

**DORCAS INTERNATIONAL INSTITUTE OF
RHODE ISLAND, INC. AND THE INTERNATIONAL
CHARTER SCHOOL CORPORATION**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES	5
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS	6
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	7
CONSOLIDATED STATEMENTS OF CASH FLOWS	9
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	10
CONSOLIDATING SUPPLEMENTARY INFORMATION	
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION	27
CONSOLIDATING SCHEDULES OF ACTIVITIES	30
CONSOLIDATING SCHEDULES OF CASH FLOWS	34
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES	38



INDEPENDENT AUDITORS' REPORT

Board of Directors
Dorcas International Institute of Rhode Island, Inc.
and The International Charter School Corporation
Providence, Rhode Island

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation (collectively referred to as the Organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation, as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Changes in Accounting Principles

As discussed in Note 2, in 2022, the Organization adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Board of Directors
Dorcas International Institute of Rhode Island, Inc.
and The International Charter School Corporation

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation'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.

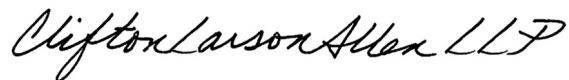
Board of Directors
Dorcas International Institute of Rhode Island, Inc.
and The International Charter School Corporation

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position, activities, cash flows, and functional expenses as of and for the years ended June 30, 2023 and 2022 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, on our consideration of Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dorcas International Institute of Rhode Island, Inc. and The International Charter School Corporation’s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
November 29, 2023

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,894,175	\$ 2,316,454
Investments	1,513,538	1,298,152
Grants Receivable	1,178,033	1,799,139
Accounts Receivable, Net	426,527	514,350
Prepaid Expenses and Other Current Assets	222,198	219,137
Total Current Assets	6,234,471	6,147,232
PROPERTY AND EQUIPMENT, NET	5,653,566	5,140,847
OTHER ASSETS		
Operating Right-of-Use Asset, Net	171,906	-
Financing Right-of-Use Asset, Net	67,128	-
Total Other Assets	239,034	-
Total Assets	\$ 12,127,071	\$ 11,288,079
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 235,661	\$ 330,011
Accrued Expenses	1,060,125	950,449
Deferred Revenue	318,154	3,130
Current Lease Liability - Operating	171,906	-
Current Lease Liability - Financing	19,170	-
Current Portion of Long-Term Debt	100,000	95,000
Total Current Liabilities	1,905,016	1,378,590
LONG-TERM LIABILITIES		
Lease Liability - Financing, Less Current Portion	48,598	-
Long-Term Debt	933,926	1,026,616
Total Long-Term Liabilities	982,524	1,026,616
Total Liabilities	2,887,540	2,405,206
NET ASSETS		
Net Assets Without Donor Restrictions	7,975,588	8,222,653
Net Assets With Donor Restrictions	1,263,943	660,220
Total Net Assets	9,239,531	8,882,873
Total Liabilities and Net Assets	\$ 12,127,071	\$ 11,288,079

See accompanying Notes to Consolidated Financial Statements.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
SUPPORT, REVENUES, AND INVESTMENT RETURN WITHOUT DONOR RESTRICTIONS		
Support and Revenues without Donor Restrictions:		
Public Grants and Contracts	\$ 7,159,126	\$ 6,564,512
Private Grants and Contracts	598,826	719,355
Contributions	642,422	1,171,765
Tuition, Fees, and Services	7,666,449	7,923,248
Medicaid Services	12,750	10,876
Food Services	240,760	52,647
Donated Goods and Services	-	27,680
Other Income	525,890	275,759
Total Support and Revenues without Donor Restrictions	16,846,223	16,745,842
Investment Return:		
Interest and Dividends	76,910	64,660
Management Fees	(8,030)	(22,478)
Net Realized Gains on Sales of Investments	101,935	50,289
Net Unrealized Appreciation (Depreciation) of Investments	69,697	(390,964)
Net Investment Return without Donor Restrictions	240,512	(298,493)
Net Assets Released from Donor Restrictions:		
Contributions Satisfied by Use of Funds for Donor-Restricted Purpose	312,171	1,062,469
Total Support, Revenues, and Investment Return without Donor Restrictions	17,398,906	17,509,818
 EXPENSES		
Program Services:		
Social	4,465,312	5,109,821
Educational	9,761,061	8,805,486
Pinpoint Translations	1,242,484	1,282,861
Total Program Services	15,468,857	15,198,168
Supporting Services:		
General Overhead and Administration	1,921,467	1,454,332
Fundraising	255,647	393,634
Total Supporting Services	2,177,114	1,847,966
Total Expenses	17,645,971	17,046,134
 CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(247,065)	463,684
 CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and Grants	915,894	1,448,494
Satisfaction of Program Restrictions	(312,171)	(1,062,469)
Changes in Net Assets with Donor Restrictions	603,723	386,025
 INCREASE IN NET ASSETS	356,658	849,709
Net Assets - Beginning of Year	8,882,873	8,033,164
 NET ASSETS - END OF YEAR	\$ 9,239,531	\$ 8,882,873

See accompanying Notes to Consolidated Financial Statements.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Balance - Beginning of Year	\$ 8,222,653	\$ 7,758,969
Increase (Decrease) in Net Assets without Donor Restrictions	(247,065)	463,684
Balance - End of Year	7,975,588	8,222,653
NET ASSETS WITH DONOR RESTRICTIONS		
Balance - Beginning of Year	660,220	274,195
Increase in Net Assets with Donor Restrictions	603,723	386,025
Balance - End of Year	1,263,943	660,220
NET ASSETS - END OF YEAR	\$ 9,239,531	\$ 8,882,873

