Report of Independent Auditors and
Financial Statements

Raising A Reader

December 31, 2019
(with Comparative Totals for the Year Ended December 31, 2018)

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Report of Independent Auditors

The Board of Directors
Raising A Reader

Report on the Financial Statements

We have audited the accompanying financial statements of Raising A Reader (the "Organization"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raising A Reader as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 11, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss Adams LLP

San Francisco, California
June 17, 2020

Financial Statements

Raising A Reader
Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
ASSETS		
ASSETS		
Cash and cash equivalents	$ 428,145	$ 737,502
Investments	293,808	288,052
Beneficial interest in assets	292,775	287,162
Contributions and grants receivable, net	1,591,239	911,824
Other receivables	287,618	311,641
Inventory	352,848	352,960
Deposits and prepaid expenses	60,519	53,776
Property and equipment, net of accumulated depreciation and amortization	28,631	11,509
TOTAL ASSETS	$ 3,335,583	$ 2,954,426
LIABILITIES AND NET ASSETS		
LIABILITIES		
Related-party payables	$ 192,395	$ 330,708
Accounts payable	98,513	88,041
Payroll related liabilities	131,937	125,228
TOTAL LIABILITIES	422,845	543,977
NET ASSETS		
Without donor restrictions	1,194,457	1,269,064
With donor restrictions	1,718,281	1,141,385
TOTAL NET ASSETS	2,912,738	2,410,449
TOTAL LIABILITIES AND NET ASSETS	$ 3,335,583	$ 2,954,426

See accompanying notes.

Raising A Reader
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2019
(with Comparative Totals for the Year Ended December 31, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES AND OTHER SUPPORT				
Contributions and grants	$ 265,220	$ 1,295,869	$ 1,561,089	$ 638,604
In-kind donations	231,929	-	231,929	57,364
Sales revenue	2,286,120	-	2,286,120	2,779,075
Other income	34,631	-	34,631	22,142
Interest and dividend income	6,412	-	6,412	5,643
Change in beneficial interest, net	5,613	-	5,613	4,993
Net assets released from restrictions	718,973	(718,973)	-	-
TOTAL REVENUES AND OTHER SUPPORT	3,548,898	576,896	4,125,794	3,507,821
EXPENSES				
Program services	2,835,073	-	2,835,073	2,581,307
General and administrative	538,842	-	538,842	596,107
Development	249,590	-	249,590	279,798
TOTAL EXPENSES	3,623,505	-	3,623,505	3,457,212
CHANGE IN NET ASSETS	(74,607)	576,896	502,289	50,609
NET ASSETS, beginning of year	1,269,064	1,141,385	2,410,449	2,359,840
NET ASSETS, end of year	$ 1,194,457	$ 1,718,281	$ 2,912,738	$ 2,410,449

Raising A Reader
Statements of Functional Expenses
Years Ended December 31, 2019 and 2018

	December 31, 2019			
	Program Services	General and Administrative	Development	Total
Salaries and benefits	$ 1,019,096	$ 331,726	$ 173,338	$ 1,524,160
Grants awarded	234,069	-	-	234,069
Cost of goods sold	843,126	-	-	843,126
Sales and use tax	13,398	5	55	13,458
Program training and incentives	33,708	-	-	33,708
Professional services	131,146	105,242	11,911	248,299
Occupancy	282,815	50,915	16,108	349,838
General office	119,020	20,909	45,356	185,285
Equipment, maintenance, and repair	7,897	1,149	370	9,416
Depreciation and amortization	8,416	1,442	465	10,323
Insurance	-	22,914	-	22,914
Travel and meetings	41,009	4,483	1,942	47,434
Outreach and marketing	3,260	57	45	3,362
Donated program materials	1,340	-	-	1,340
Bad debt	96,773	-	-	96,773
Total expenses	$ 2,835,073	$ 538,842	$ 249,590	$ 3,623,505

	December 31, 2018			
	Program Services	General and Administrative	Development	Total
Salaries and benefits	$ 973,295	$ 364,901	$ 194,673	$ 1,532,869
Grants awarded	202,873	-	-	202,873
Cost of goods sold	1,028,502	-	-	1,028,502
Sales and use tax	16,867	-	105	16,972
Program training and incentives	6,206	-	-	6,206
Professional services	17,996	135,403	17,015	170,414
Occupancy	165,376	46,856	20,242	232,474
General office	115,058	20,692	37,605	173,355
Equipment, maintenance, and repair	5,968	1,140	488	7,596
Depreciation and amortization	5,866	1,377	590	7,833
Insurance	-	23,077	-	23,077
Travel and meetings	27,271	2,661	7,479	37,411
Outreach and marketing	2,282	-	1,601	3,883
Donated program materials	500	-	-	500
Bad debt	13,247	-	-	13,247
Total expenses	$ 2,581,307	$ 596,107	$ 279,798	$ 3,457,212

See accompanying notes.

