
WASHINGTON ENGLISH CENTER

**Financial Statements and
Independent Auditor's Report**

**For the Years Ended
June 30, 2022 and 2021**

LSWG

**CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Washington English Center

Opinion

We have audited the accompanying financial statements of Washington English Center (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington English Center 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 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 Washington English Center 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 Washington English Center'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 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 Washington English Center'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 Washington English Center'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.

LSWG, P.A.

Rockville, Maryland
September 21, 2022

WASHINGTON ENGLISH CENTER
Statements of Financial Position
June 30,

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 410,704	\$ 611,241
Grants receivable	26,672	40,742
Other receivables	189,367	-
Prepaid expenses	14,460	30,792
Total Current Assets	<u>641,203</u>	<u>682,775</u>
Property and Equipment - at Cost		
Office equipment	16,562	68,179
Less: accumulated depreciation	<u>(16,061)</u>	<u>(65,609)</u>
Property and Equipment - Net	<u>501</u>	<u>2,570</u>
Total Assets	<u><u>\$ 641,704</u></u>	<u><u>\$ 685,345</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 611	\$ 1,381
Accrued expenses	33,786	32,594
Deferred revenue	-	1,080
Deferred rent	28,073	-
Total Current Liabilities	<u>62,470</u>	<u>35,055</u>
Long-Term Liabilities		
Paycheck Protection Program note payable	<u>-</u>	<u>119,750</u>
Total Long-Term Liabilities	<u>-</u>	<u>119,750</u>
Total Liabilities	62,470	154,805
Net Assets		
Without donor restrictions	571,283	523,812
With donor restrictions	7,951	6,728
Total Net Assets	<u>579,234</u>	<u>530,540</u>
Total Liabilities and Net Assets	<u><u>\$ 641,704</u></u>	<u><u>\$ 685,345</u></u>

The accompanying notes are an integral part of these statements.

WASHINGTON ENGLISH CENTER
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2022

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
Support and Revenue			
Tuition, net of scholarships and discounts	\$ 187,511	\$ -	\$ 187,511
Government contributions	243,051	19,302	262,353
Private foundation contributions	58,000	-	58,000
Individual contributions	210,428	4,025	214,453
Corporate contributions	66,269	-	66,269
In-kind contributions	205,668	-	205,668
Spring event	112,465	-	112,465
Miscellaneous income	185,878	-	185,878
Interest income	358	-	358
Total Support and Revenue	1,269,628	23,327	1,292,955
Net assets released from restrictions	22,104	(22,104)	-
Total Support and Revenue	1,291,732	1,223	1,292,955
Expenses			
Program services	968,442	-	968,442
Management and general	151,426	-	151,426
Fundraising	124,393	-	124,393
Total Expenses	1,244,261	-	1,244,261
Change in Net Assets	47,471	1,223	48,694
Net Assets - Beginning of Year	523,812	6,728	530,540
Net Assets - End of Year	<u>\$ 571,283</u>	<u>\$ 7,951</u>	<u>\$ 579,234</u>

The accompanying notes are an integral part of this statement.

WASHINGTON ENGLISH CENTER
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2021

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
Support and Revenue			
Tuition, net of scholarships and discounts	\$ 124,282	\$ -	\$ 124,282
Government contributions	140,731	-	140,731
Private foundation contributions	76,000	15,000	91,000
Individual contributions	183,346	-	183,346
Corporate contributions	49,567	-	49,567
In-kind contributions	23,974	-	23,974
Fundraising income	95,207	-	95,207
Miscellaneous income	113,157	-	113,157
Interest income	612	-	612
Total Support and Revenue	806,876	15,000	821,876
Net assets released from restrictions	8,272	(8,272)	-
Total Support and Revenue	815,148	6,728	821,876
Expenses			
Program services	622,353	-	622,353
Management and general	105,538	-	105,538
Fundraising	117,379	-	117,379
Total Expenses	845,270	-	845,270
Change in Net Assets	(30,122)	6,728	(23,394)
Net Assets - Beginning of Year	553,934	-	553,934
Net Assets - End of Year	<u>\$ 523,812</u>	<u>\$ 6,728</u>	<u>\$ 530,540</u>

The accompanying notes are an integral part of this statement.