See accompanying Notes to Consolidated Financial Statements.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services				Supporting Services		Total
	Education	Social	Pinpoint Translations	Total Program Services	Management	Fundraising	
Direct Expenses:							
Grants and Other Assistance	\$ -	\$ 864,581	\$ -	\$ 864,581	\$ -	\$ -	\$ 864,581
Salaries and Wages	4,926,001	2,183,689	381,257	7,490,947	959,209	192,324	8,642,480
Employee Benefits	1,302,254	319,943	49,492	1,671,689	140,091	15,967	1,827,747
Payroll Taxes	399,340	219,861	37,951	657,152	89,399	21,077	767,628
Professional Services	151,411	23,115	24,220	198,746	323,455	1,195	523,396
Contract Services	64,557	102,786	630,091	797,434	51,239	255	848,928
Advertising	3,384	6,622	647	10,653	960	288	11,901
Supplies	162,122	-	-	162,122	16,921	-	179,043
Office Expenses	91,125	120,933	11,879	223,937	24,410	9,362	257,709
Information Technology	39,067	136,961	18,712	194,740	80,125	4,908	279,773
Building Related Expenses	458,045	191,427	35,503	684,975	65,133	5,518	755,626
Travel and Vehicle Expense	18,299	27,843	21,937	68,079	4,478	296	72,853
Conferences and Meetings	14,742	10,511	334	25,587	20,710	666	46,963
Subrecipient Payments	498,423	53,104	-	551,527	-	-	551,527
Student Costs	1,183,956	-	-	1,183,956	7,631	-	1,191,587
Insurance	37,017	40,772	6,873	84,662	11,133	752	96,547
Equipment, Licenses, and Fees	6,311	4,270	523	11,104	17,228	107	28,439
Special Events	4,231	6,193	784	11,208	-	-	11,208
Miscellaneous	162,258	26,354	10,411	199,023	100,019	954	299,996
Total Direct Expenses	<u>9,522,543</u>	<u>4,338,965</u>	<u>1,230,614</u>	<u>15,092,122</u>	<u>1,912,141</u>	<u>253,669</u>	<u>17,257,932</u>
Depreciation	<u>238,518</u>	<u>126,347</u>	<u>11,870</u>	<u>376,735</u>	<u>9,326</u>	<u>1,978</u>	<u>388,039</u>
 Total Expenses	 <u>\$ 9,761,061</u>	 <u>\$ 4,465,312</u>	 <u>\$ 1,242,484</u>	 <u>\$ 15,468,857</u>	 <u>\$ 1,921,467</u>	 <u>\$ 255,647</u>	 <u>\$ 17,645,971</u>

See accompanying Notes to Consolidated Financial Statements.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program Services				Supporting Services		Total
	Education	Social	Pinpoint Translations	Total Program Services	Management	Fundraising	
Direct Expenses:							
Grants and Other Assistance	\$ 2,247	\$ 1,763,870	\$ -	\$ 1,766,117	\$ -	\$ -	\$ 1,766,117
Salaries and Wages	4,519,806	1,848,595	317,439	6,685,840	807,794	223,667	7,717,301
Employee Benefits	1,161,486	265,532	37,001	1,464,019	113,611	40,080	1,617,710
Payroll Taxes	344,675	148,387	25,265	518,327	63,106	17,528	598,961
Professional Services	195,921	92,989	6,197	295,107	186,206	2,847	484,160
Contract Services	131,615	296,635	803,757	1,232,007	22,188	16	1,254,211
Advertising	4,614	5,324	2,879	12,817	9,113	10,306	32,236
Supplies	213,179	-	-	213,179	620	-	213,799
Office Expenses	96,249	97,869	16,959	211,077	25,155	16,520	252,752
Information Technology	100,163	81,594	13,364	195,121	12,831	6,360	214,312
Building Related Expenses	443,816	101,709	13,859	559,384	42,186	957	602,527
Travel and Vehicle Expense	13,453	18,694	21,882	54,029	1,786	45	55,860
Conferences and Meetings	2,769	1,546	101	4,416	11,502	3,323	19,241
Subrecipient Payments	448,954	209,435	-	658,389	-	-	658,389
Student Costs	767,997	-	-	767,997	6,060	-	774,057
Insurance	40,943	31,965	4,914	77,822	6,334	330	84,486
Equipment, Licenses, and Fees	58,988	14,382	1,312	74,682	2,386	687	77,755
Special Events	2,325	3,487	501	6,313	325	68,270	74,908
Miscellaneous	38,258	22,926	8,421	69,605	127,908	1,611	199,124
Total Direct Expenses	<u>8,587,458</u>	<u>5,004,939</u>	<u>1,273,851</u>	<u>14,866,248</u>	<u>1,439,111</u>	<u>392,547</u>	<u>16,697,906</u>
Depreciation	<u>218,028</u>	<u>104,882</u>	<u>9,010</u>	<u>331,920</u>	<u>15,221</u>	<u>1,087</u>	<u>348,228</u>
Total Expenses	<u>\$ 8,805,486</u>	<u>\$ 5,109,821</u>	<u>\$ 1,282,861</u>	<u>\$ 15,198,168</u>	<u>\$ 1,454,332</u>	<u>\$ 393,634</u>	<u>\$ 17,046,134</u>

See accompanying Notes to Consolidated Financial Statements.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 356,658	\$ 849,709
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	388,039	348,228
Amortization of Debt Issuance Costs to Interest Expense	7,975	7,975
Amortization of Financing Lease	15,123	-
Donated Securities	(25,317)	(32,680)
Bad Debt Expense	-	87
Net Unrealized (Appreciation) Depreciation of Investments	(115,520)	340,675
Forgiveness of Payroll Protection Program Loan	-	881,491
Reclassification of Investments as Cash Equivalents	-	-
(Increase) Decrease in Operating Assets:		
Grants Receivable	621,106	(240,438)
Accounts Receivable	87,823	262,674
Prepaid Expenses	(3,061)	(79,548)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(94,350)	55,036
Accrued Expenses	109,676	(52,097)
Deferred Revenue	315,024	(83,683)
Net Cash Provided by Operating Activities	1,663,176	2,257,429
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(900,758)	(1,322,620)
Purchase of Investments	(480,315)	(270,815)
Proceeds from Sales of Investments	405,766	231,783
Net Cash Used by Investing Activities	(975,307)	(1,361,652)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Financing Leases	(14,483)	-
Repayment of Long-Term Debt	(95,665)	(90,000)
Net Cash Used by Financing Activities	(110,148)	(90,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	577,721	805,777
Cash and Cash Equivalents - Beginning of Year	2,316,454	1,510,677
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,894,175	\$ 2,316,454
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING ACTIVITIES		
Lease Asset Acquired	\$ (421,190)	\$ -
Lease Liability Incurred	421,190	-
Cash Paid for Lease Acquisition	\$ -	\$ -

See accompanying Notes to Consolidated Financial Statements.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 1 NATURE OF ORGANIZATION

The International Institute of Rhode Island, Inc., was organized in 1921 as a nonprofit corporation for the purpose of providing immigrants and refugees in Southeastern New England with educational and social services to enable them to become self-reliant and productive members of society, and to enable them to participate fully in the social, educational, economic, and cultural opportunities available to all Americans. Effective January 1, 2013, the International Institute of Rhode Island, Inc., acquired Dorcas Place Adult and Family Learning Center, Inc. (Dorcas) and changed its name to the Dorcas International Institute of Rhode Island, Inc. (the Institute).

The Institute's mission is to empower individuals and families, especially the underserved, immigrants, and refugees, to become self-sufficient and fully participating members of the community through innovative programs and advocacy that promote education, training, and cultural understanding. The Institute offers a comprehensive range of programs and services to assist adults and families realize their full potential.

