76,210	60,177	136,387	2,483	19,580	158,450
Outside contractors	9,210	22,474	31,684	32,986	-	64,670
Bank charges & credit card fees	1,026	10,925	11,951	9,677	11,082	32,710
Boat fuel	2,185	2,683	4,868	-	310	5,178
Boat ownership & charters	20,157	14,897	35,054	-	609	35,663
Boat repair and maintenance	4,489	12,207	16,696	-	1,413	18,109
Boat supplies & equipment	18,816	26,654	45,470	-	2,656	48,126
Depreciation and amortization	47,669	57,466	105,135	-	6,631	111,766
Dues, books and subscriptions	1,739	15,033	16,772	425	899	18,096
Insurance	14,999	14,861	29,860	14,371	1,857	46,088
Office supplies and expenses	6,502	4,601	11,103	727	6,529	18,359
Printing and copying	835	1,317	2,152	594	1,709	4,455
Professional fees	-	-	-	11,800	-	11,800
Food and supplies	26,220	13,055	39,275	1,932	5,146	46,353
Rent and utilities	14,775	9,101	23,876	1,587	646	26,109
Repairs and maintenance	95	139	234	-	16	250
Staff development and training	5,671	2,642	8,313	1,475	254	10,042
Telephone and communications	356	109	465	8,435	3	8,903
Travel and meetings	6,884	5,815	12,699	882	4,115	17,696
Website hosting and maintenance	1,774	3,822	5,596	140	1,375	7,111
Total expenses	<u>\$ 806,014</u>	<u>\$ 710,026</u>	<u>\$1,516,040</u>	<u>\$ 267,012</u>	<u>\$ 184,838</u>	<u>\$ 1,967,890</u>

**See accompanying notes to the financial statements.**

**HUDSON RIVER COMMUNITY SAILING INC.  
STATEMENT OF EXPENSES  
YEAR ENDED NOVEMBER 30, 2020**

	<u>Program Expenses</u>			<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Youth Program</u>	<u>Adult Program</u>	<u>Total Program</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 482,330	\$ 338,458	\$ 820,788	\$ 23,515	\$ 96,950	\$ 941,253
Payroll taxes and benefits	78,972	53,619	132,591	2,314	15,887	150,792
Outside contractors	-	-	-	43,505	-	43,505
Bank charges & credit card fees	1,787	793	2,580	6,844	7,621	17,045
Boat fuel	852	1,308	2,160	-	46	2,206
Boat ownership & charters	3,973	18,692	22,665	-	5,079	27,744
Boat repair and maintenance	5,922	8,413	14,335	-	290	14,625
Boat supplies & equipment	7,902	11,285	19,187	-	194	19,381
Depreciation and amortization	40,774	58,908	99,682	145	1,564	101,391
Dues, books and subscriptions	1,941	5,491	7,432	823	3,591	11,846
Insurance	20,996	23,556	44,552	568	3,997	49,117
Loss on asset retirement	-	-	-	17,865	-	17,865
Office supplies and expenses	8,717	4,293	13,010	2,956	5,751	21,717
Printing and copying	733	471	1,204	41	833	2,078
Professional fees	-	-	-	11,550	-	11,550
Food and supplies	14,728	4,516	19,244	3,535	3,328	26,107
Rent and utilities	7,692	10,567	18,259	37	626	18,922
Repairs and maintenance	-	-	-	27	-	27
Staff development and training	6,995	5,840	12,835	1,247	387	14,469
Telephone and communications	82	89	171	8,735	-	8,906
Travel and meetings	3,686	6,623	10,309	423	2,530	13,262
Website hosting and maintenance	2,246	3,460	5,706	1,553	277	7,536
Total expenses	<u>\$ 690,328</u>	<u>\$ 556,382</u>	<u>\$1,246,710</u>	<u>\$ 125,683</u>	<u>\$ 148,951</u>	<u>\$ 1,521,344</u>

See accompanying notes to the financial statements.

