



**AUDITED
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017**

PREDISAN-USA, INC.
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Predisan-USA, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of Predisan-USA, Inc. (the "Organization") which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 controls 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 audits. We conducted our audits 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 entity'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 entity'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 Predisan-USA, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Jones and Kolb

May 1, 2019

PREDISAN-USA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 351,670 | \$ 318,673 |
| Marketable securities | 355,885 | 369,741 |
| Cash surrender value of life insurance | 7,099 | 7,099 |
| Computer equipment, net of accumulated depreciation | - | 793 |
| | <hr/> | <hr/> |
| Total assets | <u>\$ 714,654</u> | <u>\$ 696,306</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| LIABILITIES | | |
| Accounts payable | \$ - | \$ 10,549 |
| Payroll liabilities | 4,449 | 2,772 |
| | <hr/> | <hr/> |
| Total liabilities | <u>4,449</u> | <u>13,321</u> |
| NET ASSETS | | |
| Without donor restrictions | 214,275 | 230,676 |
| With donor restrictions | 495,930 | 452,309 |
| | <hr/> | <hr/> |
| Total net assets | <u>710,205</u> | <u>682,985</u> |
| | <hr/> | <hr/> |
| Total liabilities and net assets | <u>\$ 714,654</u> | <u>\$ 696,306</u> |

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

PREDISAN-USA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|--|---|---------------------|
| SUPPORT AND REVENUE | | | |
| Contributions | \$ 837,461 | \$ 88,071 | \$ 925,532 |
| Contributed goods and services | 24,953 | - | 24,953 |
| Special events | 26,025 | - | 26,025 |
| Less: Direct expenses | (8,484) | - | (8,484) |
| Investment income | 24 | 8,683 | 8,707 |
| Unrealized gain on investments | - | (15,819) | (15,819) |
| | <u>879,979</u> | <u>80,935</u> | <u>960,914</u> |
| | | | |
| Net assets released from restricted net assets | <u>37,314</u> | <u>(37,314)</u> | <u>-</u> |
| EXPENSES | | | |
| Program services | 754,916 | - | 754,916 |
| Fundraising | 71,853 | - | 71,853 |
| Management and general | 106,925 | - | 106,925 |
| | <u>933,694</u> | <u>-</u> | <u>933,694</u> |
| | | | |
| CHANGE IN NET ASSETS | (16,401) | 43,621 | 27,220 |
| | | | |
| NET ASSETS, Beginning of year | <u>230,676</u> | <u>452,309</u> | <u>682,985</u> |
| | | | |
| NET ASSETS, End of year | <u>\$ 214,275</u> | <u>\$ 495,930</u> | <u>\$ 710,205</u> |

The accompanying notes to financial statements
are an integral part of this statement.

PREDISAN-USA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|--|---|-----------------------|
| SUPPORT AND REVENUE | | | |
| Contributions | \$ 858,928 | \$ 125,257 | \$ 984,185 |
| Contributed goods and services | 22,415 | - | 22,415 |
| Special events | 16,220 | - | 16,220 |
| Less: Direct expenses | (8,279) | - | (8,279) |
| Investment income | 12 | 6,963 | 6,975 |
| Unrealized gain on investments | - | 40,148 | 40,148 |
| | <u>889,296</u> | <u>172,368</u> | <u>1,061,664</u> |
| Total support and revenue | | | |
| | <u>889,296</u> | <u>172,368</u> | <u>1,061,664</u> |
| Net assets released from restricted net assets | <u>178,734</u> | <u>(178,734)</u> | <u>-</u> |
| EXPENSES | | | |
| Program services | 873,070 | - | 873,070 |
| Fundraising | 128,343 | - | 128,343 |
| Management and general | 74,579 | - | 74,579 |
| | <u>1,075,992</u> | <u>-</u> | <u>1,075,992</u> |
| Total expenses | | | |
| | <u>1,075,992</u> | <u>-</u> | <u>1,075,992</u> |
| CHANGE IN NET ASSETS | (7,962) | (6,366) | (14,328) |
| NET ASSETS, Beginning of year | <u>238,638</u> | <u>458,675</u> | <u>697,313</u> |
| NET ASSETS, End of year | <u>\$ 230,676</u> | <u>\$ 452,309</u> | <u>\$ 682,985</u> |

The accompanying notes to financial statements
are an integral part of this statement.