In furtherance of its mission, the Institute's principal activities are:

- Classroom education, including adult basic education, English language learning, family literacy, career-focused training, computer training, and GED preparation.
- Immigration and citizenship counseling and informational workshops.
- Interpreting and translating services in over 60 languages.
- Refugee resettlement, including initial resettlement and a variety of employment and support services.
- Welcoming Rhode Island initiative and cross-cultural adjustment.
- Other related services to meet the needs of area community members.

The International Charter School Corporation (the School) is a multilingual, multicultural elementary school. It was organized in 2001 as a nonprofit corporation and began operations in Pawtucket, Rhode Island, in the fall of 2001. The goals of the School include:

- Providing a culturally sensitive and inclusive public-school option.
- Teaching children of all cultural backgrounds to appreciate diversity and participate in a global society.
- Balancing high standards of literacy and numeracy with respect for diverse languages.

Dorcas International Institute of Rhode Island, Inc. is the sole corporate member of The International Charter School Corporation. In accordance with the School's by-laws, the Institute has a controlling interest over the activity and corporate governance of the School. In addition, the Institute has an economic interest in the School. Accordingly, the financial statements of the Institute and the School are presented on a consolidated basis (collectively referred to as the Organization).

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Institute and the School. All significant intercompany transactions and balances have been eliminated.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The Organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

As a result of the adoption of the new lease accounting guidance, the Organization also recognized on July 1, 2022, an operating lease liability of \$338,938, which represents the present value of the remaining operating lease payments of \$349,200, discounted using the Organization's risk-free rate of 2.88%, and a right-of-use asset of \$338,938.

The standard had a material impact on the consolidated statements of financial position and consolidated statements of cash flows but did not have an impact on the consolidated statements of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, the accounts of the Organization are reported in the following net asset categories:

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the board of directors.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Net Assets With Donor Restrictions - Net assets with donor restrictions represent contributions that are restricted by the donor as to purpose or time of expenditure and the accumulated investment income and gains on donor-restricted endowment assets that have not been appropriated for expenditure. Net assets with donor restrictions also represent resources that have donor-imposed restrictions that require the principal be maintained in perpetuity but permit the Organization to expend the income earned thereon.

Use of Estimates

The preparation of consolidated financial statements in conformity with 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 consolidated financial statements. Estimates also affect the reported amounts of revenues, support and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable

The Organization carries its accounts receivable at cost less an allowance for doubtful accounts of \$4,000 at June 30, 2023 and 2022. On a periodic basis, the Organization evaluates its accounts receivable and adjusts the allowance for doubtful accounts, if necessary, based on current credit conditions. Accounts are written off based on management's evaluation of the collectability of each account resulting from collection efforts.

Grants Revenues and Receivable

Grants and contracts are restricted by the grantors for particular operating purposes. These funds are deemed to be earned and reported as revenues when the Organization has incurred expenses in compliance with the specific restrictions. Such amounts received but not yet earned, are reported as deferred revenue. Such amounts earned but not yet received are reported as grants receivable.

Investments

Investments in marketable securities with readily determinable fair values are measured at fair value in the statements of financial position. Investment returns, including dividends, interest and appreciation or depreciation are included in net assets without restriction unless their use is restricted by explicit donor stipulations or law. Purchases and sales of investments are recorded on the trade date basis.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

All acquisitions of property and equipment of \$1,000 or more are capitalized. Property and equipment are recorded at cost. Depreciation is calculated on the straight-line method over the expected useful lives of the assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as net assets without restriction unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as net asset with restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the asset is placed in service, at which time the Organization reclassifies net assets with restrictions as net assets without restrictions.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in ROU asset – operating and lease liability – operating, and finance leases are included in ROU assets - financing and lease liability – financing in the balance sheets.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Center will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the balance sheets.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Deferred Financing Costs

Costs incurred to issue bonds are amortized over the term of the bonds using the straight-line method. The bond issue costs are presented as a direct deduction of the carrying amount of the debt. Amortization of the bond issue costs is included in interest expense, which is included in program service and general overhead and administration expenses in the consolidated statements of activities.

Revenue Recognition

The Organization recognizes revenue at an amount that reflects the consideration to which the Organization expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer.
2. Identify the performance obligation(s) in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to performance obligations in the contract.
5. Recognize revenue when (or as) the Organization satisfies a performance obligation.

See Note 13 for details on how the above five-step process is applied to the Organization's contracts with customers.

Contributions, Including Government Grants and Contracts

In accordance with FASB Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, certain governmental grants and contracts received by a nonprofit, including certain awards to fund capital expenditures, are generally considered to be contributions rather than exchange transactions since there was not commensurate value transferred between the resource provider and the Organization. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions, Including Government Grants and Contracts (Continued)

The Organization reports contributions of cash and other assets as donor-restricted support if they are received with donor stipulations that limit their use. 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 accompanying consolidated statements of activities and changes in net assets as net assets released from restrictions. Contributions received whose restrictions are met in the same period are presented as net assets without donor restrictions. Transfers of assets from a resource provider received before the barriers are overcome are reported as deferred revenue on the accompanying statement of financial position.

Donated Goods and Services

Contributions of goods and services which create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated goods and services recorded in the consolidated statement of activities were \$- and \$27,680 for the years ended June 30, 2023 and 2022, respectively.

The Organization receives a substantial amount of services donated by volunteers interested in the Organization's programs. Volunteers help in many ways, such as tutoring students in English, assisting teachers, translating documents, assisting refugees, performing clerical work, and helping to organize social and fundraising events. The consolidated financial statements do not include the value of these donated services because they do not meet the criteria for recognition.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques. Such allocations are determined by management on an equitable basis. In addition, management has determined that any allocation for interest is not significant to the Organization and is included in management and general expenses.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation (Continued)

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Grants and Other Assistance	Time and Effort
Salaries and Wages	Time and Effort
Employee Benefits	Time and Effort
Payroll Taxes	Time and Effort
Professional Services	Time and Effort
Contract Services	Time and Effort
Advertising	Time and Effort
Office Expenses	Usage
Information Technology	Square Footage
Building-Related Expenses	Square Footage
Travel and Vehicle Expense	Usage
Conferences and Meetings	Time and Effort
Subrecipient Payments	Time and Effort
Student Costs	Usage
Insurance	Square Footage
Equipment, Licenses, and Fees	Usage
Special Events	Time and Effort
Depreciation	Square Footage

Income Taxes

No provision for federal and state income taxes has been reflected in the accompanying consolidated financial statements since the Institute and the School qualify as tax-exempt organizations as provided under the Internal Revenue Code, Section 501(c)(3). The Internal Revenue Service (IRS) has classified the Institute and the School as organizations which are public charities.

GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization reports tax-related interest and penalties, if any, as a component of general overhead and administration expense.

Advertising Costs

The Organization expenses advertising costs when incurred. For the years ended June 30, 2023 and 2022, advertising expense totaled \$23,872 and \$32,236, respectively.

Subsequent Events

Subsequent events have been evaluated through February 22, 2024, which is the date the consolidated financial statements were available for issuance.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 3 CONCENTRATION OF CREDIT RISK

Financial instruments that subject the Organization to credit risk consist of cash and cash equivalents, investments and grants receivable.

Cash, Cash Equivalents, and Investments

The Organization maintains the majority of its cash, cash equivalents, and investment balances with domestic financial institutions that the Organization believes are of high credit standing. The Organization's credit risk with respect to such balances is all amounts on deposit in excess of federally insured limits.

Revenue and Grants Receivable

At June 30, 2023, grants receivable included amounts due from four grantors representing approximately 81% of the outstanding balance. At June 30, 2022, there were four grantors representing approximately 77% of the outstanding balance.

The Organization receives a substantial portion of its revenue from federal and state sources.

NOTE 4 INVESTMENTS

Investments are stated at fair value and consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Common Stocks	\$ 894,969	\$ 1,094,646
Mutual Funds	323,180	-
Corporate and Government Bonds	194,159	98,243
REITs	101,230	105,263
Investments	<u>\$ 1,513,538</u>	<u>\$ 1,298,152</u>

NOTE 5 FAIR VALUE INFORMATION

GAAP establishes a 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 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. Level 1 assets include mutual funds that are valued at the quoted price of shares held by the Organization at year-end. Level 1 assets also include U.S. government securities, corporate bonds, common stocks and REITs which are valued at quoted closing prices.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 5 FAIR VALUE INFORMATION (CONTINUED)

Level 2 – Observable prices, other than quoted prices within Level 1, including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- 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 measurements.

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 fair value of assets measured on a recurring basis at June 30 is as follows:

	2023	
	Level 1	Total
Common Stocks:		
Consumer Discretionary	\$ 98,471	\$ 98,471
Consumer Staples	90,618	90,618
Energy	65,368	65,368
Financials	139,372	139,372
Healthcare	75,603	75,603
Industrials	106,964	106,964
Information Technology	276,461	276,461
Telecommunication Services	33,097	33,097
Utilities	9,015	9,015
Total Common Stocks	<u>894,969</u>	<u>894,969</u>
Mutual Funds:		
Consumer Staples	17,015	17,015
Financials	24,940	24,940
Healthcare	39,894	39,894
Information Technology	21,687	21,687
Materials	32,551	32,551
Other Equities	187,093	187,093
Total Mutual Funds	<u>323,180</u>	<u>323,180</u>
Corporate and Government Bonds:		
A	48,635	48,635
BBB	121,557	121,557
B	-	-
Not Rated or Rating Unavailable	23,967	23,967
Total Corporate and Government Bonds	<u>194,159</u>	<u>194,159</u>
REIT	101,230	101,230
Total Investments	<u>\$ 1,513,538</u>	<u>\$ 1,513,538</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 5 FAIR VALUE INFORMATION (CONTINUED)

	2022	
	Level 1	Total
Common Stocks:		
Consumer Discretionary	\$ 81,139	\$ 81,139
Consumer Staples	76,192	76,192
Energy	68,120	68,120
Financials	145,786	145,786
Healthcare	80,737	80,737
Industrials	100,876	100,876
Information Technology	218,035	218,035
Materials	53,718	53,718
Telecommunication Services	15,776	15,776
Utilities	10,260	10,260
Other Equities	244,007	244,007
Total Common Stocks	<u>1,094,646</u>	<u>1,094,646</u>
Corporate and Government Bonds:		
A	24,888	24,888
BBB	24,616	24,616
B	48,739	48,739
Total Corporate and Government Bonds	<u>98,243</u>	<u>98,243</u>
REIT	105,263	105,263
Total Investments	<u>\$ 1,298,152</u>	<u>\$ 1,298,152</u>

NOTE 6 PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at June 30:

	2023	2022
Land and Improvements	\$ 1,092,177	\$ 1,018,877
Buildings and Improvements	5,747,345	5,364,912
Leasehold Improvements	2,911,816	2,584,640
Playground	138,878	138,878
Furniture and Equipment	1,223,559	1,187,767
Construction in Process	81,682	-
Total	<u>11,195,457</u>	<u>10,295,074</u>
Less: Accumulated Depreciation	5,541,891	5,154,227
Net Property and Equipment	<u>\$ 5,653,566</u>	<u>\$ 5,140,847</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$388,039 and \$348,228, respectively.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 7 DEFERRED REVENUE

Deferred revenue related to the following as of June 30:

	2023	2022
Fall Registrations	\$ -	\$ 3,130
Refugee Health Promotion	14,334	-
LISC Growing Community	4,000	-
Rhode Island Department of Education	69,859	-
United States Committee for Refugee and Immigrants	130,989	-
City of Providence Dept of Planning and Development	72,047	-
RI Refugee Career Pathways Program	1,520	-
DLT Pathways to Careers for English Language Learners	25,405	-
Total Deferred Revenue	\$ 318,154	\$ 3,130

NOTE 8 LINE OF CREDIT

The Institute has a commercial line of credit bearing interest at the prime rate, 8.25% as of June 30, 2023, and is due on demand. The line was secured by the commercial real estate located at 220 Elmwood Avenue, Providence, Rhode Island. The commercial line of credit was modified on June 27, 2022, to reduce the maximum funds available to be drawn upon to \$250,000 and is unsecured. The total funds available to be drawn upon were \$250,000 as of June 30, 2023 and 2022. There was no balance owed on the line of credit at June 30, 2023 and 2022.

