

RAISING READERS IN STORY COUNTY
Ames, Iowa

FINANCIAL REPORT

June 30, 2025

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-2
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FINANCIAL STATEMENTS	
Statements of financial position	3
Statement of activities, 2025	4
Statement of activities, 2024	5
Statement of functional expenses, 2025	6
Statement of functional expenses, 2024	7
Statements of cash flows	8
Notes to financial statements	9-15



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Raising Readers in Story County
Ames, IA

Opinion

We have audited the accompanying financial statements of Raising Readers in Story County (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Raising Readers in Story County as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the year 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 Raising Readers in Story County 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 Raising Readers in Story County'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Raising Readers in Story County'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 Raising Readers in Story County'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.

TrustPoint, LLP

Ames, Iowa
December 29, 2025

RAISING READERS IN STORY COUNTY

STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

Assets	2025	2024
Current Assets:		
Cash	\$ 142,158	\$ 178,363
Certificates of deposit	101,031	50,643
Contributions receivable	-	16,834
Other receivable	283	-
Interest receivable	-	623
Prepaid expenses	477	-
Total current assets	243,949	246,463
Investments:		
Beneficial interest in assets held by a Community Foundation	570,053	535,082
Total assets	\$ 814,002	\$ 781,545

See Notes to Financial Statements.

Liabilities and Net Assets	2025	2024
Current Liabilities:		
Accounts payable	\$ 3,338	\$ 3,653
Accrued payroll and payroll taxes	21,320	21,654
Deferred grant revenue	-	2,500
Total current liabilities	24,658	27,807
Net Assets:		
Without donor restrictions:		
Undesignated	219,291	218,656
With donor restrictions:		
Perpetual in nature	570,053	535,082
Total net assets	789,344	753,738
Total liabilities and net assets	\$ 814,002	\$ 781,545

RAISING READERS IN STORY COUNTY

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Public support:			
Contributions	\$ 132,998	\$ 1,250	\$ 134,248
Grants	40,870	-	40,870
United Way	46,059	-	46,059
Total public support	219,927	1,250	221,177
Grants from governmental agencies:			
Story County	16,758	-	16,758
City of Ames	36,838	-	36,838
ISU Student Government	-	-	-
Total from governmental agencies	53,596	-	53,596
Investment income:			
Interest and dividend income, net of expense	5,777	5,836	11,613
Realized gain on investments	-	20,210	20,210
Unrealized gain on investments	-	32,922	32,922
Total investment income	5,777	58,968	64,745
Total support and revenue	279,300	60,218	339,518
Net Assets Released from Restrictions:			
Expended in accordance with donors' restrictions	25,247	(25,247)	-
Expenses:			
Program services:			
Thrive by Five	93,188	-	93,188
Out of School Learning	60,482	-	60,482
Advocacy	100,746	-	100,746
Supporting services:			
Management and general	41,074	-	41,074
Fundraising	8,422	-	8,422
Total expenses	303,912	-	303,912
Change in net assets	635	34,971	35,606
Net assets, beginning of year	218,656	535,082	753,738
Net assets, end of year	\$ 219,291	\$ 570,053	\$ 789,344

See Notes to Financial Statements.

RAISING READERS IN STORY COUNTY

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Public support:			
Contributions	\$ 109,224	\$ 4,853	\$ 114,077
Grants	16,881	-	16,881
United Way	43,587	-	43,587
Miscellaneous	972	-	972
Total public support	170,664	4,853	175,517
Grants from governmental agencies:			
Story County	15,658	-	15,658
City of Ames	30,023	-	30,023
City of Nevada	-	-	-
ISU Student Government	1,440	-	1,440
Total from governmental agencies	47,121	-	47,121
Investment income:			
Interest and dividend income, net of expense	6,806	4,887	11,693
Realized gain on investments	-	19,005	19,005
Unrealized gain on investments	-	33,637	33,637
Total investment income	6,806	57,529	64,335
Total support and revenue	224,591	62,382	286,973
Net Assets Released from Restrictions:			
Expended in accordance with donors' restrictions	23,424	(23,424)	-
Expenses:			
Program services:			
Thrive by Five	87,510	-	87,510
Out of School Learning	47,949	-	47,949
Advocacy	80,032	-	80,032
Supporting services:			
Management and general	52,427	-	52,427
Fundraising	6,805	-	6,805
Total expenses	274,723	-	274,723
Change in net assets	(26,708)	38,958	12,250
Net assets, beginning of year	245,364	496,124	741,488
Net assets, end of year	\$ 218,656	\$ 535,082	\$ 753,738