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 502,289	$ 50,609
Adjustments to reconcile change in net assets to net cash from operating activities:		
Change in discount on receivables	(2,267)	(10,467)
Depreciation and amortization	10,323	7,833
Bad debt expenses	96,773	13,247
Investment income reinvested	(5,756)	(5,643)
Change in beneficial interest, net	(5,613)	(4,993)
(Increase) decrease in assets:		
Contributions and grants receivable	(773,921)	379,823
Other receivables	24,023	(109,258)
Inventory	112	10,571
Deposits and prepaid expenses	(6,743)	86
Property and equipment	(27,445)	-
Increase (decrease) in liabilities:		
Related-party payables	(138,313)	(192,728)
Accounts payable	10,472	(22,928)
Payroll related liabilities	6,709	(49,961)
Net cash (used in) from operating activities	(309,357)	66,191
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	-	141,287
Net cash from investing activities	-	141,287
NET INCREASE IN CASH AND CASH EQUIVALENTS	(309,357)	207,478
CASH AND CASH EQUIVALENTS, beginning of year	737,502	530,024
CASH AND CASH EQUIVALENTS, end of year	$ 428,145	$ 737,502

NOTE 1 – ORGANIZATION

Raising A Reader (the "Organization") is a national nonprofit family engagement and literacy program that helps families develop, practice, and maintain home literacy habits essential for school success. The Organization is operated through a diverse national network of affiliates (e.g., school systems, libraries, or community agencies) at more than 2,900 locations nationally, serving families with children between the ages of 0 to 8 years old. Each week, children participating in the program bring home a sturdy red bag filled with high-quality, developmentally-appropriate, multicultural children's books. Over the course of the program year, the children are exposed to a wide range of titles, providing them with both a mirror reflecting their own world and a window to the world beyond. Through initial training and ongoing support, Raising A Reader parents, even those with limited English proficiency or low literacy skills, learn how to engage their children in storytelling with picture books. The program also includes an introduction to the public library, setting up families for a lifetime of book enjoyment. More than 30 independent evaluations confirm the valuable impact of the Organization on family engagement and early literacy skills.

The Organization was incorporated in the state of California in 2000 and has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. Additionally, Raising A Reader is a Supporting Organization, Internal Revenue Code (the "Code") 509(a)(3), of Silicon Valley Community Foundation (the "Community Foundation"). Though the organizations operate as distinct legal entities, the Organization's finances are consolidated annually with the Community Foundation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates – Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingencies at the date of the statement of financial position and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's estimates. Significant estimates include fair value of investments, beneficial interest in assets, and the allocation of functional expenses.

Summarized financial information – The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements as of and for the year ended December 31, 2018, from which the summarized information was derived.

Cash and cash equivalents – All highly liquid investments, with an original maturity of three months or less when purchased, are considered to be cash equivalents.

Investments – Investments are reported at fair value and include certificate of deposit accounts which have maturity dates of more than three months.

Fair value of beneficial interest in assets – The Organization's beneficial interest in assets represents its investment in a diversified investment pool offered by the Community Foundation. The pool consists of money markets and certificates of deposit. The Community Foundation has the Organization's investment account under its management. The Organization's share of the pool is recorded at fair value, based on the net asset value of the pooled assets and the Organization's ownership interest in the pool. Fair value of the pool is determined by the Community Foundation and based on information provided by fund managers, external investment advisors, and other market factors. Net asset values are evaluated by the Organization to determine if the values of these investments should be adjusted. Factors considered may include, but are not limited to, estimates of liquidation value, prices of recent transactions in the same or similar funds, current performance, future expectations of the particular investment, and changes in market outlook and the financing environment. Valuations are reviewed at least annually using a variety of qualitative factors to subjectively determine the most appropriate valuation methodologies.

Contributions, grants receivable, and other receivables – Contributions, grants, and other receivable are reviewed for collectability and reserves for uncollectable amounts are established when needed. No allowance was deemed necessary for grants receivable for the years ended December 31, 2019 and 2018.