WASHINGTON ENGLISH CENTER
Statement of Functional Expenses
For the Year Ended June 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel				
Salaries	\$ 468,309	\$ 67,085	\$ 81,644	\$ 617,038
Payroll taxes	46,399	6,647	8,089	61,135
Employee benefits	<u>12,957</u>	<u>1,856</u>	<u>2,259</u>	<u>17,072</u>
Total Personnel	527,665	75,588	91,992	695,245
Advertising and promotions	1,815	-	-	1,815
Appreciation and ceremonies	1,270	242	-	1,512
Bank fees	6,188	886	1,079	8,153
Communications	9,762	1,311	1,228	12,301
Database expenses	12,279	-	3,000	15,279
Depreciation	1,570	225	274	2,069
Instructional supplies	191	-	-	191
Insurance	7,905	878	-	8,783
Legal expenses	150,445	50,223	-	200,668
Membership dues	403	-	941	1,344
Miscellaneous	-	1,115	-	1,115
Rent and utilities	162,202	18,022	-	180,224
Postage and delivery	-	205	205	410
Printing and publications	7,390	411	3,062	10,863
Professional fees	27,438	1,574	1,244	30,256
Spring event expense	-	-	21,368	21,368
Staff development and travel	938	-	-	938
Staff recruitment	-	420	-	420
Supplies	3,040	326	-	3,366
Textbooks	43,941	-	-	43,941
Volunteer expenses	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Total Expenses	<u>\$ 968,442</u>	<u>\$ 151,426</u>	<u>\$ 124,393</u>	<u>\$ 1,244,261</u>

The accompanying notes are an integral part of this statement.

WASHINGTON ENGLISH CENTER
Statement of Functional Expenses
For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel				
Salaries	\$ 431,456	\$ 82,857	\$ 96,165	\$ 610,478
Payroll taxes	38,056	7,308	8,482	53,846
Employee benefits	<u>13,443</u>	<u>2,582</u>	<u>2,996</u>	<u>19,021</u>
Total Personnel	482,955	92,747	107,643	683,345
Advertising and promotions	1,323	-	-	1,323
Appreciation and ceremonies	391	666	-	1,057
Bank fees	3,335	640	743	4,718
Communications	7,861	1,611	1,201	10,673
Database expenses	11,550	-	2,750	14,300
Depreciation	1,566	301	349	2,216
Instructional supplies	1,250	-	-	1,250
Insurance	5,389	599	-	5,988
Legal expenses	21,577	2,397	-	23,974
Membership dues	218	-	508	726
Miscellaneous	-	656	-	656
Rent and utilities	30,830	3,426	-	34,256
Postage and delivery	-	127	127	254
Printing and publications	9,053	503	2,609	12,165
Professional fees	20,073	1,712	1,449	23,234
Staff development and travel	834	-	-	834
Supplies	1,611	153	-	1,764
Textbooks	19,537	-	-	19,537
Volunteer expenses	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Total Expenses	<u>\$ 622,353</u>	<u>\$ 105,538</u>	<u>\$ 117,379</u>	<u>\$ 845,270</u>

The accompanying notes are an integral part of this statement.

WASHINGTON ENGLISH CENTER
Statements of Cash Flows
For the Years Ended June 30,

Increase (Decrease) In Cash and Cash Equivalents	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 48,694	\$ (23,394)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	2,069	2,216
Forgiveness of PPP note payable	(119,750)	(113,000)
Net change in current assets and liabilities		
Grants receivable	14,070	11,967
Other receivables	(189,367)	-
Prepaid expenses	16,332	13,707
Accounts payable	(770)	(4,038)
Accrued expenses	1,192	9,830
Deferred revenue	(1,080)	(5,191)
Deferred rent	28,073	-
Net Cash Provided by (Used in) Operating Activities	<u>(200,537)</u>	<u>(107,903)</u>
Cash Flows from Financing Activities		
Proceeds from the Paycheck Protection Plan note payable	<u>-</u>	<u>119,750</u>
Net Cash Provided by (Used in) Financing Activities	<u>-</u>	<u>119,750</u>
Net increase (decrease) in cash and cash equivalents	(200,537)	11,847
Cash and Cash Equivalents Balance - Beginning of Year	<u>611,241</u>	<u>599,394</u>
Cash and Cash Equivalents Balance - End of Year	<u><u>\$ 410,704</u></u>	<u><u>\$ 611,241</u></u>
Supplemental Information:		
Interest paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Income taxes paid	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these statements.

Washington English Center
Notes to Financial Statements
For the Years Ended June 30, 2022 and 2021

1. Nature of Business

Washington English Center (the “Organization”) was incorporated in January 1998 in the District of Columbia as a non-stock nonprofit corporation. The Organization provides educational services, access to technology, and employment programs to low-income adult immigrants in the Washington, D.C. metropolitan area.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting, whereby revenue is recognized when earned and expenses when they are incurred.