RAISING READERS IN STORY COUNTY

**STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2025**

	Program Services		
	Thrive by Five	Out of School Learning	Advocacy
Salaries and wages	\$ 59,388	\$ 44,176	\$ 41,211
Employee benefits	5,392	3,493	4,644
Payroll taxes	5,676	4,014	3,947
Telephone and utilities	3,037	1,598	1,598
Occupancy	2,584	1,360	1,360
Supplies	781	544	777
Postage and mailing	108	57	57
Book and video expense	790	-	20,825
Consulting and accounting fees	4,756	2,503	2,503
Program printing	11	6	57
Insurance	440	232	232
Grant expenses	8,857	1,354	22,892
Organizational dues	544	286	286
Professional development and training	50	13	113
Program materials	136	86	-
Background checks	638	760	244
Bank fees/service charges	-	-	-
	\$ 93,188	\$ 60,482	\$ 100,746

See Notes to Financial Statements.

Supporting Services		
Management and General	Fundraising	Total Expense
\$ 26,781	\$ 3,632	\$ 175,188
3,431	418	17,378
3,062	334	17,033
1,598	160	7,991
1,360	136	6,800
380	949	3,431
62	1,055	1,339
-	-	21,615
2,503	250	12,515
6	1,407	1,487
933	23	1,860
60	6	33,169
546	29	1,691
13	1	190
-	-	222
40	22	1,704
299	-	299
\$ 41,074	\$ 8,422	\$ 303,912

RAISING READERS IN STORY COUNTY

**STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2024**

	Program Services		
	Thrive by Five	Out of School Learning	Advocacy
Salaries and wages	\$ 56,991	\$ 35,130	\$ 39,536
Employee benefits	2,922	1,663	2,734
Payroll taxes	4,333	2,402	2,995
Telephone and utilities	3,160	1,663	1,663
Occupancy	2,470	1,300	1,300
Supplies	693	457	389
Postage and mailing	52	27	34
Book and video expense	-	-	20,989
Consulting and accounting fees	4,365	2,298	2,298
Program printing	13	7	737
Insurance	133	70	70
Grant expenses	10,037	1,485	6,395
Travel	165	-	-
Organizational dues	533	280	280
Professional development and training	124	65	65
Program materials	444	232	109
Board expenses	331	174	174
Background checks	744	676	264
Recruiting and public relations	-	20	-
Bank fees/service charges	-	-	-
	\$ 87,510	\$ 47,949	\$ 80,032

See Notes to Financial Statements.

Supporting Services		
Management and General	Fundraising	Total Expense
\$ 38,428	\$ 3,518	\$ 173,603
3,253	398	10,970
2,979	264	12,973
1,663	166	8,315
1,300	130	6,500
300	266	2,105
95	756	964
-	-	20,989
2,298	230	11,489
7	1,016	1,780
70	7	350
24	2	17,943
-	-	165
540	28	1,661
65	7	326
-	-	785
174	17	870
744	-	2,428
140	-	160
347	-	347
\$ 52,427	\$ 6,805	\$ 274,723

RAISING READERS IN STORY COUNTY

STATEMENTS OF CASH FLOWS

For The Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ 35,606	\$ 12,250
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contributions restricted for long-term investment	(1,250)	(4,853)
Realized (gain) on investments	(20,210)	(19,005)
Unrealized (gain) on investments	(32,922)	(33,637)
Effect of changes in:		
Contributions receivable	16,834	(11,386)
Other receivables	(283)	-
Interest receivable	623	197
Prepaid expenses	(477)	1,182
Accounts payable	(315)	1,659
Accrued expenses	(334)	4,571
Deferred grant revenue	(2,500)	(1,500)
Net cash (used in) operating activities	(5,228)	(50,522)
Cash flows from investing activities:		
Purchase of assets held by a Community Foundation	(7,086)	(9,740)
Proceeds from sale of assets held by a Community Foundation	25,247	23,424
Purchase of certificates of deposit	(154,831)	(156,823)
Proceeds from redemption of certificates of deposit	104,443	257,038
Net cash provided by (used in) investing activities	(32,227)	113,899
Cash flows from financing activities:		
Proceeds from contributions restricted for investment in endowment	1,250	4,853
Net increase (decrease) in cash	(36,205)	68,230
Cash:		
Beginning	178,363	110,133
Ending	<u>\$ 142,158</u>	<u>\$ 178,363</u>

See Notes to Financial Statements.