NOTE 9 LONG-TERM DEBT

The Institute entered into an agreement with the Rhode Island Health & Educational Building Corporation (RIHEBC) for the issuance of \$2,600,000 of variable interest rate bonds to finance the acquisition, construction, improvement and equipping of the School facility. Interest on these bonds is payable on August 1 and February 1 of each year and the bonds mature on August 1, 2033. The variable interest rate at issuance was 0.8% and the bonds are secured by a letter of credit and a pledge of gross receipts. The variable rate was 3.52% and 0.86% as of June 30, 2023 and 2022, respectively. Annual principal payments on the bonds are adjusted gradually each year through 2034 and range between \$55,000 and \$135,000.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 9 LONG-TERM DEBT (CONTINUED)

Long-term debt at June 30 is as follows:

	2023		2022	
	Principal	Unamortized Bond Issuance Costs	Principal	Unamortized Bond Issuance Costs
2003 Series Bonds Payable	\$ 1,115,000	<u>\$ 81,074</u>	\$ 1,210,000	<u>\$ 88,384</u>
Less: Current Portion	<u>100,000</u>		<u>95,000</u>	
Long-Term Portion	1,015,000		1,115,000	
Less: Unamortized Bond Issuance Costs	<u>81,074</u>		<u>88,384</u>	
Long-Term Debt, Net	<u>\$ 933,926</u>		<u>\$ 1,026,616</u>	

Annual maturities on long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 100,000
2025	100,000
2026	105,000
2027	110,000
2028	110,000
Thereafter	<u>590,000</u>
Total Long-Term Debt	1,115,000
Less: Current Portion of Long-Term Debt	<u>100,000</u>
Net Long-Term Debt	<u>\$ 1,015,000</u>

In connection with the bonds payable and letter of credit, the Organization is subject to various covenants as to the minimum amount of cash on hand, the maintenance of a maximum leverage ratio, and the maintenance of certain debt coverage ratios. As of June 30, 2023, management is not aware of any violations of the covenants.

The Organization incurred and paid interest costs of \$26,400 and \$2,535 (also \$7,974 for each year of amortization of deferred finance fees) for the years ended June 30, 2023 and 2022, respectively.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 10 LEASES – ASC 842

The Organization leases the school building and office equipment for various terms under long-term, noncancelable lease agreements. The leases expire through May 2028.

The following table provides quantitative information concerning the Organization's leases.

Lease Cost:

Financing Lease Cost	
Amortization of Right-of-Use Assets	\$ 15,123
Interest on Lease Liabilities	1,534
Operating Lease Cost	174,600
Total Lease Cost	<u>\$ 191,257</u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:

Operating Cash Flows from Finance Leases	\$ 1,534
Operating Cash Flows from Operating Leases	\$ 174,600
Financing Cash Flows from Finance Leases	\$ 14,484
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 82,251
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 338,938
Weighted-Average Remaining Lease Term - Finance Leases	3.5 Years
Weighted-Average Discount Rate - Finance Leases	2.88%
Weighted-Average Remaining Lease Term - Operating Leases	1.0 Year
Weighted-Average Discount Rate - Operating Leases	2.88%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending December 31,</u>	Operating Leases	Financing Leases	Total Leases
2024	\$ 174,600	\$ 20,870	\$ 195,470
2025	-	20,870	20,870
2026	-	19,572	19,572
2027	-	5,294	5,294
2028	-	4,854	4,854
Total Undiscounted Cash Flows	174,600	71,460	246,060
Less: Imputed Interest	(2,694)	(3,692)	(6,386)
Total Lease Obligations	171,906	67,768	239,674
Less: Current Obligations	-	(19,170)	(19,170)
Long-Term Lease Obligations	<u>\$ 171,906</u>	<u>\$ 48,598</u>	<u>\$ 220,504</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 11 OPERATING LEASES – ASC 840

The Organization elected to apply the provisions of FASB ASC 842 to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022, are made under prior lease guidance in FASB ASC 840.

In May 2022, the Institute purchased a building with the intention of renting the available space to clients served. The building is currently occupied by tenants who are not currently clients of the Institute. The Institute has agreed to rent the space to these tenants until the tenants elect to end their lease agreements. Rental income recognized during the fiscal year ended June 30, 2023 was \$8,502.

On September 1, 2020, the School entered into a long-term lease (three years) agreement to rent space for the School's operations. The lease for this space provides for monthly installments of \$11,000, adjusted for the tenant's pro-rata share of insurance, taxes, and relevant expenses through August 31, 2023.

Rental expense totaled \$162,940 for the year ended June 30, 2022.

NOTE 12 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows at June 30:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 2,894,175	\$ 2,316,454
Investments	1,513,538	1,298,152
Grants Receivable	1,178,033	1,799,139
Accounts Receivable, Net	426,527	514,350
Less, Purpose Restricted Net Assets	<u>(1,263,943)</u>	<u>(660,220)</u>
Total Financial Assets Available within One Year	<u>\$ 4,748,330</u>	<u>\$ 5,267,875</u>

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of weekly requirements in short-term investments. The Organization also has a line of credit it could draw upon in the event of an unanticipated liquidity need.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 13 NET ASSETS

Net Assets With Donor Restrictions

The following is the composition of the Organization's net assets with donor restrictions at June 30:

	2023	2022
Other Net Assets with Donor Restrictions:		
Building Renovations	\$ 679,612	\$ 77,168
Education	-	12,112
Social Services - Outreach	148,357	76,723
COVID Relief	504	504
Refugee Services	385,899	487,967
Basic Needs Refugee Resettlement	33,000	-
Centennial Event Donations	16,571	-
Organizational Costs	-	5,746
Total Net Assets with Donor Restrictions	\$ 1,263,943	\$ 660,220

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the following purpose or time restrictions:

	2023	2022
Institute Net Assets Released:		
Building Renovations	\$ -	\$ 33,473
Social Services - Outreach	28,366	133,912
Refugee Services	265,802	795,162
COVID Relief	-	99,922
Education	12,112	-
Centennial Event Donations	145	-
Organizational Costs	5,746	-
Total Institute Net Assets Released	\$ 312,171	\$ 1,062,469

NOTE 14 REVENUE FROM CONTRACTS WITH CUSTOMERS

Tuition, Fees and Services, Food Services, and After School Programs Revenues

The Organization enters into contracts to provide translation services, public education, meals for students, as well as after school programs. At contract inception, the Organization assesses the goods and services promised in its contracts with customers and identifies a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services). To identify the performance obligations, the Organization considers all of the goods of services promised in the contract regardless of whether they are explicitly stated or implied by customary business practices.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 14 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

**Tuition, Fees and Services, Food Services, and After School Programs Revenues
(Continued)**

The Organization satisfies its performance obligations for programs at the point in time when the program is held. Translating contracts are made with businesses and individuals based on a per hour rate. Revenue is recognized when service is performed and billed. Public education contracts are made with individual towns and cities and based on per student rates by each town or city and billed quarterly. Meal contracts are made with individual students and are based on published per meal rates and billed and recorded as revenue as the meals are served and billed. After school contracts are with the Rhode Island Department of Education and are charged based on student participation at the published rate. After school revenue is recognized when services are performed and billed to Rhode Island Department of Education for reimbursement. There are no financing components.

