

**SEEDLINGS...BRAILLE
BOOKS FOR CHILDREN**

FINANCIAL STATEMENTS

DECEMBER 31, 2021

**BOISVENU & COMPANY, P.C.
Certified Public Accountants
Bingham Farms, Michigan**

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
SEEDLINGS...Braille Books for Children

Opinion

We have audited the accompanying financial statements of SEEDLINGS...Braille Books for Children (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses 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 SEEDLINGS...Braille Books for Children as of December 31, 2021, 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 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 SEEDLINGS...Braille Books for Children 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 SEEDLINGS...Braille Books for Children'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, including omissions, 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 SEEDLINGS...Braille Books for Children'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 SEEDLINGS...Braille Books for Children'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.

Report on Summarized Comparative Information

We have previously audited SEEDLINGS...Braille Books for Children's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 31, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Boisvenu & Company, P.C.

April 14, 2022

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	2021	2020
ASSETS		
Current Assets		
Cash	\$ 155,572	\$ 225,796
Investments appropriated for operations	50,000	50,000
Accounts receivable	917	2,866
Supplies	113,043	98,082
Total Current Assets	<u>319,532</u>	<u>376,744</u>
Non-current Assets		
Investments - net of appropriations	3,899,566	4,247,443
Equipment - net	22,248	13,024
Security deposit	2,288	2,288
Total Non-current Assets	<u>3,924,102</u>	<u>4,262,755</u>
TOTAL ASSETS	<u>\$ 4,243,634</u>	<u>\$ 4,639,499</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued expenses	\$ 22,499	\$ 17,645
Total Liabilities	<u>22,499</u>	<u>17,645</u>
Net Assets		
Without donor restrictions		
Undesignated	3,010,082	3,402,051
Board designated	1,201,053	1,201,053
Total Net Assets Without Donor Restrictions	<u>4,211,135</u>	<u>4,603,104</u>
With donor restrictions	10,000	18,750
Total Net Assets	<u>4,221,135</u>	<u>4,621,854</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,243,634</u>	<u>\$ 4,639,499</u>

See accompanying notes to financial statements.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
OPERATING REVENUE				
Book sales	\$ 129,684	\$ -	\$ 129,684	\$ 113,052
OPERATING EXPENSES				
Program	722,410	-	722,410	678,467
Management and general	25,266	-	25,266	25,160
Total Operating Expenses	747,676	-	747,676	703,627
DEFICIENCY FROM OPERATIONS	(617,992)	-	(617,992)	(590,575)
SUPPORT AND OTHER EXPENSES				
Contributions	342,645	28,000	370,645	503,922
Grants	115,154	-	115,154	136,507
Special events and auxiliary activities - net	49,980	-	49,980	60,259
Donated services	14,788	-	14,788	12,132
Investment income - net	107,505	-	107,505	75,045
Realized and unrealized (loss) gain on investments - net	(395,381)	-	(395,381)	87,959
Fund raising expenses	(45,418)	-	(45,418)	(46,882)
	189,273	28,000	217,273	828,942
Net assets released from restrictions	36,750	(36,750)	-	-
TOTAL SUPPORT AND OTHER EXPENSES	226,023	(8,750)	217,273	828,942
CHANGE IN NET ASSETS	(391,969)	(8,750)	(400,719)	238,367
NET ASSETS, beginning of year	4,603,104	18,750	4,621,854	4,383,487
NET ASSETS, end of year	\$ 4,211,135	\$ 10,000	\$ 4,221,135	\$ 4,621,854

See accompanying notes to financial statements.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	Program	Management and General	Fund Raising	Total	
				2021	2020
Book production materials	\$ 208,067	\$ -	\$ -	\$ 208,067	\$ 167,587
Salary and wages	333,880	15,422	34,336	383,638	388,873
Payroll taxes	25,538	1,180	2,626	29,344	29,565
Other personnel costs	17,774	1,040	979	19,793	16,654
Occupancy	67,785	1,412	1,412	70,609	71,209
Telephone	2,595	28	138	2,761	2,260
Postage and mail service	5,589	65	920	6,574	6,363
Office supplies	7,769	28	529	8,326	9,549
Equipment repair and maintenance	8,612	236	236	9,084	9,402
Printing, promotion and website	14,534	-	1,615	16,149	14,277
Production development, conferences and membership	871	-	95	966	903
Transportation	5,723	316	358	6,397	6,293
Outside services	14,788	5,047	1,683	21,518	18,562
Directors and officers insurance	640	320	319	1,279	1,279
Total Functional Expenses Before Depreciation	<u>714,165</u>	<u>25,094</u>	<u>45,246</u>	<u>784,505</u>	<u>742,776</u>
Depreciation	<u>8,245</u>	<u>172</u>	<u>172</u>	<u>8,589</u>	<u>7,733</u>
Total Functional Expenses	<u>\$ 722,410</u>	<u>\$ 25,266</u>	<u>\$ 45,418</u>	<u>\$ 793,094</u>	<u>\$ 750,509</u>

