

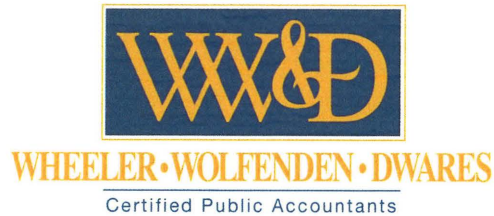
DELAWARE PROSPERITY PARTNERSHIP, INC.

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT

December 31, 2022 and 2021

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Delaware Prosperity Partnership, Inc.  
Wilmington, Delaware

### **Opinion**

We have audited the accompanying financial statements of Delaware Prosperity Partnership, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and 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 Delaware Prosperity Partnership, Inc. as of December 31, 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 audits 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 Delaware Prosperity Partnership, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Delaware Prosperity Partnership, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To the Board of Directors  
Delaware Prosperity Partnership, Inc.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Delaware Prosperity Partnership, Inc. 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 Delaware Prosperity Partnership, Inc. 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.

May 22, 2023  
Wilmington, Delaware

  
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DELAWARE PROSPERITY PARTNERSHIP, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

ASSETS

|                                    | <u>2022</u>         | <u>2021</u>         |
|------------------------------------|---------------------|---------------------|
| CURRENT ASSETS                     |                     |                     |
| Cash and cash equivalents          | \$ 2,922,294        | \$ 2,942,663        |
| Contributions receivable           | 334,161             | 271,250             |
| Prepaid expenses                   | <u>56,271</u>       | <u>69,722</u>       |
| Total current assets               | 3,312,726           | 3,283,635           |
| PROPERTY AND EQUIPMENT             |                     |                     |
| Less: accumulated depreciation     | <u>(9,717)</u>      | <u>(11,362)</u>     |
| Total property and equipment – net | 12,156              | 16,116              |
| OTHER ASSETS                       |                     |                     |
| Right of use asset                 | <u>186,995</u>      | <u>-</u>            |
| TOTAL ASSETS                       | <u>\$ 3,511,877</u> | <u>\$ 3,299,751</u> |

LIABILITIES AND NET ASSETS

|   |                     |                     |
|---|---------------------|---------------------|
| CURRENT LIABILITIES                     |                     |                     |
| Accounts payable                        | \$ 60,659           | \$ 99,918           |
| Accrued expenses                        | 15,916              | 22,030              |
| Agency fund                             | 46,450              | 45,000              |
| Lease liability-current portion         | <u>94,806</u>       | <u>-</u>            |
| Total current liabilities               | 217,831             | 166,948             |
| LONG TERM LIABILITIES                   |                     |                     |
| Lease liability- net of current portion | 92,189              | -                   |
| NET ASSETS                              |                     |                     |
| Without Donor Restriction               | 3,185,760           | 3,069,091           |
| With Donor Restrictions                 | <u>16,097</u>       | <u>63,712</u>       |
| Total net assets                        | <u>3,201,857</u>    | <u>3,132,803</u>    |
| TOTAL LIABILITIES AND NET ASSETS        | <u>\$ 3,511,877</u> | <u>\$ 3,299,751</u> |

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

DELAWARE PROSPERITY PARTNERSHIP, INC.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2022 and 2021

|                                       | 2022                          |                            |                     |
|---------------------------------------|-------------------------------|----------------------------|---------------------|
|                                       | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
| <b>REVENUE AND OTHER SUPPORT</b>      |                               |                            |                     |
| Contributions                         | \$ 1,091,000                  | \$ -                       | \$ 1,091,000        |
| Grants                                | 2,000,000                     | -                          | 2,000,000           |
| In-Kind revenue                       | 5,900                         | -                          | 5,900               |
| Interest income                       | 24,770                        | -                          | 24,770              |
| Loss on disposal                      | (592)                         | -                          | (592)               |
| Net assets released from restrictions | <u>47,615</u>                 | <u>(47,615)</u>            | <u>-</u>            |
| Total revenue and other support       | 3,168,693                     | (47,615)                   | 3,121,078           |
| <b>EXPENSES</b>                       |                               |                            |                     |
| Program services                      | 2,464,604                     | -                          | 2,464,604           |
| Management and general                | 472,512                       | -                          | 472,512             |
| Fundraising                           | <u>114,908</u>                | <u>-</u>                   | <u>114,908</u>      |
| Total expenses                        | <u>3,052,024</u>              | <u>-</u>                   | <u>3,052,024</u>    |
| Change in net assets                  | 116,669                       | (47,615)                   | 69,054              |
| Net assets – beginning of year        | <u>3,069,091</u>              | <u>63,712</u>              | <u>3,132,803</u>    |
| Net assets – end of year              | <u>\$ 3,185,760</u>           | <u>\$ 16,097</u>           | <u>\$ 3,201,857</u> |