The opening and closing balances of the Organization's contract receivables are as follows:

	Contract Receivable Balances
Opening - July 1, 2021	\$ 777,111
Closing - June 30, 2022	514,350
Decrease	\$ (262,761)
Opening - July 1, 2022	\$ 514,350
Closing - June 30, 2023	426,527
Decrease	\$ (87,823)

NOTE 15 RELATED PARTY TRANSACTIONS

Contributions from board members of approximately \$51,751 and \$73,144 are included in contribution income for the years ended June 30, 2023 and 2022, respectively.

NOTE 16 RETIREMENT PLAN

The Institute has a defined contribution retirement plan under which all employees become eligible to participate upon completing one year of service (minimum of 1,000 hours) and meeting certain age requirements (minimum age of 18). Employees are 100% vested in employer contributions after two years. Under this plan, the Institute is required to annually define its contribution. For the years ended June 30, 2023 and 2022, the contributions were 3% of eligible participant compensation. Retirement expense for the fiscal years ended June 30, 2023 and 2022 was \$108,135 and \$93,659, respectively. There were no forfeitures applied for the years ended June 30, 2023 and 2022.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENT
JUNE 30, 2023 AND 2022**

NOTE 16 RETIREMENT PLAN (CONTINUED)

Certified teaching personnel of the School participate in the Rhode Island State Employees Retirement program (a hybrid defined benefit and defined contribution plan), requiring a contribution of 8.75% from each employee. The School is also required to make a contribution to this defined benefit plan on behalf of the teachers. For the years ended June 30, 2023 and 2022, the School's contribution rate was 14.78%. The teachers charged to federal grant programs required a School contribution of 25.72% for fiscal 2023 and 2022, respectively. In addition to the defined benefit plan contributions noted above, the School was also required to contribute 0.6% to a defined contribution plan on behalf of the employees. For the years ended June 30, 2023 and 2022, the total pension contributions paid by the School were \$441,758 and \$367,003, respectively. In addition, the State of Rhode Island also contributes to the retirement plan on behalf of the public and Charter School employees. For the years ended June 30, 2023 and 2022, these contributions totaled \$293,819 and \$262,074, respectively.

The School has a 403(b) pension plan under which all employees are eligible to participate upon their hire date. Employees are 100% vested in employer contributions after four years. Under this plan, the School may contribute a discretionary contribution, which is determined annually. However, employees covered under the State retirement plan are not eligible for the discretionary contribution. For the years ended June 30, 2023 and 2022, the School contributed 3% of eligible participant compensation. Retirement expense pertaining to the 403(b) plan for the fiscal years ended June 30, 2023 and 2022, was \$21,803 and \$19,652, respectively.

NOTE 17 CONTINGENCIES

The Organization receives grants from various federal, state and other grantor agencies. These grants are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected and recognized as revenue, may constitute a liability to the Organization. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although management expects such amount, if any, to be immaterial.

NOTE 18 UNCERTAINTY

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that such change could materially affect the fair values of the Organization's investment securities in the near term.

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 2,144,382	\$ 749,793	\$ 2,894,175	\$ -	\$ 2,894,175
Investments	1,513,538	-	1,513,538	-	1,513,538
Grants Receivable	851,121	326,912	1,178,033	-	1,178,033
Accounts Receivable, Net	355,375	71,152	426,527	-	426,527
Prepaid Expenses and Other Current Assets	171,059	51,139	222,198	-	222,198
Total Current Assets	<u>5,035,475</u>	<u>1,198,996</u>	<u>6,234,471</u>	<u>-</u>	<u>6,234,471</u>
PROPERTY AND EQUIPMENT, NET	<u>2,709,321</u>	<u>2,944,245</u>	<u>5,653,566</u>	<u>-</u>	<u>5,653,566</u>
OTHER ASSETS					
Operating Right-of-Use Asset, Net	-	171,906	171,906	-	171,906
Financing Right-of-Use Asset, Net	-	67,128	67,128	-	67,128
Total Other Assets	<u>-</u>	<u>239,034</u>	<u>239,034</u>	<u>-</u>	<u>239,034</u>
Total Assets	<u><u>\$ 7,744,796</u></u>	<u><u>\$ 4,382,275</u></u>	<u><u>\$ 12,127,071</u></u>	<u><u>\$ 16,509,346</u></u>	<u><u>\$ 12,127,071</u></u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ -	\$ 235,661	\$ 235,661	\$ -	\$ 235,661
Accrued Expenses	594,165	465,960	1,060,125	-	1,060,125
Deferred Revenue	318,154	-	318,154	-	318,154
Current Lease Liability - Operating	-	171,906	171,906	-	171,906
Current Lease Liability - Financing	-	19,170	19,170	-	19,170
Current Portion of Long-Term Debt	-	100,000	100,000	-	100,000
Total Current Liabilities	<u>912,319</u>	<u>992,697</u>	<u>1,905,016</u>	<u>-</u>	<u>1,905,016</u>
LONG-TERM LIABILITIES					
Lease Liability - Financing, Less Current Portion	-	48,598	48,598	-	48,598
Long-Term Debt	-	933,926	933,926	-	933,926
Total Long-Term Liabilities	<u>-</u>	<u>982,524</u>	<u>982,524</u>	<u>-</u>	<u>982,524</u>
Total Liabilities	912,319	1,975,221	2,887,540	-	2,887,540
NET ASSETS					
Net Assets without Donor Restrictions	5,568,534	2,407,054	7,975,588	-	7,975,588
Net Assets with Donor Restrictions	1,263,943	-	1,263,943	-	1,263,943
Total Net Assets	<u>6,832,477</u>	<u>2,407,054</u>	<u>9,239,531</u>	<u>-</u>	<u>9,239,531</u>
Total Liabilities and Net Assets	<u>\$ 7,744,796</u>	<u>\$ 4,382,275</u>	<u>\$ 12,127,071</u>	<u>\$ -</u>	<u>\$ 12,127,071</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,372,712	\$ 943,742	\$ 2,316,454	\$ -	\$ 2,316,454
Investments	1,298,152	-	1,298,152	-	1,298,152
Grants Receivable	1,362,917	436,222	1,799,139	-	1,799,139
Accounts Receivable, Net	335,028	179,322	514,350	-	514,350
Prepaid Expenses and Other Current Assets	171,625	47,512	219,137	-	219,137
Total Current Assets	<u>4,540,434</u>	<u>1,606,798</u>	<u>6,147,232</u>	-	<u>6,147,232</u>
PROPERTY AND EQUIPMENT, NET	<u>2,684,113</u>	<u>2,456,734</u>	<u>5,140,847</u>	-	<u>5,140,847</u>
Total Assets	<u><u>\$ 7,224,547</u></u>	<u><u>\$ 4,063,532</u></u>	<u><u>\$ 11,288,079</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,288,079</u></u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ 209,209	\$ 120,802	\$ 330,011	\$ -	\$ 330,011
Accrued Expenses	488,434	462,015	950,449	-	950,449
Deferred Revenue	3,130	-	3,130	-	3,130
Current Portion of Long-Term Debt	-	95,000	95,000	-	95,000
Total Current Liabilities	<u>700,773</u>	<u>677,817</u>	<u>1,378,590</u>	-	<u>1,378,590</u>
LONG-TERM LIABILITIES					
Long-Term Debt	-	1,026,616	1,026,616	-	1,026,616
Total Liabilities	<u>700,773</u>	<u>1,704,433</u>	<u>2,405,206</u>	-	<u>2,405,206</u>
NET ASSETS					
Net Assets without Donor Restrictions	5,863,554	2,359,099	8,222,653	-	8,222,653
Net Assets with Donor Restrictions	660,220	-	660,220	-	660,220
Total Net Assets	<u>6,523,774</u>	<u>2,359,099</u>	<u>8,882,873</u>	-	<u>8,882,873</u>
Total Liabilities and Net Assets	<u><u>\$ 7,224,547</u></u>	<u><u>\$ 4,063,532</u></u>	<u><u>\$ 11,288,079</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,288,079</u></u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
SUPPORT, REVENUES, AND INVESTMENT					
RETURN WITHOUT DONOR RESTRICTIONS					
Support and Revenue without Donor Restrictions:					
Public Grants and Contracts	\$ 6,009,430	\$ 1,149,696	\$ 7,159,126	\$ -	\$ 7,159,126
Private Grants and Contracts	586,385	12,441	598,826	-	598,826
Contributions	642,422	-	642,422	-	642,422
Tuition, Fees, and Services	1,638,473	6,027,976	7,666,449	-	7,666,449
Medicaid Services	-	12,750	12,750	-	12,750
Food Services	-	240,760	240,760	-	240,760
Donated Goods and Services	-	-	-	-	-
Other Income	459,479	66,411	525,890	-	525,890
Total Support and Revenue without Donor Restrictions	9,336,189	7,510,034	16,846,223	-	16,846,223
Investment Return without Donor Restrictions:					
Interest and Dividends	54,233	22,677	76,910	-	76,910
Management Fees	-	(8,030)	(8,030)	-	(8,030)
Net Realized Gains on Sales of Investments	61,655	40,280	101,935	-	101,935
Net Unrealized Gain on Investments	53,865	15,832	69,697	-	69,697
Net Investment Return without Donor Restrictions	169,753	70,759	240,512	-	240,512
Net Assets Released from Donor Restrictions:					
Contributions Satisfied by Use of Funds for Donor-Restricted Purpose	312,171	-	312,171	-	312,171
Total Support, Revenues, and Investment Return without Donor Restrictions	9,818,113	7,580,793	17,398,906	-	17,398,906