RAISING READERS IN STORY COUNTY

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Raising Readers in Story County is a not-for-profit organization (the Organization) formed to support the language and literacy development for young children by providing books, caregiver guidance, and early childhood programs. The Organization directly serves children and families with programs in the service categories of Family Development and Education (StoryPals, STARS, and Small Talk), Out of School Learning (Summer and After-School Reading Buddies), and provides more indirect service through Public Education and Awareness advocacy programs (Reach Out & Read, Step into Storybooks, Read to Succeed, Little Free Libraries, Gift Books, Community Bookshelves and other community events).

The Organization's programs range from indirect services, aimed at raising awareness through Public Education as to the need for early literacy and language development support and increasing access to books, to direct services meant to change reading behaviors and proficiency (Out of School Learning) and grow language and literacy skills foundational to literacy development (Family Development and Education). The Organization provides parent and community education workshops and presentations and partners within the community to reach those most at risk for low literacy outcomes. Programs are offered at no charge to eliminate financial barriers to serving families who are at risk, with low-incomes, homelessness, in rural areas, part of a minority subgroup, and/or English Language Learners. In order to best serve Story County residents ages infant to adult, the Organization focuses on collaborative efforts with human service organizations, schools, libraries, medical clinics and churches.

A summary of the Organization's significant accounting policies follows:

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 statement of financial position and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Contributions receivable: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to be net assets without donor restrictions.

Investments: Beneficial interest in assets held by a Community Foundation consist of assets managed by the Community Foundation of Greater Des Moines and consist of investments in a long-term growth portfolio. Beneficial interest in assets held by a Community Foundation are reported at fair value as determined using quoted market prices. Investment income or loss is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Improvements and equipment: Improvements and equipment acquisitions are recorded at cost using a capitalization policy of \$5,000 and with a useful life of two years or more. Donated improvements and equipment are recorded at fair market value at the time of the donation. At June 30, 2025 and 2024, the Organization had no assets meeting the capitalization threshold.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Significant accounting policies (continued):

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.

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, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and revenue recognition: Revenue is recognized when earned. Grants under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated services and materials: The Organization received a significant amount of donated service from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under accounting principles generally accepted in the United States of America have not been satisfied.

Functional allocation of expenses: The costs of programing and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Subsequent events: Subsequent events have been evaluated through December 29, 2025, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

NOTES TO FINANCIAL STATEMENTS

Note 2. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2025	2024
Cash	\$ 142,158	\$ 178,363
Certificates of deposit	101,031	50,643
Contributions receivable	-	16,834
Other receivable	283	-
Interest receivable	-	623
	<u>\$ 243,472</u>	<u>\$ 246,463</u>

The Organization's endowment funds consists of a donor-restricted endowment. Income from donor-restricted endowments are restricted for the Organization's operations. Appropriations from the endowment are generally limited to five percent of the previous year-end balance.

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in money market accounts and certificates of deposits.

Note 3. Investments

Investments are stated at fair value and are summarized as follows:

	June 30, 2025			June 30, 2024		
	Cost or Donated Value	Fair Value	Unrealized Appreciation	Cost or Donated Value	Fair Value	Unrealized Appreciation
Beneficial interest in assets held by a Community Foundation	\$ 438,443	\$ 570,053	\$ 131,610	\$ 436,394	\$ 535,082	\$ 98,688

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, establishes a three-tier fair value hierarchy, which categorizes the inputs used in measuring fair value. These categories include:

- Level 1*, defined as unadjusted quoted prices in active markets accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2*, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3*, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments (Continued)

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2025 and 2024.

