

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
American Association of Caregiving Youth, Inc.

Dear Board:

Opinion

We have audited the accompanying financial statements of American Association of Caregiving Youth, Inc. (the "Organization") which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year 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 American Association of Caregiving Youth, Inc. as of June 30, 2022 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Association of Caregiving Youth, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Association of Caregiving Youth, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 American Association of Caregiving Youth, Inc.'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 American Association of Caregiving Youth, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Gerstle, Rosen & Goldenberg, P.A.

Boca Raton, Florida
December 7, 2022

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

STATEMENTS OF FINANCIAL POSITION

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 500,826	\$ 477,087
Investments - Trading	16,138	13,442
Accounts Receivable	12,897	4,856
Prepaid Expenses	-	4,241
Total Current Assets	<u>529,861</u>	<u>499,626</u>
Other Assets:		
Property and Equipment, less accumulated depreciation	<u>10,092</u>	<u>12,616</u>
TOTAL ASSETS	<u><u>\$ 539,953</u></u>	<u><u>\$ 512,242</u></u>
LIABILITIES		
Accounts Payable	\$ 18,212	\$ 4,096
Deferred Revenue	-	9,216
TOTAL LIABILITIES	<u>18,212</u>	<u>13,312</u>
NET ASSETS		
Without Donor Restriction	353,385	389,344
With Donor Restriction	<u>168,356</u>	<u>109,586</u>
TOTAL NET ASSETS	<u>521,741</u>	<u>498,930</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 539,953</u></u>	<u><u>\$ 512,242</u></u>

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

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

**STATEMENTS OF ACTIVITIES AND
CHANGE IN NET ASSETS**

For the Years Ended June 30, 2022 and 2021

	WITHOUT DONOR RESTRICTION	WITH DONOR RESTRICTION	Totals	
			2022	2021
REVENUES AND OTHER SUPPORT:				
Grants, Less Allowance for Uncollectible				
Promises to Give of \$0 & \$0	\$ 473,992	\$ 168,356	\$ 642,348	\$ 588,546
Other Contributions	481,699	-	481,699	581,360
Fund-raising Events	39,725	-	39,725	12,751
In-Kind Contributions	86,210	-	86,210	89,796
Interest Income & Gain(Loss) on Investments	2,713	-	2,713	2,780
Other Income	6,777	-	6,777	4,510
Gain on Forgiveness of Debt	-	-	-	111,378
Grant Revenue Released from Restrictions	109,586	(109,586)	-	-
TOTAL REVENUES AND OTHER SUPPORT	1,200,702	58,770	1,259,472	1,391,121
EXPENSES:				
Program Services	1,014,354	-	1,014,354	1,025,904
General & Administrative	204,190	-	204,190	128,416
Fund-raising	18,117	-	18,117	9,040
TOTAL EXPENSES	1,236,661	-	1,236,661	1,163,360
CHANGE IN NET ASSETS	(35,959)	58,770	22,811	227,761
Net Assets, beginning	389,344	109,586	498,930	271,169
Net Assets, ending	\$ 353,385	\$ 168,356	\$ 521,741	\$ 498,930

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

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2022 and 2021

	2022			
	Program Services	General and Administrative	Fund-raising	Total
Functional Classification of Expenses:				
Salaries	\$ 569,489	\$ 174,069	\$ 5,752	\$ 749,310
Payroll Taxes and Employees Benefits	44,737	15,230	452	60,419
Direct Fund-raising Costs	17,721	-	11,913	29,634
Occupancy Costs	56,833	-	-	56,833
Contract Labor	118,226	-	-	118,226
Insurance	5,847	1,638	-	7,485
Telephone	8,992	3,854	-	12,845
Supplies	5,578	-	-	5,578
General Operating Expenses	186,932	6,875	-	193,807
Depreciation Expense	-	2,524	-	2,524
TOTAL EXPENSES	\$ 1,014,354	\$ 204,190	\$ 18,117	\$ 1,236,661

	2021			
	Program Services	General and Administrative	Fund-raising	Total
Functional Classification of Expenses:				
Salaries	\$ 604,908	\$ 85,476	\$ 6,110	\$ 696,494
Payroll Taxes and Employees Benefits	49,257	7,177	498	56,932
Direct Fund-raising Costs	17,950	-	2,432	20,382
Occupancy Costs	45,798	8,461	-	54,259
Contract Labor	117,089	-	-	117,089
Insurance	7,695	1,697	-	9,392
Telephone	5,888	2,523	-	8,411
Supplies	4,863	361	-	5,224
General Operating Expenses	172,456	20,562	-	193,018
Depreciation Expense	-	2,159	-	2,159
TOTAL EXPENSES	\$ 1,025,904	\$ 128,416	\$ 9,040	\$ 1,163,360