See accompanying notes to financial statements.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021, WITH COMPARATIVE TOTALS FOR 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (400,719)	\$ 238,367
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	8,589	7,733
Realized gain on investments	(26,061)	(17,733)
Unrealized loss (gain) on investments	421,442	(70,226)
(Increase) decrease in operating assets		
Accounts receivable	1,949	1,868
Supplies	(14,961)	(1,330)
Increase (decrease) in operating liabilities		
Accrued expenses	<u>4,854</u>	<u>7,087</u>
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	<u>(4,907)</u>	<u>165,766</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(17,813)	-
Purchase of investments	(1,995,807)	(8,009,596)
Proceeds from sale of investments	<u>1,948,303</u>	<u>7,934,550</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(65,317)</u>	<u>(75,046)</u>
NET (DECREASE) INCREASE IN CASH	(70,224)	90,720
CASH, beginning of year	<u>225,796</u>	<u>135,076</u>
CASH, end of year	<u>\$ 155,572</u>	<u>\$ 225,796</u>

See accompanying notes to financial statements.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

SEEDLINGS...Braille Books For Children is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation.

The Organization was established in 1984 to provide quality literature in Braille for young readers at an affordable price, thereby fostering the love of reading and increasing the rate of literacy among people who are blind.

The Organization's program and supporting services are as follows:

Program Services

SEEDLINGS...Braille Books For Children is organized under the laws of the State of Michigan to promote literacy among the blind by providing blind children with quality, thought-provoking and entertaining literature in braille that is given away or sold domestically and internationally.

Management and General

This includes the functions necessary to maintain an adequate working environment, provide proper administrative support of the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

Fund Raising

This provides the structure necessary to encourage and secure support from individuals, foundations and government agencies.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. This includes board designated net assets which are designated for the Organization's activities. These designations are based on actions by the Board of Directors, which can be altered or revoked at a future time.

Net assets with donor restrictions are subject to donor-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, such as those that the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported period. Actual results could differ from those estimates.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) (effective date as amended by ASU 2020-05). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance under generally accepted accounting principles (GAAP) in the U.S. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The most noticeable difference with the implementation of the new ASU is the transition away from industry-specific guidance in favor of broader, principles-based guidance. The Organization adopted the new standard effective January 1, 2021, the first day of the Organization's fiscal year, using the full retrospective method. The majority of the Organization's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on the Organization's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption. There are no significant changes in any financial statement line item that resulted from adopting ASU 2014-09, in comparison with the prior period.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value. The Organization has no cash equivalents at December 31, 2021.

Accounts Receivable

The Organization considers accounts receivable to be fully collectible at December 31, 2021; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Investments

Investments are recorded at fair value, or for gifts of investment securities, market value at the date of the gift. Gains or losses on the disposition of investments are determined on the average cost basis. Investment income and realized and unrealized gains are reported in the statement of financial position and activities as increases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or law. Investment losses reduce net assets with donor restrictions only to the extent that donor imposed restrictions on net appreciation of the fund have not been met (or used) before the loss occurs. Any remaining losses are reported as decreases in net assets without donor restrictions.

Equipment

Equipment is recorded at cost or, if donated, at the estimated fair value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of five years. The Organization's policy is to capitalize acquisitions of \$1,000 or more. Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Revenue and Support

Agency contract arrangements constitute and are accounted for as conditional contributions since the resource provider does not receive commensurate value for the consideration received by the Organization; rather, the purpose of an arrangement is for the benefit of the general public. Revenue is recognized when the condition is satisfied. Conditions are satisfied based on incurring qualified expenses, and/or satisfying a milestone, and/or execution of other deliverable units of service. A refundable advance is recorded when the Organization receives assets (i.e. cash) in advance of the

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

satisfaction of the conditions within these arrangements. As of December 31, 2021, there were no refundable advances recorded for agency contracts.

The activities of the Organization relating to certain contracts are subject to review or audit by the responsible agency to determine compliance with award documents and may be subject to possible adjustment based on negotiations with the agency. Revenue is reported at the estimated net realizable amounts from agency contracts for services rendered, including estimated adjustments under reimbursement agreements. Adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence or nature of any donor restrictions.

The Organization elects to report restricted contributions that were initially conditional and for which both the condition and the restriction simultaneously occur, as increases in net assets without donor restrictions in accordance with *Presentation of Financial Statements of Not-for-Profit Entities* FASB ASC 958-605-45-4B.

The Organization reports unconditional gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If the contribution and use of purpose restricted donations occurs in the same period, then the support will be recorded as without donor restrictions.

In accordance with *Revenue from Contracts with Customers* FASB 606-10-50, revenue from program income is recognized as service is rendered. Revenue under contracts is recognized on the basis of actual time incurred multiplied by the billable hourly rate stated in the contract, plus materials expense incurred. Revenue from contracts with customers includes consulting contracts which are reported under program and other income. The majority of these revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. In cases where costs are incurred in advance of billings, a receivable is recorded in the period during which the expenses are incurred. In cases where billings are in excess of costs or advance payments are received, deferred revenue is recorded in the period during which the advance is received and recognized as income when the related service is rendered.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support (continued)

The Organization receives donated services and supplies from various organizations and individuals in order to accomplish its program objectives. Contributions of donated services that create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Functional Classification of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Directly identifiable expenses are charged to the associated program and supporting services. Certain indirect costs have been allocated among the programs and supporting services benefited. Personnel and related costs are allocated based on estimates of time and effort. Other costs, such as occupancy, are allocated on a square footage basis.