Inventory – A cornerstone of the Raising A Reader program are the high-quality books that have been selected for participants as well as the red bags used to circulate the books among the children and households. The Organization sells or grants these items to affiliates who are implementing the program. The Organization purchases most books and materials as needed to fulfill affiliate orders; however, a small amount of inventory is maintained in a warehouse to manage short-term demand. Inventory in stock is valued on the basis of weighted-average cost of items on hand.

Property and equipment – Property and equipment are stated at cost or, if donated, at the estimated fair value at the date of donation. Assets with a value of $5,000 or more, and with a useful life of more than one year, are depreciated using the straight-line method of depreciation over the following estimated useful lives:

Computer hardware and software	3 years
Office furnishings and equipment	7 years
Leasehold improvements	Term of lease

Classes of net assets – The accompanying financial statements have been prepared in accordance with U.S. GAAP and the guidelines set forth in the industry audit and accounting guide for Not-For-Profit Entities issued by the American Institute of Certified Public Accountants ("AICPA"). Under these guidelines, contributions of cash and other assets are classified as one of the following two categories:

Without donor restrictions – net assets without donor restrictions include resources for which there are no donor restrictions. Such amounts are available to support the Organization's general operations and programs. The Organization does not have any Board of Directors designated net assets as of December 3, 2019 and 2018.

With donor restrictions – net assets with donor restrictions include resources with donor-imposed restrictions that will be fulfilled by actions of the Organization and/or become net assets without donor restrictions by the passage of time. When the donor or time restriction is fulfilled, net assets with donor restrictions are released to net assets without donor restrictions and are reported in the accompanying statement of activities and changes in net assets as net assets released from restrictions.

Revenue recognition – Grants from corporations or private foundations and contributions are recognized in full when received or unconditionally promised. Contributions and grants receivable that are expected to be collected in more than one year are recorded at fair value based on discounted cash flows. The discount on these amounts is computed using the rate applicable in the year the promises were received. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the original contributions. All contributions are considered available for use without donor restrictions unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become net assets without donor restrictions, and are reported in the statement of activities and changes in net assets as net assets released from restrictions, when time restrictions expire or the contributions are used for the restricted purpose.

Sales revenue from the sale of the Organization program books and materials is recognized upon completion of the sales transaction, after the goods are shipped or otherwise released to the intended recipient.

In-kind donations – The Organization recognizes the value of donated equipment and/or supplies at the fair value for similar items. Donated services are recognized at fair value if the services meet the recognition criteria prescribed by generally accepted accounting principles, which include a) requiring specialized skills, b) being provided by someone with those skills, and c) having to be purchased if they were not donated. The Organization receives contributed office space, as well as pro-bono legal services. The value of these in-kind donations are reflected in the accompanying financial statements.

Functional allocation of expenses – The costs of providing program services have been summarized on a functional basis in the statement of activities and changes in net assets and statements of functional expenses. When appropriate, costs are allocated on a direct cost basis to the various programs or supporting services. In some cases, expenses are incurred, that support the work performed under more than one function. Such expenses are allocated across the functions based on actual usage. Certain costs have been allocated among programs, general and administration, and development, that are benefited based on periodic review of personnel time, department headcount, and square footages.

Grants awarded – The Organization uses donated funds to grant the Raising A Reader program to thousands of children and families each year. Grants include books and materials, as well as financial support to offset the affiliates' cost of implementing the program.

Income taxes – The Organization has been granted tax-exempt status under Section 501(c)(3) of the Code and Section 23701d of the California Revenue and Taxation Code, and as such no provision for income tax has been made. The Organization does not have any material uncertain tax positions or unrelated business income. The Organization files exempt organization returns and, if applicable, unrelated business income tax returns in the U.S. federal and California jurisdictions.

Concentrations of risk – Financial instruments, which potentially subject the Organization to credit risk, consist primarily of cash. The Organization's cash has been placed with a major financial institution. At times, such amounts may exceed Federal Deposit Insurance Corporation ("FDIC") limits and equity investments may be in excess of Securities Investor Protections Corporation ("SIPC"). The Organization closely monitors these balances and has not experienced credit losses.

For the year ended December 31, 2019, the Organization received 70% of its contributions and grants from one grantor. At December 31, 2019, 92% of contributions and grants receivable were due from two grantors and 63% of other receivables were due from five affiliates. For the year ended December 31, 2018, the Organization received 37% of its contributions and grants from three grantors. At December 31, 2018, 81% of contributions and grants receivable were due from one grantor and 86% of other receivables were due from seven affiliates.