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

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
TOTAL INCREASE IN NET ASSETS	\$ 22,811	\$ 227,761
ADJUSTMENTS TO RECONCILE DECREASE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Depreciation	2,524	2,159
Gain on Forgiveness of Debt	-	(111,378)
(INCREASE) DECREASE IN OPERATING ASSETS:		
Investments - Trading	(2,696)	(2,677)
Accounts Receivable	(8,041)	(873)
Prepaid Expenses	4,241	(808)
INCREASE (DECREASE) IN OPERATING LIABILITIES:		
Accounts Payable	14,116	(1,915)
Deferred Revenue	(9,216)	(121,784)
NET CASH FROM OPERATING ACTIVITIES	23,739	(9,515)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disbursements for Property and Equipment	-	(3,380)
NET CASH USED IN INVESTING ACTIVITIES	-	(3,380)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,739	(12,895)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	477,087	489,982
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 500,826	\$ 477,087

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Noncash Transactions:

 During the year ended June 30, 2022:

 In-kind Contributions - see Statement of Activities

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

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

American Association of Caregiving Youth, Inc. (AACY)

The AACY was formed under the auspices of Volunteers for the Homebound and Family Caregivers (VHFC), a Florida based 501(c) (3) not-for-profit corporation, which began serving the greater Boca Raton community in 1998. On December 21, 2009, VHFC officially changed its name with the Secretary of State of Florida to AACY, to better reflect the purpose of the Organization. The Organization's mission is to increase awareness and provide support services for youth caregivers and their families by connecting them with healthcare, education and community resources. AACY's support comes primarily from donor contributions, various grants, fund-raiser events and in-kind contributions.

The AACY maintains its website at: www.aacy.org.

The following programs and supporting services are included in the accompanying financial statements:

Caregiving Youth Project (CYP)

Established in 2006, the CYP works in partnership with middle and high schools in Palm Beach County to identify and support children who are caregivers. The CYP integrates components of healthcare, education, and community resources in order to deliver a solid support system to caregivers in school, out of school, and at home. Its proven results have been so proud in ameliorating the ramifications of being a caregiving youth that AACY is both developing national partnerships and an affiliate network to bring its work to other nonprofits in support of this growing yet still hidden population.

Caregiving Youth Institute (CYI)

Established in 2014, the CYI was formed to extend the service and reach of the AACY. The purpose of the CYI is to raise the level of awareness of the multi-system needs of caregiving youth, along with solutions for their support, through the multiple initiatives of C.A.R.E. (Connection, Advocacy, Research, and Education). The CYI has hosted three in person and one virtual conference, all of which have had presenters from other states and countries.

The CYP and CYI programs and supporting services are maintained as a part of the AACY website.

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Organization's financial statements are prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets: unrestricted net assets and temporarily restricted net assets.

Without Donor Restriction Net Assets – not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by the actions of the Board of Directors.

With Donor Restriction Net Assets – subject to donor-imposed stipulations that may be fulfilled by the actions of the Board of Directors or become unrestricted at the date specified by the donor.

Accounting 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.

Cash and Cash Equivalents

Cash consists of cash deposited with a financial institution. The Organization considers all highly liquid investments with an original maturity of three months or less at date of purchase to be cash equivalents. There were no cash equivalents at June 30, 2022 and 2021.

Investments – Trading

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investments consist of stock in a publicly traded company.

Grants and Other Contributions

All grants and other contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods (time restriction) or are restricted by the donor for specific purposes (purpose restriction) are reported as temporarily restricted.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted.

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund-Raising Events

The Organization's financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standard Codification ASC 958, *Accounting for Costs of Activities of Non-For-Profit Organizations and State and Local Government Entities that include Fund Raising* (formerly statement of Position 98-2). The ASC established criteria for accounting and reporting for any activity that solicits contributions.

Program Income

Program income is recognized as revenue when services are performed.

Special Event Income

The Organization recognizes special event income in the year the event occurs. Special event income is reflected on a gross basis, separate from direct expenditures.

Unconditional Promises to Give

Unconditional promises to give are stated at unpaid balances, less an allowance for doubtful accounts. Allowance for doubtful accounts is calculated based on historical experience, third-party contracts and other circumstances, and reflects management's best estimate of the amounts that will not be collected. The allowance is increased by charges to income and decreased by charge-offs (net of recoveries). At June 30, 2022 and 2021, there were no unconditional promises to give.

Property and Equipment

Property and Equipment consists of office furniture, fixtures, computer, and related office equipment, and are recorded at cost if purchases or at fair value at the time of donation, if contributed. Depreciation is provided on the straight-line method over the estimated economic useful lives ranging from five to seven years. Significant additions of property and equipment are capitalized, while repairs and maintenance expenditures that do not contribute to useful life of assets are charged to operations.

Income Tax Status

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

AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at June 30, 2022 and 2021; therefore, no adjustment for the effect of FASB ASC 820 was made to the Organization's financial statements at June 30, 2022 and 2021.

2. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through DATE OF FINAL, the date that the financial statements were available to be issued.