Beneficial interest in assets held by a Community Foundation – These investments are valued at the pro-rata share of the Community Foundation’s investment portfolio. This diversified portfolio of global stocks, fixed income and alternative investments through indexed funds is allocated approximately 70% equity and 30% fixed income and alternative investments. The unobservable inputs are the underlying assets in the Community Foundation and follow their investment policy.

Assets itemized below were measured at fair value as follows at June 30, 2025 and 2024:

	Investments at fair value as of June 30							
	2025				2024			
	Quoted Prices in Active Market	Significant Other Observable Inputs	Significant Unobservable Inputs	Fair Value	Quoted Prices in Active Market	Significant Other Observable Inputs	Significant Unobservable Inputs	Fair Value
	(Level 1)	(Level 2)	(Level 3)		(Level 1)	(Level 2)	(Level 3)	
Beneficial interest in assets held by a Community Foundation	\$ 570,053	\$ -	\$ -	\$ -	\$ 535,082	\$ -	\$ -	\$ 535,082

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended June 30, 2025 and 2024:

	Beneficial Interest in Assets Held by a Community Foundation	
	2025	2024
Beginning balance	\$ 535,082	\$ 496,124
Contributions	1,250	4,853
Investment income	58,968	57,529
Distributions	(25,247)	(23,424)
Ending balance	\$ 570,053	\$ 535,082

NOTES TO FINANCIAL STATEMENTS

Note 4. Short-term Leases

The Organization has elected to adopt Accounting Standards Codification (ASC) 842, *Leases*, which became effective for fiscal years beginning after December 15, 2021. ASC 842 requires lessees to recognize lease assets and lease liabilities on the statement of financial position for leases with terms exceeding 12 months. For short-term leases, defined as leases with a lease term of 12 months or less, the Organization recognizes lease expense on a straight-line basis over the lease term.

The Organization leases office space and lease expense for the years ended June 30, 2025 and 2024 totaled \$6,800 and \$6,500, respectively.

Note 5. Tax Status

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as other than a private foundation.

Note 6. Endowment

The Organization's endowment consists of the Raising Readers in Story County Endow Iowa Fund established as a funding source toward funding future operations of the Organization.

The Board of Directors of the Organization has elected to follow the State of Iowa's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies with donor restrictions, perpetual in nature net assets (a) the original value of gifts donated to the endowment (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in with donor restrictions, perpetual in nature net assets is classified as with donor restrictions, purpose restriction net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the organization and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the organization.
7. The investment policies of the organization.

NOTES TO FINANCIAL STATEMENTS

Note 6. Endowment (Continued)

As of June 30, 2025 and 2024, the composition of with donor restricted net assets follows:

	Raising Readers in Story County Endow Iowa Fund	
	2025	2024
Original donor restricted gift amount required	\$ 415,376	\$ 414,126
Accumulated investment gains	154,677	120,956
	\$ 570,053	\$ 535,082

The Organization has invested the endowed funds with the Community Foundation of Greater Des Moines and is subject to the investment strategy within the long-term growth portfolio. The Organization uses an endowment spending-rate formula to determine the maximum amount to spend from the endowment, including those endowments deemed to be underwater, each year. The Organization generally limits appropriations to five percent of the previous year-end balance.

Changes in endowment net assets for the years ended June 30, 2025 and 2024 are as follows:

	Raising Readers in Story County Endow Iowa Fund	
	2025	2024
Endowment net assets, beginning of year	\$ 535,082	\$ 496,124
Contributions	1,250	4,853
Investment return, net	58,968	57,529
Appropriation of endowment assets pursuant to spending-rate policy	(25,247)	(23,424)
Endowment net assets, end of year	\$ 570,053	\$ 535,082

Note 7. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

	2025	2024
Endowments:		
Subject to endowment spending policy and appropriation:		
Organization operations	\$ 570,053	\$ 535,082

NOTES TO FINANCIAL STATEMENTS

Note 7. Net Assets with Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by the donors as follows for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Restricted purpose spending-rate distributions and appropriations:		
Organization operations	<u>\$ 25,247</u>	<u>\$ 23,424</u>

Note 8. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are reflected in the statement of functional expenses. Salaries, payroll taxes and employee benefits are allocated on the basis of estimates of time and effort. All remaining expenses are allocated by specific identification of costs and estimates of time and effort.