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

| 2021                          |                            |                     |
|-------------------------------|----------------------------|---------------------|
| Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
| \$ 1,108,000                  | \$ 60,000                  | \$ 1,168,000        |
| 2,000,000                     | -                          | 2,000,000           |
| 6,000                         | -                          | 6,000               |
| 461                           | -                          | 461                 |
| -                             | -                          | -                   |
| 66,088                        | (66,088)                   | -                   |
| <u>3,180,549</u>              | <u>(6,088)</u>             | <u>3,174,461</u>    |
| 2,522,048                     | -                          | 2,522,048           |
| 442,214                       | -                          | 442,214             |
| 139,645                       | -                          | 139,645             |
| <u>3,103,907</u>              | <u>-</u>                   | <u>3,103,907</u>    |
| 76,642                        | (6,088)                    | 70,554              |
| <u>2,992,449</u>              | <u>69,800</u>              | <u>3,062,249</u>    |
| <u>\$ 3,069,091</u>           | <u>\$ 63,712</u>           | <u>\$ 3,132,803</u> |

DELAWARE PROSPERITY PARTNERSHIP, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2022 and 2021

|                                     | 2022                |                           |                   |                     |
|-------------------------------------|---------------------|---------------------------|-------------------|---------------------|
|                                     | Program<br>Services | Management<br>and General | Fundraising       | Total               |
| Salaries                            | \$ 1,105,475        | \$ 160,521                | \$ 102,751        | \$ 1,368,747        |
| Payroll taxes and benefits          | 110,369             | 30,903                    | 5,886             | 147,158             |
| Total salaries and related expenses | 1,215,844           | 191,424                   | 108,637           | 1,515,905           |
| Advertising and marketing           | 339,838             | -                         | -                 | 339,838             |
| Bad debt                            | -                   | 2,500                     | -                 | 2,500               |
| Bank fees                           | -                   | 549                       | -                 | 549                 |
| Business development                | 199,005             | -                         | -                 | 199,005             |
| Consulting and temporary            | 237,505             | -                         | -                 | 237,505             |
| Dues and subscriptions              | -                   | 18,071                    | -                 | 18,071              |
| Economic research                   | 66,400              | -                         | -                 | 66,400              |
| Events                              | -                   | 10,270                    | -                 | 10,270              |
| In-Kind expense                     | 5,900               | -                         | -                 | 5,900               |
| Innovation                          | 183,419             | -                         | -                 | 183,419             |
| Insurance                           | 117,563             | 32,917                    | 6,271             | 156,751             |
| Maintenance                         | -                   | 436                       | -                 | 436                 |
| Meals                               | -                   | 206                       | -                 | 206                 |
| Office expense                      | -                   | 14,145                    | -                 | 14,145              |
| Office networking                   | -                   | 5,831                     | -                 | 5,831               |
| Parking                             | -                   | 27,968                    | -                 | 27,968              |
| Printing and postage                | -                   | 1,368                     | -                 | 1,368               |
| Professional development            | 5,563               | -                         | -                 | 5,563               |
| Professional fees                   | -                   | 58,010                    | -                 | 58,010              |
| Rent                                | -                   | 96,585                    | -                 | 96,585              |
| Talent                              | 93,567              | -                         | -                 | 93,567              |
| Taxes and licenses                  | -                   | 103                       | -                 | 103                 |
| Telephone and utilities             | -                   | 5,659                     | -                 | 5,659               |
| Travel                              | -                   | 3,103                     | -                 | 3,103               |
| Total operating expenses            | 1,248,760           | 277,721                   | 6,271             | 1,532,752           |
| Depreciation                        | -                   | 3,367                     | -                 | 3,367               |
| Total functional expenses           | \$ <u>2,464,604</u> | \$ <u>472,512</u>         | \$ <u>114,908</u> | \$ <u>3,052,024</u> |