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
EXPENSES					
Program Services:					
Social	\$ 4,465,312	\$ -	\$ 4,465,312	\$ -	\$ 4,465,312
Educational	2,700,794	7,060,267	9,761,061	-	9,761,061
Pinpoint Translations	1,242,484	-	1,242,484	-	1,242,484
Total Program Services	<u>8,408,590</u>	<u>7,060,267</u>	<u>15,468,857</u>	-	<u>15,468,857</u>
Supporting Services:					
General Overhead and Administration	1,448,896	472,571	1,921,467	-	1,921,467
Fundraising	255,647	-	255,647	-	255,647
Total Supporting Services	<u>1,704,543</u>	<u>472,571</u>	<u>2,177,114</u>	-	<u>2,177,114</u>
Total Expenses	<u>10,113,133</u>	<u>7,532,838</u>	<u>17,645,971</u>	-	<u>17,645,971</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(295,020)	47,955	(247,065)	-	(247,065)
NET ASSETS WITH DONOR RESTRICTIONS					
Contributions and Grants	915,894	-	915,894	-	915,894
Satisfaction of Program Restrictions	(312,171)	-	(312,171)	-	(312,171)
Changes in Net Assets with Donor Restrictions	<u>603,723</u>	<u>-</u>	<u>603,723</u>	<u>-</u>	<u>603,723</u>
INCREASE IN NET ASSETS	308,703	47,955	356,658	-	356,658
Net Assets - Beginning of Year	<u>6,523,774</u>	<u>2,359,099</u>	<u>8,882,873</u>	<u>-</u>	<u>8,882,873</u>
NET ASSETS - END OF YEAR	<u>\$ 6,832,477</u>	<u>\$ 2,407,054</u>	<u>\$ 9,239,531</u>	<u>\$ -</u>	<u>\$ 9,239,531</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
SUPPORT, REVENUES, AND INVESTMENT RETURN WITHOUT DONOR RESTRICTIONS					
Support and Revenue without Donor Restrictions:					
United Way	\$ -	\$ -	\$ -	\$ -	\$ -
Public Grants and Contracts	5,535,119	1,029,393	6,564,512	-	6,564,512
Private Grants and Contracts	704,121	15,234	719,355	-	719,355
Contributions	1,171,765	-	1,171,765	-	1,171,765
Tuition, Fees and Services	2,144,170	5,779,078	7,923,248	-	7,923,248
Medicaid Services	-	10,876	10,876	-	10,876
Food Services	-	52,647	52,647	-	52,647
Donated Goods and Services	27,680	-	27,680	-	27,680
Other Income	85,282	190,477	275,759	-	275,759
Total Support and Revenue without Donor Restrictions	9,668,137	7,077,705	16,745,842	-	16,745,842
Investment Return:					
Interest and Dividends	31,949	32,711	64,660	-	64,660
Management Fees	(12,609)	(9,869)	(22,478)	-	(22,478)
Net Realized Gains on Sales of Investments	34,103	16,186	50,289	-	50,289
Net Unrealized Appreciation of Investments	(194,180)	(196,784)	(390,964)	-	(390,964)
Net Investment Return without Donor Restrictions	(140,737)	(157,756)	(298,493)	-	(298,493)
Net Assets Released from Donor Restrictions:					
Contributions Satisfied by Use of Funds for Donor-Restricted Purpose	1,062,469	-	1,062,469	-	1,062,469
Total Support, Revenues, and Investment Return without Donor Restrictions	10,589,869	6,919,949	17,509,818	-	17,509,818