PREDISAN-USA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

| | <u>Program</u> | <u>Fundraising</u> | <u>Management & General</u> | <u>Total</u> |
|-----------------------------------|-------------------|--------------------|-------------------------------------|-------------------|
| Grants | \$ 716,631 | \$ - | \$ - | \$ 716,631 |
| Compensation and benefits | 25,240 | 37,861 | 63,101 | 126,202 |
| Occupancy | 4,080 | 6,120 | 10,200 | 20,400 |
| Office expenses | 2,805 | 4,207 | 7,012 | 14,024 |
| Accounting fees | - | - | 9,545 | 9,545 |
| Payroll taxes | 1,826 | 2,740 | 4,566 | 9,132 |
| Advertising and promotion | - | 9,094 | - | 9,094 |
| Insurance | 2,672 | 2,672 | 2,672 | 8,016 |
| Bank charges and credit card fees | | 5,727 | - | 5,727 |
| Travel | 1,144 | 1,716 | 2,859 | 5,719 |
| Information technology | - | - | 5,382 | 5,382 |
| Other | 391 | 1,319 | 1,319 | 3,029 |
| Depreciation | 127 | 397 | 269 | 793 |
| | <u>\$ 754,916</u> | <u>\$ 71,853</u> | <u>\$ 106,925</u> | <u>\$ 933,694</u> |
| Total | <u>\$ 754,916</u> | <u>\$ 71,853</u> | <u>\$ 106,925</u> | <u>\$ 933,694</u> |

The accompanying notes to financial statements
are an integral part of this statement.

PREDISAN-USA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

| | <u>Program</u> | <u>Fundraising</u> | <u>Management & General</u> | <u>Total</u> |
|-----------------------------------|--------------------------|---------------------------|--|----------------------------|
| Grants | \$ 829,404 | \$ - | \$ - | \$ 829,404 |
| Compensation and benefits | 28,107 | 70,269 | 42,161 | 140,537 |
| Occupancy | 6,120 | 10,200 | 4,080 | 20,400 |
| Advertising and promotion | - | 13,447 | - | 13,447 |
| Office expenses | 2,494 | 6,236 | 3,742 | 12,472 |
| Travel | 2,175 | 5,438 | 3,263 | 10,876 |
| Payroll taxes | 2,083 | 5,210 | 3,126 | 10,419 |
| Accounting fees | - | - | 10,413 | 10,413 |
| Other | 823 | 4,511 | 4,729 | 10,063 |
| Information technology | - | 5,822 | 1,059 | 6,881 |
| Bank charges and credit card fees | - | 5,312 | 150 | 5,462 |
| Insurance | 1,772 | 1,772 | 1,773 | 5,317 |
| Depreciation | 42 | 126 | 83 | 251 |
| Conferences and meetings | 50 | - | - | 50 |
| Total | <u>\$ 873,070</u> | <u>\$ 128,343</u> | <u>\$ 74,579</u> | <u>\$ 1,075,992</u> |

The accompanying notes to financial statements
are an integral part of this statement.

PREDISAN-USA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | 2018 | 2017 |
|---|-------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 27,220 | \$ (14,328) |
| ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Depreciation | 793 | 251 |
| Net realized and unrealized (gain) and loss on marketable securities | 15,819 | (40,148) |
| Changes in: | | |
| Prepaid expenses | - | 3,250 |
| Cash surrender value of life insurance | - | (1,524) |
| Accounts payable | (10,549) | (1,178) |
| Payroll liabilities | 1,677 | (1,467) |
| Total adjustments | 7,740 | (40,816) |
| Net cash and cash equivalents provided by (used in) operating activities | 34,960 | (55,144) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Redemptions of marketable securities | 6,300 | - |
| Purchases of marketable securities | (8,263) | (31,772) |
| Net cash and cash equivalents used in investing activities | (1,963) | (31,772) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 32,997 | (86,916) |
| CASH AND CASH EQUIVALENTS, Beginning of year | 318,673 | 405,589 |
| CASH AND CASH EQUIVALENTS, End of year | \$ 351,670 | \$ 318,673 |

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

PREDISAN-USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The purpose of Predisan-USA, Inc. (the "Organization") is to collaborate with and support non-profit Christian organizations located throughout Central America that provide/promote healthcare, community development, and spiritual formation activities. Currently, the Organization has chosen to partner with a non-profit corporation registered in Honduras as Asociacion Hondurena Predicar y Sanar ("Mission Predisan"). Mission Predisan's mission is to provide a holistic approach to healing lives and proclaiming Christ to the people of Honduras. The Organization is governed by a volunteer board of directors. The Organization primarily receives contributions from individuals, churches and foundation, primarily located throughout the United States of America.