**HUDSON RIVER COMMUNITY SAILING INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED NOVEMBER 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase/(decrease) in net assets	\$ 90,217	\$ 232,172
Adjustments for non-cash items included in operating activities:		
Depreciation and amortization	111,766	101,391
Donated equipment	(30,000)	-
Loss on asset retirement	-	17,865
Changes in assets and liabilities:		
Accounts payable and accrued expenses	19,969	(42,358)
Deferred income	90,000	(44,950)
Refundable advances	(89)	219,689
Program revenue and other receivables	(34,593)	(11,941)
Contributions receivable	207,063	(98,750)
Government grants receivable	(62,360)	39,010
Prepaid expenses	(51,950)	19,191
Net cash provided/(used) by operating activities	<u>340,023</u>	<u>431,319</u>
Cash flows from investing activities:		
Redemption of certificates of deposit	75,157	85,051
Purchase of property and equipment	(96,664)	(98,070)
Net insurance proceeds from boat damage	44,555	-
Net cash provided/(used) by investing activities	<u>23,048</u>	<u>(13,019)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash	363,071	418,300
Cash at beginning of year	<u>1,004,118</u>	<u>585,818</u>
Cash at end of year	<u>\$ 1,367,189</u>	<u>\$ 1,004,118</u>
Supplemental information:		
Retirement of property & equipment	\$ 51,990	\$ 45,732

**See accompanying notes to the financial statements.**



## HUDSON RIVER COMMUNITY SAILING INC. NOTES TO FINANCIAL STATEMENTS

### Note 1 - Summary of Significant Accounting Policies

#### The Organization

Hudson River Community Sailing Inc. (Organization), a not-for-profit organization, was incorporated in the State of New York on December 18, 2007. The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded. The Organization does not believe its financial statements contain any uncertain tax positions. The Organization primarily receives its support from program service revenue, contributions, membership dues, and special events.

The primary purpose of the Organization is to develop leadership and academic success in underserved New York City youth through sailing education and providing maritime education and recreation to the community at large. The Organization aims to accomplish this mission with its two major program areas which include the following:

#### Youth program:

The youth program develops the leadership and academic skills needed by students to become successful in school and the workplace. Along with academic enrichment in math and science, life skills, such as teamwork, self-reliance, persistence, and responsibility are taught through the mediums of sailing, boat operation, and boat building. The youth program consists of multiple projects which include, but are not limited to: **Sail Academy Chelsea** - a 4 year-long after-school program offered in partnership with seven New York City public high schools. Year 1 provides the opportunity for students to learn to sail and build small wooden boats, while earning an elective credit. Year 2 has students studying the science of the Hudson and learning to become good stewards as they advance sailing skills. Years 3 and 4 allow students to specialize in maritime areas that most interest them (e.g. racing, navigation, boat building), while also receiving post-secondary counseling, college preparation, and career discovery; **Sail Academy Inwood** – a multi-year after-school program that offers STEM enrichment and social emotional learning at local middle schools; **Internships** - students assist in daily operations and boat maintenance in a structured program tiered for increasing responsibility and independence; **City Sail** - a fee-based, week-long summer youth camp for children aged 9 - 17; and **Youth Racing** - a program which brings together a diverse cross-section of both public and private NYC schools to learn fundamentals and compete.

#### Adult program:

The Adult program consists of: **Community Sailing** - a fee-based sailing and membership program which offers adults a *US Sailing* sanctioned community sailing center, sailing lessons and classes. Fees and dues from this program are used to subsidize the costs of the projects which are provided to underserved youth at reduced or no cost through the Youth program; **Soldiers Under Sail** - an adaptive sailing program for veterans delivered in partnership with the local veteran's administration; and **Adaptive Program** - a program piloted in 2021 designed to provide sailing education and recreation for youth and adults living with disabilities. People living with disabilities are often cut off from outdoor activities due to a lack of infrastructure and training. Drawing upon years of providing transformative on-water programs, the Organization plans to shift this paradigm.

**HUDSON RIVER COMMUNITY SAILING INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific receivables. At November 30, 2021 and 2020, all receivables are expected to be received within one year and accordingly, no provision for uncollectible receivables has been recorded.