Recent accounting pronouncements – In February 2016, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statements of financial position and disclosing key information about leasing arrangements in the financial statement of lessees. ASU No. 2016-02 is effective for years beginning after December 15, 2019, with early adoption permitted. In 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities*, to delay the effective date of ASU No. 2016-02 for fiscal years beginning after December 15, 2021. The adoption is effective for the Organization year ending December 31, 2022. Management is currently evaluating the impact of the provisions of ASU No. 2016-02 on the financial statements.

Subsequent events – Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Organization recognizes the effects of subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are available to be issued.

Subsequent to December 31, 2019, the World Health Organization declared the novel coronavirus outbreak a public health emergency. The Organization responded to the coronavirus outbreak by enabling almost all of its employees to work remotely, banning all non-essential travel and placing a temporary hold on most in-person meetings. Given the dynamic nature of these circumstances, it is too early to tell what effect these changes will have on the business in the short term. The Organization will continue to monitor the situation closely, but given the uncertainty about the situation, we can't estimate the impact to our financial statements.

The Organization has evaluated subsequent events through June 17, 2020, which is the date the financial statements were available to be issued.

NOTE 3 – CONTRIBUTIONS AND GRANTS RECEIVABLE, NET

The Organization expects to receive contributions and grants receivable as follows:

Year Ending December 31,	2019	2018
2019	$ -	$ 451,751
2020	747,363	243,285
2021	602,645	236,751
2022	258,927	-
	1,608,935	931,787
Less: Discount from multi-year contributions and grants receivable	17,696	19,963
Net contributions and grants receivable	$ 1,591,239	$ 911,824

The estimated discount rates used are 1.61% and 2.76% for the years ended December 2019 and 2018, respectively.

NOTE 4 – FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants at the measurement date. The Organization determines fair value based on the fair value hierarchy established under applicable accounting guidance, which requires an entity to prioritize the use of observable market-based inputs over the use of unobservable inputs when measuring fair value. There are three levels of inputs used to measure fair value. Financial instruments are considered Level 1 when the valuation is based on quoted market prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or models using inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques, and at least one significant model assumption or input is unobservable, and when determination of the fair value requires significant management judgment or estimation.

The following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Investments as of December 31, 2019 and 2018, consist of certificates of deposit, which are classified as Level 2 pursuant to the valuation hierarchy and are valued using maturity and interest rate as observable inputs.

The beneficial interest in assets is classified as Level 3 pursuant to the valuation hierarchy. Valuation is determined based on the net asset value of the pooled assets and the Organization's ownership interest in the pool. Management reviews detailed information about the pool on a quarterly basis and evaluates its proportional share to substantiate the valuation. The Organization estimates the fair value of investments within its scope using the net asset value (or its equivalent) per share of the investments as of the Community Foundation's measurement dates. The Organization's policy is to recognize transfers in and transfers out at the beginning of the period in which the event or change in circumstances occurred.

While the Organization believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the financial statements.

The following tables summarizes the fair value hierarchy levels of Raising A Reader's assets measured at fair value at December 31, 2019 and 2018:

	2019			
	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of deposit	$ -	$ 293,808	$ -	$ 293,808
Beneficial interest in assets	-	-	292,775	292,775
Total	$ -	$ 293,808	$ 292,775	$ 586,583

	2018			
	Level 1	Level 2	Level 3	Total
Investments:				
Certificates of deposit	$ -	$ 288,052	$ -	$ 288,052
Beneficial interest in assets	-	-	287,162	287,162
Total	$ -	$ 288,052	$ 287,162	$ 575,214

Level 3 roll-forward table – The following table presents the rollforward of Level 3 investments carried at fair value (including the change in fair value) on the statement of financial position for the years ended December 2019 and 2018:

	Beneficial interest in assets
Balance, January 1, 2018	$ 423,456
Change in beneficial interest, net	4,993
Sales	(141,287)
Balance, January 1, 2019	287,162
Change in beneficial interest, net	5,613
Sales	-
Balance, December 31, 2019	$ 292,775

There are no restrictions for redemption of the beneficial interest in assets for the years as of December 31, 2019 and 2018.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2019	2018
Computer hardware and software	$ 517,542	$ 490,098
Office furniture and equipment	36,817	36,817
Leasehold improvements	22,136	22,136
	576,495	549,051
Less: accumulated depreciation and amortization	(547,864)	(537,542)
Total property and equipment, net of accumulated depreciation and amortization	$ 28,631	$ 11,509