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



## 2021

|    | Program<br>Services     | Management<br>and General | Fundraising           | Total                   |
|----|-------------------------|---------------------------|-----------------------|-------------------------|
| \$ | 1,079,913               | \$ 146,214                | \$ 118,923            | \$ 1,345,050            |
|    | <u>122,673</u>          | <u>13,918</u>             | <u>11,240</u>         | <u>147,831</u>          |
|    | 1,202,586               | 160,132                   | 130,163               | 1,492,881               |
|    | 542,230                 | -                         | -                     | 542,230                 |
|    | -                       | 5,000                     | -                     | 5,000                   |
|    | -                       | 1,022                     | -                     | 1,022                   |
|    | 189,353                 | -                         | -                     | 189,353                 |
|    | 101,383                 | -                         | -                     | 101,383                 |
|    | -                       | 16,796                    | -                     | 16,796                  |
|    | 88,130                  | -                         | -                     | 88,130                  |
|    | -                       | 17,053                    | -                     | 17,053                  |
|    | 6,000                   | -                         | -                     | 6,000                   |
|    | 114,621                 | -                         | -                     | 114,621                 |
|    | 105,717                 | 11,650                    | 9,482                 | 126,849                 |
|    | -                       | 96                        | -                     | 96                      |
|    | -                       | 30                        | -                     | 30                      |
|    | -                       | 4,589                     | -                     | 4,589                   |
|    | -                       | 9,090                     | -                     | 9,090                   |
|    | -                       | 28,405                    | -                     | 28,405                  |
|    | -                       | 5,114                     | -                     | 5,114                   |
|    | 14,964                  | -                         | -                     | 14,964                  |
|    | -                       | 80,375                    | -                     | 80,375                  |
|    | -                       | 94,006                    | -                     | 94,006                  |
|    | 157,064                 | -                         | -                     | 157,064                 |
|    | -                       | 25                        | -                     | 25                      |
|    | -                       | 4,879                     | -                     | 4,879                   |
|    | -                       | 118                       | -                     | 118                     |
|    | <u>1,319,462</u>        | <u>278,248</u>            | <u>9,482</u>          | <u>1,607,192</u>        |
|    | -                       | 3,834                     | -                     | 3,834                   |
| \$ | <u><u>2,522,048</u></u> | <u><u>442,214</u></u>     | <u><u>139,645</u></u> | <u><u>3,103,907</u></u> |

DELAWARE PROSPERITY PARTNERSHIP, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

|  | <u>2022</u>         | <u>2021</u>         |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                 |                     |                     |
| Cash received  | \$ 3,033,989        | \$ 3,072,750        |
| Cash paid to suppliers and employees                 | (2,982,544)         | (3,086,364)         |
| Interest received                                    | <u>24,770</u>       | <u>461</u>          |
| Net cash provided (utilized) by operating activities | 76,215              | (13,153)            |
| CASH FLOWS FROM INVESTING ACTIVITIES                 |                     |                     |
|  | -                   | -                   |
| CASH FLOWS FROM FINANCING ACTIVITIES                 |                     |                     |
| Payments on lease                                    | <u>(96,585)</u>     | <u>-</u>            |
| Net cash utilized by financing activities            | <u>(96,585)</u>     | <u>-</u>            |
| Net decrease in cash                                 | (20,370)            | (13,153)            |
| Cash and cash equivalents – beginning of year        | <u>2,942,663</u>    | <u>2,955,816</u>    |
| Cash and cash equivalents – end of year              | <u>\$ 2,922,294</u> | <u>\$ 2,942,663</u> |

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

DELAWARE PROSPERITY PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Delaware Prosperity Partnership, Inc. (the Corporation), a public – private partnership formed to leverage private sector resources to enhance business recruitment, promote entrepreneurship and innovation, support workforce development efforts, and produce forward looking analysis on economic trends to best position Delaware’s economy to grow. The Corporation is a not-for-profit organization whose mission is to lead the state of Delaware’s economic development efforts. Establishment of this corporation was a critical step to enhance the state’s ability to attract, grow and retain companies; to build a stronger entrepreneurial and innovation ecosystem; and to support private employers in identifying, recruiting, and developing talent.

The Corporation generates revenue through contributions from various private businesses in Delaware. The corporation is governed by 19 voting directors, a majority of which are appointed by the State’s Governor. The Corporation has been recognized as a component unit of the State of Delaware.

2. Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for not-for-profit organizations.

3. Basis of Financial Statement Presentation

The Corporation reports 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 stipulations and may be expended for any purpose in performing the primary objectives of the Corporation. These net assets may be used at the discretion of the Corporation’s management and board of directors.

**Net assets with donor restrictions:** Net assets subject to donor-imposed stipulations. These donor restrictions are temporary in nature; the restrictions will be met by actions of the Corporation or by the passage of time.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

5. Income Taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and, therefore, has made no provision for Federal income taxes in the accompanying financial statements. In addition, the Corporation has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the *Internal Revenue Code*.

The Corporation adopted ASC 740-10, *Income Taxes*, as it relates to uncertain tax positions. Management has reviewed its current and past federal income tax positions and has determined, based on clear and unambiguous tax law and regulations, that the tax positions taken are certain and that there is no likelihood that a material tax assessment would be made if a respective government agency examined tax returns subject to audit. Accordingly, no provision for the effects of uncertain tax positions has been recorded.

Currently the 2019, 2020 and 2021 tax years are open and subject to examination by the Internal Revenue Service. However, the Corporation is not currently under audit nor has the Corporation been contacted by this jurisdiction. Interest and penalties related to income taxes are included in income tax expense when incurred.

6. Contributions Receivable

Contributions receivable consist of contributions from various private businesses within the next year. Customer account balances with invoices dated over 90 days old are reviewed individually by management and determined whether or not the amounts are collectible. Payments of contributions receivable are allocated to the specific invoices identified on the customer’s remittance advice or, if unspecified, are applied to the earliest unpaid invoices. The Corporation uses the direct write-off method to determine uncollectible receivables. It is the opinion of the Corporation that the bad debt expense computed under this method is not materially different than it would have been if the allowance method were used. For the years ended December 31, 2022 and 2021, bad debt expense was \$2,500 and \$5,000, respectively.

7. Revenue Recognition

Contributions received are recorded as with or without donor restrictions, depending on the existence of any donor restriction. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Revenue Recognition (Continued)

increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenue, expenses and other changes in net assets as net assets released from restrictions.

8. Advertising and Marketing

The Corporation expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2022 and 2021, totaled \$339,838 and \$542,230 respectively.

9. Functional Expenses

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include salaries, payroll taxes and benefits, advertising and marketing, dues and subscriptions, office expenses, office networking, printing and postage, and travel and entertainment, which are allocated on a basis of time and effort.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

11. Property and Equipment

Property and equipment are recorded at cost. Provisions for depreciation are made over the estimated useful lives of the respective assets, which generally range from 5 to 39 years, using the straight-line method. Depreciation expense for both years ended December 31, 2022 and 2021 was \$3,367 and \$3,834 respectively.

Upon retirement or disposition of equipment and fixtures, related costs and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of activities.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Property and Equipment (Continued)

Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Corporation received no donated property or equipment during the years ended December 31, 2022 and 2021.

12. Agency Funds

The Corporation received funds for a contest called “Startup 302”. The Corporation was assisting in administering the contest and therefore held funds on behalf of the Organization until the winners were announced. Subsequent to December 31, 2022 but prior to May 22, 2023 the winners were announced and funds distributed.

13. Subsequent Events

In March 2020 the Director General of the World Health Organization declared COVID-19 a pandemic. We are still assessing the impact COVID-19 may have on our business, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of COVID-19 or its consequences, including downturns in business sentiment generally. The extent to which the COVID-19 pandemic and global efforts to contain its spread will impact our operations will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the COVID-19 pandemic.

The Corporation has evaluated subsequent events through May 22, 2023, which is the date the financial statements were available to be issued.

14. New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

The Organization elected to adopt these ASUs effective January 1, 2022 and utilized all of the available practical expedients. The adoption had a material impact on the Organizations balance sheet but did not have a material impact on the income statement. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The accounting for finance leases remained substantially unchanged. Adoption of the standard required the Organization to restate amounts as of January 1, 2022, resulting in an increase in

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. New Accounting Standards (Continued)

operating lease ROU assets of \$186,995, and an increase in other current and long-term liabilities of \$94,806 and \$92,189 respectively.