B. The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") 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.

C. In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2016-14, Not-for-Profit Entities (Topic 958). This ASU improves the prior net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. The ASU is effective for fiscal years beginning after December 15, 2017. The Organization has adopted this ASU for the year ended December 31, 2018 and retroactively applied this ASU to the year ended December 31, 2017.

D. The Organization classifies net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. The Organization records contributions of cash and other assets as net assets without donor restrictions unless specifically restricted by the donor. All other restricted contributions are recorded as an increase in net assets with donor restrictions. When restrictions expire (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 Statements of Activities as "net assets released from restrictions." Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operation of the Organization.

Net assets with donor restrictions - Net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature; for example, restrictions that may or will be met by the passage of time or other events specified by the

PREDISAN-USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

donor. Other donor-imposed restrictions are perpetual in nature; for example, stipulating that resources be maintained in perpetuity. The donors of these assets generally permit the Organization to use all of the income earned on related investments for general or specific purposes. More specifically, items included in net assets with donor restrictions are contributions for which restrictions have not been met.

E. Cash equivalents consist of short-term, highly liquid investments, which are readily convertible into cash within ninety days of purchase.

F. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. Contributed services recognized are reflected in the financial statements at the fair value of the services received. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in providing support to clinics and healthcare facilities in Honduras. The value of these services did not meet the criteria for recognition in the financial statements and the value has not been estimated. Donated materials and services are reflected as support in the accompanying financial statements at their estimated fair value at date of receipt.

During the years ended December 31, 2018 and 2017, the Organization received a donation for the use of office space and furnishings with an estimated value of \$20,400. The Organization also received goods, primarily supplies to be used in the Honduran clinic, with an estimated value of \$2,015 for the year ended December 31, 2017.

G. The Organization is exempt from income taxes under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code ("IRC"). Only unrelated business income as defined by Section 512(a)(1) of the Internal Revenue Code is subject to income taxes. There was no unrelated business income for the years ended December 31, 2017 and 2016.

Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur, including changes to the Organization's status as a tax-exempt entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these financial statements. The Organization's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. However, the Organization is not currently under audit nor has it been contacted by the taxing authorities.

H. The accompanying financial statements report certain categories of expenses that are attributable to one or more functions of the Organization, which are defined as program services, management and general, and fundraising. Therefore, these expenses require allocation on a

PREDISAN-USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

reasonable basis that is consistently applied. The significant expense categories that are allocated include compensation and benefits, occupancy and payroll taxes which are allocated on the basis of estimates of time and effort. The remainder of expenses are primarily allocated through specific identification to the functional expense category due to the purpose or nature of the expense.

I. Subsequent events have been evaluated by management through May 1, 2019, the date these financial statements were issued.

2. CONCENTRATION OF CREDIT RISK

The Organization is subject to some credit risk through short-term cash investments, which are placed with high credit quality financial institutions. At December 31, 2018 and 2017, the Organization's accounts balances not covered by F.D.I.C. limits were approximately \$3,000 and \$41,000, respectively. The Organization has not experienced any losses in such accounts.

3. CONDITIONAL PROMISES TO GIVE

The Organization has been informed of intentions to give in the form of possible future bequests, currently of indeterminable value. Consistent with GAAP, these intentions have not been reflected in the accompanying financial statements because they are conditional promises.

4. MARKETABLE SECURITIES

U.S. GAAP establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets or liabilities in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs other than Level 1 prices, such as quoted market prices for similar assets, quoted market prices in inactive markets and other inputs that may be corroborated by observable market data. Level 3 within the hierarchy states that valuations are based upon unobservable inputs. At December 31, 2018 and 2017, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are marketable securities, which include stock and bond mutual funds. Stock and bond mutual funds are valued at the closing price reported on the active market on which individual securities are traded.