3. IN-KIND CONTRIBUTIONS – DONATED SERVICES & FACILITIES

In-kind contributions are non-monetary transactions recognized if the contributions received create or enhance long-lived assets or require specialized skills and would typically need to be purchased if not otherwise provided by contribution. In-kind contributions are recorded at estimated Fair Market Value and are shown as revenue on the Statements of Activities, and consists of the following:

	<u>2022</u>	<u>2021</u>
Professional services performed by the Organization's management in excess of salaries paid	\$ 39,894	\$ 34,636
Professional services performed by volunteers	44,236	53,416
Other miscellaneous in-kind contributions	<u>2,080</u>	<u>1,744</u>
TOTAL	<u>\$ 86,210</u>	<u>\$ 89,796</u>

The Organization also receives donated services from unpaid volunteers for non-specialized services, and accordingly, no amounts have been recognized for these services in the accompanying financial statements. It is the Organization's policy to recognize donated goods and services which are raffled, awarded, or auctioned off at their realized values.

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

4. RELATED PARTY TRANSACTIONS

The Organization entered into transactions with a related party during the normal course of business. The President of the American Association of Caregiving Youth, Inc., who is also on the Board the Directors, provides management services to the Organization which include overall management, evaluation, and development of AACY and its three divisions (Caregiving Youth Project, Caregiving Youth Institute, Affiliates and partnerships) within Palm Beach County, the State of FL and nationally. Compensation for these services are recorded at fair value. Additionally, a Board Member is the owner of a subcontracted company which has been used by the Organization for the past several years. This relationship gives the Organization discounted pricing on their services.

For the years ended, June 30, 2022 and 2021, the organization estimates that the total amount of related party transactions were between 5% to 10% of its current year actual expenses.

5. CHANGES IN NET ASSETS

With Donor Restriction

Net Assets subject to a time or purpose restriction are classified as With Donor Restriction on the statements of financial position and are available for use after June 30, 2022 and 2021.

The balances at June 30, 2022 and 2021 were \$168,356 and \$109,586, respectively.

Grant Revenue Released from Restrictions

Temporarily restricted net assets were released from restrictions by satisfying the time or purpose restriction specified by the donor(s) and incurring expenditures. The total amount of temporarily restricted net assets released from restrictions totaled \$109,586 for the year ended June 30, 2022, and is shown as revenue on the statements of financial activities and change in net assets.

6. COMMITMENTS

The Organization has various contract services including program services, maintenance, and an office lease. These contracts have different expiration dates and renewal terms.

7. INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB ASC 820 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

7. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Level 2 Inputs to the valuation methodology include:

- a) quoted prices for similar assets or liabilities in active markets;
- b) quoted prices for identical or similar assets or liabilities in inactive markets;
- c) inputs other than quoted prices that are observable for the asset or liability;
- d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability'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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization holds donated stock investments in the amount of \$16,138 at fair value (level 1) with a unrealized gain of \$2,238 for the year ended June 30, 2022.

8. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2022</u>
Financial assets at year-end	\$529,861
Less those unavailable for general expenditures within one year, due to:	
None noted	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$529,861</u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in savings accounts.

9. COMPREHENSIVE INCOME

The Company has no components of other comprehensive income. Accordingly, comprehensive income is the same as the net income for period presented.

**AMERICAN ASSOCIATION OF
CAREGIVING YOUTH, INC.**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

10. RISKS AND UNCERTAINTIES AND GAIN ON FORGIVENESS OF DEBT

In December 2019, a novel strain of coronavirus was identified in Wuhan, China. Through the first quarter of 2020, the disease became widespread around the world, and on March 11, 2020, the World Health Organization declared a pandemic. The Organization may be negatively affected by the pandemic if there are work interruptions or labor supply issues. At the date of these financial statements, the Organization continues to evaluate the impact on its business; however, the Organization does not expect the effects of the virus to have a material impact and has adequate cash levels to maintain operations.

In response to the coronavirus (COVID-19) outbreak in 2021, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In June 2020, the Organization obtained a PPP loan for \$111,378. The note was to mature in June 2021 and bared interest at a fixed annual rate of 1%, with the first six months of interest deferred. The Organization believes it used all of the proceeds from the note for qualifying expenses and filed for full forgiveness under the program. On May 12, 2021, the Organization received full forgiveness and recognized a gain on forgiveness of the loan.

11. RECENT ACCOUNTING PRONOUNCEMENT

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). The ASU is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 requires, among other changes to the lease accounting guidance, lessees to recognize most leases on balance sheet via a right of use asset and lease liability, and additional qualitative and quantitative disclosures. The ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021 with a modified retrospective transition method, and early adoption is permitted.

In June 2020, the FASB further issued ASU 2021-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain entities, to allow certain companies and organizations who have not yet applied the new guidance to delay implementation by one year. The Organization is currently evaluating the impact of the provisions of this ASU on the presentation of its financial statements.

12. CONCENTRATION OF CREDIT RISK

As of June 30, 2022, the Organization maintained cash and cash equivalent balances which exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Organization has not experienced any losses related to these cash balances and believes it is not exposed to any significant risk on these accounts.