NOTE B – NET ASSETS

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

|                              | <u>2022</u>             | <u>2021</u>             |
|------------------------------|-------------------------|-------------------------|
| Specific Purpose             |                         |                         |
| Health Workforce Development | \$ <u>16,097</u>        | \$ <u>63,712</u>        |
| Total                        | \$ <u><u>16,097</u></u> | \$ <u><u>63,712</u></u> |

Net assets without donor restrictions are available for the following purposes as of December 31:

|              | <u>2022</u>                | <u>2021</u>                |
|--------------|----------------------------|----------------------------|
| Undesignated | \$ <u>3,185,760</u>        | \$ <u>3,069,091</u>        |
| Total        | \$ <u><u>3,185,760</u></u> | \$ <u><u>3,069,091</u></u> |

NOTE C – LEASE COMMITMENTS

Other than short-term leases, the Organization is a party to one operating lease. The lease is related to office space.

As disclosed in Note A-14, the Company adopted FASB ASC 842. These leases are the only leases required to be included on our balance sheet under FASB ASC 842. As a result, adopting FASB ASC 842 had no impact to prior year balance sheet information, and because these leases are operating leases, the adoption of this standard has no impact on our results of operations. The organization has elected to apply the short-term lease exception to all leases with a term of one year or less.

## NOTE C – LEASE COMMITMENTS (CONTINUED)

As of December 31, 2022, the right-of-use (ROU) asset had a balance of \$186,955 as shown in other assets on the balance sheet; the lease liability is included in current liabilities \$94,806 and long-term liabilities \$92,189. The lease asset and liability were calculated utilizing the prime rate set by the Federal Reserve (3.25% as of January 1, 2022).

In August of 2019 the Corporation signed a lease to rent office space for a term of 24 months with monthly payments of \$7,642 for the first twelve months with a two percent increase for the remaining length of the lease. In December of 2021 the Corporation signed a lease to rent office space for a term of 36 months with monthly payments of \$8,029 with the same two percent increase after each successive year.

Total minimum lease payments for the above lease is as follows for the years ended December 31:

|                                    |    |                   |
|------------------------------------|----|-------------------|
| 2023                               | \$ | 99,482            |
| 2024                               |    | 93,694            |
| Total Lease Payments               |    | <u>\$ 193,176</u> |
| Less: Interest                     |    | <u>(6,181)</u>    |
| Present value of Lease Liabilities |    | <u>\$ 186,995</u> |

## NOTE D – COMMITMENTS AND CONTINGENCIES

In the normal course of business, there are various commitments and contingencies outstanding which are not reflected in these financial statements. In the opinion of management, the outcome of such events, if any, will not have a material effect on the Corporation's financial statements.

## NOTE E – CONCENTRATIONS

The Corporation maintains cash balances at one financial institution located in Wilmington, Delaware. Under the general deposit insurance rules, the Federal Deposit Insurance Corporation insures all accounts up to \$250,000 per depositor. At times, balances may exceed federally insured limits, although management believes the risk of loss in these situations to be remote. During 2019 the Corporation entered into the CDARS program to mitigate the risk of uninsured cash. The program opens certificates of deposit accounts using multiple different FDIC insured financial institutions, in order to allow the Corporation to invest large amounts of cash while still being covered by the \$250,000 insurance provided by the FDIC. The uninsured cash balances for the years ended December 31, 2022 and 2021, were \$0 and \$73,002 respectively.

Other financial instruments that potentially subject the Corporation to concentrations of credit risk consist of contributions receivable. With respect to contributions receivable, concentrations of credit risk are limited due to the composition of the contributor base.



NOTE F – AVAILABILITY AND LIQUIDITY

The following represents the Corporation’s financial assets as of December 31:

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Financial assets at year end  |                     |                     |
| Cash and Cash Equivalents   | \$ 2,922,294        | \$ 2,942,663        |
| Contribution receivable   | <u>334,161</u>      | <u>271,250</u>      |
| Total   | 3,256,455           | 3,213,913           |
| Less amounts not available to be used within one year                                 |                     |                     |
| Net assets with donor restrictions  | <u>16,097</u>       | <u>63,712</u>       |
| Total   | <u>16,097</u>       | <u>63,712</u>       |
| Financial Assets available to meet general expenditure<br>over the next twelve months | <u>\$ 3,240,358</u> | <u>\$ 3,150,201</u> |