PREDISAN-USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

The following table presents the Organization's marketable securities at fair value at December 31, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|-----------------------------|-----------------------|-----------------------|
| Stock funds | \$ 197,483 | \$ 240,986 |
| Bond funds | <u>158,402</u> | <u>128,755</u> |
| Total marketable securities | <u><u>355,885</u></u> | <u><u>369,741</u></u> |

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions represent donations made that have been restricted for a particular purpose, primarily for medical clinics or for programs benefiting people in the region of the community of Catacamas, Honduras. Additionally, net assets with donor restrictions include the donor-restricted endowment assets and the related unspent and accumulated earnings (See Note 6). The following table presents the Organization's net assets with donor restrictions at December 31, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|---|--------------------------|--------------------------|
| Endowment earnings | \$ 172,165 | \$ 185,601 |
| Scholarships, economic development and mission trips | 116,087 | 59,030 |
| Endowment principal | <u>207,678</u> | <u>207,678</u> |
| Total | <u><u>\$ 495,930</u></u> | <u><u>\$ 452,309</u></u> |

The following table presents the Organization's net assets released from restricted net assets for the years ended December 31, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|---|-------------------------|--------------------------|
| Scholarships, economic development and mission trips | \$ 31,014 | \$ 178,734 |
| Appropriation of endowment assets | <u>6,300</u> | <u>-</u> |
| Total | <u><u>\$ 37,314</u></u> | <u><u>\$ 178,734</u></u> |

PREDISAN-USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

6. ENDOWMENT

The Organization's endowment consisted of one donor-restricted funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment fund are classified and reported based on the existence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Board of Directors will appropriate funds from the endowment funds based on specific needs and budgeting requirements from year to year. UPMIFA does not apply to beneficial interests in perpetual trusts.

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; and,
- (7) The investment policies of the Organization.

The Organization has adopted investment and spending policies that attempt to preserve endowment assets by using funding only when operating cash is insufficient. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

PREDISAN-USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

The composition of and changes in endowment net assets for the year ended December 31, 2018 are as follows:

| | <u>With Donor Restrictions</u> | |
|---|---------------------------------------|-----------------------------|
| | <u>Unused Earnings</u> | <u>Principal</u> |
| Endowment net assets, beginning of year | \$ 185,601 | \$ 207,678 |
| Appropriated for expenditure | (6,300) | - |
| Investment return | | |
| Investment income | 8,683 | - |
| Net unrealized loss | (15,819) | - |
| | <u> </u> | <u> </u> |
| Endowment net assets, end of year | <u>\$ 172,165</u> | <u>\$ 207,678</u> |

The composition of and changes in endowment net assets for the year ended December 31, 2017 are as follows:

| | <u>With Donor Restrictions</u> | |
|---|---------------------------------------|-----------------------------|
| | <u>Unused Earnings</u> | <u>Principal</u> |
| Endowment net assets, beginning of year | \$ 138,490 | \$ 182,678 |
| Contributions | - | 25,000 |
| Investment return | | |
| Investment income | 6,963 | - |
| Net unrealized gain | 40,148 | - |
| | <u> </u> | <u> </u> |
| Endowment net assets, end of year | <u>\$ 185,601</u> | <u>\$ 207,678</u> |

PREDISAN-USA, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

7. LIQUIDITY

The Organization has \$714,654 of total financial assets at December 31, 2018. The financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditure are \$211,625, which is calculated in the following table:

| | |
|---|-------------------------------|
| Total financial assets | \$ 714,654 |
| Less restrictions: | |
| Endowment net assets | (379,843) |
| Other restrictions | (116,087) |
| Cash surrender value of life insurance | <u>(7,099)</u> |
| Financial assets available within one year to meet cash needs for general expenditure | <u>\$ 211,625</u> |

None of the remaining \$211,625 of financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of Financial Position date. While the \$172,165 of unspent and accumulated endowment earnings and the \$7,099 of cash surrender value of life insurance are not included in the amounts expected to be available within one year of the Statement of Financial Position date, the Organization may utilize a portion of these funds in the event of an unanticipated liquidity need.