NOTE 6 – RELATED-PARTY TRANSACTIONS

The Organization is a supporting organization of the Community Foundation and all the Organization personnel are employees of the Community Foundation. Additionally, the Organization receives donations from the Community Foundation and makes grants to it as an affiliate that conducts the Raising A Reader programs in San Mateo County. In 2019 and 2018, the Organization received $104,690 and $109,400, respectively, in donations from the Community Foundation. The Organization awarded grants to the Community Foundation in the amount of $19,828 in product grants in 2019. The Organization awarded grants to the Community Foundation in the amount of $792 in cash grants in 2018. At December 31, 2019, a payable in the amount of $192,395 was due to the Community Foundation to reimburse for payroll related and other expenses directly related to the work of the Organization. At December 31, 2018, the payable amount due to the Community Foundation was $330,708.

A director on the Board of the Organization is a key member of the Masonic Grand Lodge of California, an organization that has been a major partner with the Organization since 2011. In 2017, the Masonic Grand Lodge of California donated $1,027,030 to the Organization to be expended over four years through 2021. This donation will enable the Organization's program to reach approximately 2,000 children over next two years, in addition to the 16,000 children already reached in California schools through 2019.

The Organization's Board of Directors pledged $145,600 in 2019 to the Organization over four years through 2022 to support the Organization's work.

The Organization entered into an agreement with the Community Foundation for a revolving line of credit in amount of $500,000 on April 30, 2019. The interest rate applicable to each draw amount shall be fixed on the applicable draw date. The per annum interest rate on each interest rate date shall be the United States Prime Rate as listed in the Easter print edition of the Wall Street Journal on the draw date. All interest shall be computed on the basis of actual days elapsed over an assumed year of 360 days consisting of twelve 30-day months and for the actual number of days elapsed in any partial month. There is no compounding of the accrued interest. The Organization had no outstanding balance on the line of credit as of December 31, 2019.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of December 31:

	2019	2018
Special program use	$ 1,718,281	$ 1,141,385

All net assets with donor restrictions are expected to be released from restrictions by December 31, 2022.

NOTE 8 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions by the incurrence of expenses satisfying the restricted purposes specified by the donors or by the passage of time during the years ended December 31, 2019 and 2018, amounted to:

	2019	2018
Special program use	$ 718,973	$ 900,401

NOTE 9 – LIQUIDITY AND FUNDS AVAILABLE

The following table reflects the Organization's financial assets as of December 31, 2019 and 2018, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets available to meet cash needs for general expenditures within one year as of the statements of financial position date, comprise the following:

	2019	2018
Financial assets		
Cash and cash equivalents	$ 428,145	$ 737,502
Investments	293,808	288,052
Beneficial interest in assets	292,775	287,162
Contributions and grants receivable, net	1,591,239	911,824
Other receivables	287,618	311,641
Financial assets, at December 31,	2,893,585	2,536,181
Less those unavailable for general expenditure within one year, due to:		
Receivables collectible beyond one year	861,572	480,036
Financial assets available to meet cash needs for general expenditures within one year	$ 2,032,013	$ 2,056,145

The Organization's policy is to structure its financial assets to be available to cover the following in order of priority: current operations, capital assets, planned future operations, opportunities to enhance the Organization's mission, unanticipated expenses, and sudden shortfalls in revenues. Available to the Organization is their line of credit as discussed in Note 6 above which may be utilized should the Organization face shortfalls in liquidity from operations.

NOTE 10 – OTHER INCOME

Other income is comprised of the following for the years ended December 31:

	2019	2018
Training and program consulting fees	$ 26,031	$ 22,000
Checking account interest and rebates	8,600	142
Total other income	$ 34,631	$ 22,142

NOTE 11 – COMMITMENTS

The Organization leases office and warehouse space under separate operating leases, including three month-to-month leases. Due to the generosity of the Sobrato Family Foundation, which owns and operates the leased space in California, the Organization's rent expense has been waived during the term of the leases, provided the Organization maintains its 501(c)(3) status. This waived rent is recorded as in-kind donations in the year received and totaled $230,589 and $116,364 in 2019 and 2018. The Organization is responsible for the annual operating expenses associated with the leased space. These amounts, which totaled $36,648 and $36,869 in 2019 and 2018, respectively, are included in occupancy expense in the statements of functional expenses.

In 2015, the Organization's Baltimore office entered into a new multi-year lease. This lease, which terminates in 2020, requires future payments as follows:

Year Ending December 31,	
2020	$ 29,826
	$ 29,826

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