Tax Positions

The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ended prior to December 31, 2014.

Fair Value Disclosure

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, accounts receivable, and other short term assets and liabilities. For these financial instruments, carrying values approximate fair value.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year end	\$ 4,106,055
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	(10,000)
Board designations:	
Give-away Programs	<u>(1,201,053)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,895,002</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due.

3. FAIR VALUE MEASUREMENTS

Various inputs may be used in determining the fair value of the Organization's assets and liabilities measured on a recurring basis. These inputs are market-based measurements based on and determined by the assumptions that market participants would use in pricing an asset or a liability and are summarized into three levels:

Level (1): Inputs to the valuation methodology are quoted prices for identical assets in active markets.

Level (2): Inputs to the valuation methodology include quoted prices for similar assets in active markets, and inputs that are observable for the asset, either directly or indirectly.

Level (3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the Organization's own assumptions in determining the fair value of an asset or a liability).

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

3. FAIR VALUE MEASUREMENTS (continued)

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about projections market participants would use in developing a price that would be received to sell an asset or paid to transfer a liability based on the best information available in the circumstances. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following table summarizes the Organization's inputs used to determine their values on December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments	<u>\$ 3,487,077</u>	<u>\$ 462,489</u>	<u>\$ -</u>

4. INVESTMENTS

Investments are carried at fair value and at December 31, 2021, are as follows:

	<u>Cost</u>	<u>Fair Value</u>
Cash	\$ 659,351	\$ 659,351
Exchange Traded Funds	1,831,426	1,579,927
Certificates of Deposit	450,000	462,489
Mutual funds	98,068	115,098
Stocks	<u>1,179,216</u>	<u>1,132,701</u>
	<u>\$ 4,218,061</u>	<u>\$ 3,949,566</u>

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

4. INVESTMENTS (continued)

The following schedule details the investment income in the statement of activities for the year ended December 31, 2021:

Interest and dividend income	\$ 129,408
Investment fees	<u>(21,903)</u>
	<u>\$ 107,505</u>

5. EQUIPMENT

At December 31, 2021, equipment consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Equipment	<u>\$ 202,035</u>	<u>\$ 17,813</u>	<u>\$ -</u>	\$ 219,848
Less accumulated depreciation				<u>197,600</u>
				<u>\$ 22,248</u>

6. LEASE COMMITMENTS

The Organization is obligated under a lease for office facilities expiring April 30, 2024 and a vehicle lease expiring February 2023.

Future minimum lease payments are as follows for the years ending December 31:

	<u>Office</u>	<u>Vehicle</u>
2022	\$ 45,166	\$ 3,960
2023	45,608	330
2024	<u>15,203</u>	<u>-</u>
	<u>\$ 105,977</u>	<u>\$ 4,290</u>

Office rent expense was \$44,280 and vehicle lease expense was \$3,960 for the year ended December 31, 2021.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

7. DONATED SERVICES

During the year volunteers provided transcribing, proofreading and other services. For the year ended December 31, 2021, contributed services received and recognized as support total \$14,788 with an offsetting charge to outside services.

8. BOARD DESIGNATED NET ASSETS

Net assets that are designated for Give-Away Programs. These designations are based on actions by the Board of Directors, which can be altered or revoked at a future time by vote of the entire Board.

9. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021, net assets with donor restrictions consist of cash and are available for the following:

Subject to expenditure for specified purpose:

Foundation grants	\$ 8,000
Book sponsors	<u>2,000</u>
	<u>\$ 10,000</u>

10. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year are as follows:

Subject to expenditure for specified purpose:

Book sponsors	<u>\$ 36,750</u>
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SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

11. SPECIAL EVENTS AND AUXILIARY ACTIVITIES

Revenue from special events aggregated approximately \$47,000 with related expenses of approximately \$2,700 for the year ended December 31, 2021.

Revenue from auxiliary activities aggregated approximately \$5,700.

12. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balance in one financial institution in Michigan. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2021, the cash balance is fully insured.

13. CONTINGENCIES

In the normal course of operations, there could be outstanding contingent liabilities such as lawsuits, etc., which are not known to the Organization and therefore have not been reflected in the accompanying financial statements. The Organization's management is of the opinion that the liability, if any, will be either immaterial or insurance coverage is adequate to cover any potential losses.

14. COMPARATIVE FINANCIAL STATEMENTS

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

15. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

SEEDLINGS...BRAILLE BOOKS FOR CHILDREN

NOTES TO FINANCIAL STATEMENTS

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 14, 2022, the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which could affect the Organization's operations both directly and indirectly through its impact on investment valuations, funding sources, vendors, staff and contracted services. The financial effects on the Organization are not readily determinable. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.