Property and Equipment

The Organization capitalizes certain property and equipment with estimated lives of three years or more. Purchased property and equipment are stated at cost, less accumulated depreciation or amortization. Donated property and equipment are stated at fair value on the date of donation, less accumulated depreciation. Depreciation of equipment and furniture is computed by the straight-line method over the estimated useful life of the asset ranging from four to ten years. Amortization of leasehold improvements is computed by the straight-line method over the estimated useful life of the improvement or the term of the lease (whichever is shorter). Expenditures for repairs and maintenance are expensed as incurred and major renewals and betterments are capitalized.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board or management for a specified purpose.

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 (endowment), where the donor stipulates that resources be maintained in perpetuity.

**HUDSON RIVER COMMUNITY SAILING INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments

The policy of the Organization is to sell donated investments soon after receipt and consider them cash donations valued at the sale price.

Revenue Recognition

The Organization recognizes contributions when cash, noncash assets, or unconditional promises to give are received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Certain government grants are conditioned upon the incurrence of allowable qualifying expenses in compliance with specific grant provisions. At November 30, 2021 and 2020, government grants totaling \$0 and \$52,360, respectively, have not been recognized in the accompanying statements of activities because the conditions on which they depend have not been met. At November 30, 2021 and 2020, the Organization did not have any other conditional pledges that were not recognized.

Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

Program service revenue relates to fees received in exchange for program services and consists primarily of adult and youth sailing instruction, after-school student programming, and sponsorships. Revenue is recognized when the program service is provided, risks and rewards transfer, and all performance obligations are considered to be satisfied. Any revenue received which has not been earned is recorded as deferred income.

Membership dues are recognized as revenue based on the membership period covered by the individual member's dues. Consequently, all dues and fees received in 2021 and 2020 covering the respective 2022 and 2021 membership period have been recorded as deferred income.

The Organization receives special events revenue which contains both an exchange component and a conditional contribution component. Both components are recognized when the event takes place. Any event revenue received in advance of the event is recorded as deferred income.

**HUDSON RIVER COMMUNITY SAILING INC.  
NOTES TO FINANCIAL STATEMENTS**

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

The Organization receives grants from governmental agencies. Depending upon the terms of the grant, it can be either an exchange transaction or a contribution. In accordance with grant provisions, the grant can be an expense reimbursement grant which requires that approved expenses be incurred prior to reimbursement by the grantor. Other grants permit advances of grant funds or full payment of grant funds at the start of the grant. If the grant is an exchange type grant, all unreimbursed expenses, for approved purposes, as of year-end are recorded as receivables and any unexpended advances are recorded as refundable advances. If the grant is a contribution, it is recognized in accordance with the contribution recognition policy described above.

During the year ended November 30, 2020, the Organization received \$219,689 of Paycheck Protection Program funds from the U.S. Small Business Administration. Management has determined that the correct model to follow is the grant model and that the purpose-related conditions imposed on the grant were not met by year-end. Therefore, recognition has been deferred. The amount is reported as a refundable advance in the statement of financial position as of November 30, 2020. During the year ended November 30, 2021, the Organization received confirmation that it has met the grant conditions and has recognized the amount as government grant revenue.

During the year ended November 30, 2021, the Organization received \$219,600 of Paycheck Protection Program funds from the U.S. Small Business Administration. Management has determined that the correct model to follow is the grant model and that the purpose-related conditions imposed on the grant were not met by year-end. Therefore, recognition has been deferred. The amount is reported as a refundable advance in the statement of financial position as of November 30, 2021.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related expenses based on estimated time and effort and boat-related expenses, insurance, depreciation, office supplies and expenses, rent and utilities, travel and meetings, and various other expenses based on usage. The Organization classifies expenses, which are not directly related to a specific program, as Management and General expenses.