(b) Cash and Cash Equivalents

The Organization considers cash and cash equivalents to include all highly liquid cash and investments with a maturity of three months or less at acquisition.

(c) Grants and Other Receivables

These receivables are stated at the amount management expects to collect from outstanding balances. Receivables are periodically evaluated for collectability based on past credit history with clients and customers, and their current financial condition. The Organization considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. All receivables are considered collectible within one year.

(d) Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. The Organization’s policy is to capitalize expenditures for property and equipment in excess of \$1,500. Depreciation is computed on the straight-line method using estimated useful life, varying from three to five years. Leasehold improvements are amortized over the life of the lease. Expenses for maintenance and repairs are charged against income as incurred, and betterments which increase the value or materially extend the useful life of the related assets are capitalized. Depreciation expense for years June 30, 2022 and 2021 was \$2,069 and \$2,216, respectively.

(e) 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 that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Washington English Center
Notes to Financial Statements
For the Years Ended June 30, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

(e) Net Assets (continued)

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

(f) Revenue Recognition

Revenues consist primarily of tuition derived from courses taught by the Organization. Revenues from tuition and fees are recognized pro-rata (on a straight-line basis) over the relevant period attended by the student of the applicable course or program. If a student withdraws from a course, the paid but unearned portion of the student's tuition is refunded. Prepaid tuition is the portion of payments received but not earned and is reflected as deferred revenue in the accompanying Statements of Financial Position as such amounts are expected to be earned within the next year.

The Organization recognizes contributions as revenue when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

(g) Advertising

The Organization expenses advertising costs as incurred. Advertising and promotion expenses were \$1,815 and \$1,323 for the years ended June 30, 2022 and 2021, respectively.

(h) Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets. The Statement of Functional expenses presents the natural classification detail of expenses by function. Directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the programs and supporting services benefited based on estimated time and effort. They include: payroll taxes, employee benefits, bank fees, certain professional fees, certain communications expenses, depreciation, technology, web hosting and staff recruitment. Other expenses being allocated based on the estimated square footage include: rent and utilities, office supplies, insurance, telephone and payroll processing fees.

Washington English Center
Notes to Financial Statements
For the Years Ended June 30, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

(i) Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Such estimates primarily relate to unsettled transactions and events on the dates of the statements of financial position. Accordingly, actual results could differ from those estimates.

(j) Recently Issued Accounting Standard

The Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to improve transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The ASU is applicable for the Organization's fiscal year 2022. The new standard requires that contributed nonfinancial assets are presented separately in the Statement of Activities. New disclosures are also required to disaggregate contributed nonfinancial assets by category type and other qualitative information about utilization, policies and valuation techniques.

3. Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the years ended June 30, 2022 and 2021, the Organization has determined that no income tax is due for its activities. Accordingly, no provision for income tax has been recorded in the accompanying financial statements. The Organization is not considered a private foundation.

The Organization has adopted the recognition requirements for uncertain income tax positions as required by U.S. generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization believes that the income tax filings will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows. Accordingly, the Organization has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at June 30, 2022 or 2021. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to examinations for years prior to 2018.

Washington English Center
Notes to Financial Statements
For the Years Ended June 30, 2022 and 2021

4. Notes Payable

The Organization applied for and was approved a \$113,000 loan on May 3, 2020 under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was fully forgiven on April 19, 2021 by the SBA.

The Organization applied for and was approved a \$119,750 loan on February 7, 2021 under the second round of the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was fully forgiven on October 5, 2021.

5. Net Assets with Donor Restrictions

Net assets with donor restriction are restricted for the following at June 30:

Purpose:	<u>2022</u>	<u>2021</u>
Expand and enhance digital learning	\$ -	\$ 6,728
Scholarships for immigrant women	<u>3,125</u>	<u>-</u>
	3,125	6,728
Time:		
Fiscal year 2023	<u>4,826</u>	<u>-</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 7,951</u></u>	<u><u>\$ 6,728</u></u>

6. Noncash In-Kind Contributions

The Organization's in-kind contributions consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>	<u>Usage</u>
Legal services	\$ 200,668	\$ 23,974	Program and M & G
Event photos	<u>5,000</u>	<u>-</u>	Program
	<u><u>\$ 205,668</u></u>	<u><u>\$ 23,974</u></u>	

These in-kind contributions were valued using the billing rates reported by each vendor which is the rate used for similar services or products. No in-kind contributions were restricted. The Organization does not sell donated gifts in kind and only uses services and goods for its own program or supporting service activities.