**HUDSON RIVER COMMUNITY SAILING INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 2 - Property and Equipment**

Property and equipment by major class consisted of the following at November 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Boats and boat equipment	\$ 897,223	\$ 835,307
Office equipment	2,280	4,270
Furniture and fixtures	1,200	1,200
Leasehold improvements	<u>97,967</u>	<u>83,660</u>
	998,670	924,437
Less: Accumulated depreciation and amortization	<u>( 406,403)</u>	<u>( 302,513)</u>
	<u>\$ 592,267</u>	<u>\$ 621,924</u>

**Note 3 - Net Assets**

During fiscal year 2018, the Organization's Board of Directors designated \$100,000 of net assets without donor restrictions as non-operating reserve funds. As of November 30, 2021 and 2020, net assets without donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Board-designated non-operating reserves	\$ 100,000	\$ 100,000
Undesignated	<u>1,540,944</u>	<u>1,310,983</u>
	<u>\$1,640,944</u>	<u>\$1,410,983</u>

As of November 30, 2021 and 2020, net assets with donor restrictions are available as follows:

	<u>2021</u>	<u>2020</u>
Youth development program	\$ -	\$ 70,000
STEM to Stern campaign	<u>-</u>	<u>69,744</u>
	<u>\$ -</u>	<u>\$ 139,744</u>

The STEM to Stern campaign will build capacity by investing in infrastructure and launching a second youth development program. The campaign focuses on two primary areas of growth: fleet expansion across locations, and program and infrastructure development at its Inwood location. As of November 30, 2021, the STEM to Stern campaign was complete.

**Note 4 - Commitments**

During the year ended November 30, 2021, the Organization signed a five-year license agreement with the City of New York to use a marina in Fort Washington Park for its boating programs. The agreement requires the Organization to maintain and repair the marina at its own cost. As of November 31, 2021, future license fee commitments are as follows:

Year ended November 30, 2022	\$ 12,250
2023	12,862
2024	13,505
2025	14,180

**HUDSON RIVER COMMUNITY SAILING INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 5 - Revenue from Contracts with Customers**

Detail of revenue from contracts with customers during the years ended November 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Sailing instruction	\$ 506,996	\$ 248,393
After-school programming	56,667	37,333
Membership dues	278,453	232,478
Sponsorships	37,574	37,500
Special event income – exchange component	42,828	227

The following table provides information about significant changes in the contract liabilities for the years ended November 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Deferred income, beginning of the year	\$ 123,120	\$ 168,070
Revenue recognized that was included in deferred income at beginning of year	( 123,120)	( 168,070)
Increase in sailing instruction income due to cash received during the period	31,700	-
Increase in deferred membership dues due to cash received during the period	<u>181,420</u>	<u>123,120</u>
Deferred income, end of the year	<u>\$ 213,120</u>	<u>\$ 123,120</u>

**Note 6 - Non-Financial Contribution**

During the year ended November 30, 2021, the Organization received a donation of a sailboat and trailer to be used for the Organization's program activities. The donated sailboat and trailer were valued at the appraised value of \$30,000, and capitalized as part of the Organization's property and equipment. The amount is listed on the statement of activities for the year ended November 30, 2021 as a non-financial contribution.

**Note 7 - Government Grants**

During the years ended December 31, 2021 and 2020, the Organization was awarded various grants by governmental entities. Total revenue recognized under the grants amounted to:

	<u>2021</u>	<u>2020</u>
U.S. SBA – Paycheck Protection Program funds	\$ 219,689	\$ -
U.S. Department of Veterans Affairs	52,360	39,410
NYC Dept. of Youth & Community Development	10,000	11,384
	<u>\$ 282,049</u>	<u>\$ 50,794</u>

**HUDSON RIVER COMMUNITY SAILING INC.  
NOTES TO FINANCIAL STATEMENTS**

**Note 8 - Liquidity and Availability of Financial Assets**

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

As part of the Organization's liquidity plan, a board designated reserve fund for \$100,000 is maintained.

The following reflects the Organization's financial assets, as of November 30, 2021 and 2020, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 1,367,189	\$ 1,004,118
Certificates of deposit	-	75,157
Receivables	<u>140,130</u>	<u>250,240</u>
Total financial assets	1,507,319	1,329,515
Less those unavailable for general expenditures within one year:		
Board-designated non-operating reserves	<u>( 100,000)</u>	<u>( 100,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,407,319</u>	<u>\$ 1,229,515</u>

**Note 9 - Subsequent Events**

Subsequent events were evaluated for potential additional disclosures through June 3, 2022, which is the date the financial statements were available to be issued.