The Organization received approximately 34,780 hours of volunteer teacher, tutor and job coach services for the year ended June 30, 2022. These volunteer services were valued at approximately \$1,756,000 based on the average value for a volunteer hour in the District of Columbia.

Washington English Center
Notes to Financial Statements
For the Years Ended June 30, 2022 and 2021

6. Noncash In-Kind Contributions (continued)

The Organization received approximately 33,600 hours of volunteer teacher, tutor and job coach services for the year ended June 30, 2021. These volunteer services were valued at approximately \$959,000 based on a nationwide average value for a volunteer hour.

These volunteer teacher and tutor services were not recognized in the financial statements because they do not meet the criteria for recognition under Financial Accounting Standards Board (FASB) Codification Standards.

7. Concentrations

Credit Risk - Cash and cash equivalents held by the Organization in bank accounts may at times exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit. Money market accounts held by Charles Schwab are not covered by FDIC but are covered by the Securities Investor Protection Corporation (SIPC). At times throughout the year, the cash and cash equivalents balance may exceed FDIC and SIPC coverage. Management believes the Organization is not exposed to any significant credit risk related to cash and cash equivalents.

Sources of Revenue – For the year ended June 30, 2022, tuition revenue was 15% of the Organization's total revenues, government grants were 20%, private foundation contributions were 4%, individual contributions were 17%, in-kind contributions were 16%, fundraising income was 9% and other income was 19%.

For the year ended June 30, 2021, tuition revenue was 15% of the Organization's total revenues, government grants were 31%, private foundation contributions were 11%, individual contributions were 22%, in-kind contributions were 3%, fundraising income was 12% and other income was 6%.

8. Revenues from Contracts with Customers

The following table provides information about significant changes in deferred revenue for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Deferred revenue, beginning of year	\$ 1,080	\$ 6,272
Revenue recognized that was included in deferred revenue at the beginning of year	(1,080)	(6,272)
Increase in deferred revenue due to cash received during the year	-	1,080
Deferred revenue, end of year	<u>\$ -</u>	<u>\$ 1,080</u>

Washington English Center
Notes to Financial Statements
For the Years Ended June 30, 2022 and 2021

9. Lease Commitments

On September 21, 2021, the Organization entered into two subleases for 12,352 square feet of office and classroom space in Washington, D.C. for a term expiring on May 31, 2024. The subleases call for monthly payments of \$18,000 with 4% annual increases. Also, additional rent of 50% of the amount billed for the lease premises for electricity is due monthly. Rent expense for the years ended June 30, 2022 and 2021 was \$180,224 and \$34,256.

The Organization leases office equipment under a five-year lease with minimum monthly under the lease of \$537. For the years ended June 30, 2022 and 2021, payments of \$7,972 and \$10,059 respectively, were included in printing and publications expense.

At June 30, 2022, the Organization was obligated under the terms of the non-cancelable office equipment lease for the following future minimum lease payments:

<u>Fiscal Year</u>	<u>Amount</u>
2023	\$ 233,741
2024	175,211
2025	-
2026	-
2027	-

10. Contingencies

At June 30, 2022 and 2021, the Organization was participating in grants funded by government agencies. These grants, as well as other grants and contracts awarded and completed in the past, are subject to compliance audits by grantors. The amounts, if any, of expenditures, which could be disallowed by the granting agency, cannot be determined at this time. The Organization expects such amounts, if any, to be immaterial.

11. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the Organization expects this matter to have an impact on its operating results. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the students, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.

Washington English Center
Notes to Financial Statements
For the Years Ended June 30, 2022 and 2021

12. Liquidity and Availability of Financial Assets

The following table reflects the Organization's financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general expenditures within one year.

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 410,704	\$ 611,241
Grants receivable	26,672	40,742
Other receivables	<u>189,367</u>	<u>-</u>
Financial assets, at year-end	626,743	651,983
Less those unavailable for general expenditure within one year, due to:		
Purpose restrictions	<u>(7,951)</u>	<u>(6,728)</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 618,792</u>	<u>\$ 645,255</u>

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

13. Subsequent Events

Management has evaluated subsequent events through September 21, 2022, the date that the financial statements were available to be issued. There are no subsequent events to disclose.

FREDERICK • ROCKVILLE

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