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
EXPENSES					
Program Services:					
Social	\$ 5,109,821	\$ -	\$ 5,109,821	\$ -	\$ 5,109,821
Educational	2,377,002	6,428,484	8,805,486	-	8,805,486
Pinpoint Translations	1,282,861	-	1,282,861	-	1,282,861
Total Program Services	8,769,684	6,428,484	15,198,168	-	15,198,168
Supporting Services:					
General Overhead and Administration	959,526	494,806	1,454,332	-	1,454,332
Fundraising	393,634	-	393,634	-	393,634
Total Supporting Services	1,353,160	494,806	1,847,966	-	1,847,966
Total Expenses	10,122,844	6,923,290	17,046,134	-	17,046,134
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	467,025	(3,341)	463,684	-	463,684
NET ASSETS WITH DONOR RESTRICTIONS					
Contributions and Grants	1,448,494	-	1,448,494	-	1,448,494
Satisfaction of Program Restrictions	(1,062,469)	-	(1,062,469)	-	(1,062,469)
Transfer of Endowment to Rhode Island Foundation	-	-	-	-	-
Changes in Net Assets with Donor Restrictions	386,025	-	386,025	-	386,025
INCREASE (DECREASE) IN NET ASSETS	853,050	(3,341)	849,709	-	849,709
Net Assets - Beginning of Year	5,670,724	2,362,440	8,033,164	-	8,033,164
NET ASSETS - END OF YEAR	<u>\$ 6,523,774</u>	<u>\$ 2,359,099</u>	<u>\$ 8,882,873</u>	<u>\$ -</u>	<u>\$ 8,882,873</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 308,703	\$ 47,955	\$ 356,658	\$ -	\$ 356,658
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:					
Depreciation	217,586	170,453	388,039	-	388,039
Amortization of Debt Issuance Costs to Interest Expense	-	7,975	7,975	-	7,975
Amortization of Financing Lease	-	15,123	15,123	-	15,123
Donated Securities	(25,317)	-	(25,317)	-	(25,317)
Net Unrealized Appreciation of Investments	(115,520)	-	(115,520)	-	(115,520)
(Increase) Decrease in Operating Assets:					
Grants Receivable	511,796	109,310	621,106	-	621,106
Accounts Receivable	(20,347)	108,170	87,823	-	87,823
Prepaid Expenses	566	(3,627)	(3,061)	-	(3,061)
Increase (Decrease) in Operating Liabilities:					
Accounts Payable	(209,209)	114,859	(94,350)	-	(94,350)
Accrued Expenses	105,731	3,945	109,676	-	109,676
Deferred Revenue	315,024	-	315,024	-	315,024
Net Cash Provided by Operating Activities	<u>1,089,013</u>	<u>574,163</u>	<u>1,663,176</u>	<u>-</u>	<u>1,663,176</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of Property and Equipment	\$ (242,794)	\$ (657,964)	\$ (900,758)	\$ -	\$ (900,758)
Purchase of Investments	(480,315)	-	(480,315)	-	(480,315)
Proceeds from Sales of Investments	405,766	-	405,766	-	405,766
Net Cash Used by Investing Activities	<u>(317,343)</u>	<u>(657,964)</u>	<u>(975,307)</u>	<u>-</u>	<u>(975,307)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal Payments on Financing Leases	-	(14,483)	(14,483)	-	(14,483)
Repayment of Long-Term Debt	-	(95,665)	(95,665)	-	(95,665)
Net Cash Used by Financing Activities	<u>-</u>	<u>(110,148)</u>	<u>(110,148)</u>	<u>-</u>	<u>(110,148)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	771,670	(193,949)	577,721	-	577,721
Cash and Cash Equivalents - Beginning of Year	<u>1,372,712</u>	<u>943,742</u>	<u>2,316,454</u>	<u>-</u>	<u>2,316,454</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,144,382</u></u>	<u><u>\$ 749,793</u></u>	<u><u>\$ 2,894,175</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,894,175</u></u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING ACTIVITIES					
Lease Asset Acquired	\$ -	\$ (421,190)	\$ (421,190)	\$ -	\$ (421,190)
Lease Liability Incurred	-	421,190	421,190	-	421,190
Cash Paid for Lease Acquisition	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF CASH FLOWS
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 853,050	\$ (3,341)	\$ 849,709	\$ -	\$ 849,709
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:					
Depreciation	189,674	158,554	348,228	-	348,228
Amortization of Debt Issuance Costs to Interest Expense	-	7,975	7,975	-	7,975
Donated Securities	(32,680)	-	(32,680)	-	(32,680)
Bad Debt Expense	87	-	87	-	87
Net Unrealized Depreciation of Investments	160,077	180,598	340,675	-	340,675
Reclassification of Investments as Cash Equivalents	-	881,491	881,491	-	881,491
(Increase) Decrease in Operating Assets:					
Grants Receivable	96,330	(336,768)	(240,438)	-	(240,438)
Accounts Receivable	150,557	112,117	262,674	-	262,674
Prepaid Expenses	(69,626)	(9,922)	(79,548)	-	(79,548)
Increase (Decrease) in Operating Liabilities:					
Accounts Payable	134,489	(79,453)	55,036	-	55,036
Accrued Expenses	(53,027)	930	(52,097)	-	(52,097)
Deferred Revenue	(83,683)	-	(83,683)	-	(83,683)
Net Cash Provided by Operating Activities	<u>1,345,248</u>	<u>912,181</u>	<u>2,257,429</u>	<u>-</u>	<u>2,257,429</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING SCHEDULE OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

	Dorcas International Institute of Rhode Island	International Charter School	Combined Total	Eliminations	Consolidated Total
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of Property and Equipment	\$ (791,083)	\$ (531,537)	\$ (1,322,620)	\$ -	\$ (1,322,620)
Purchase of Investments	(164,039)	(106,776)	(270,815)	-	(270,815)
Proceeds from Sales of Investments	148,189	83,594	231,783	-	231,783
Net Cash Used by Investing Activities	<u>(806,933)</u>	<u>(554,719)</u>	<u>(1,361,652)</u>	-	<u>(1,361,652)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of Long-Term Debt	<u>-</u>	<u>(90,000)</u>	<u>(90,000)</u>	-	<u>(90,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	538,315	267,462	805,777	-	805,777
Cash and Cash Equivalents - Beginning of Year	<u>834,397</u>	<u>676,280</u>	<u>1,510,677</u>	-	<u>1,510,677</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,372,712</u></u>	<u><u>\$ 943,742</u></u>	<u><u>\$ 2,316,454</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,316,454</u></u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

Dorcas International Institute of Rhode Island, Inc.							
Program Services				Supporting Services			
	Education	Social	Pinpoint Translations	Total Program Services	Management	Fundraising	Total
Direct Expenses:							
Grants and Other Assistance	\$ -	\$ 864,581	\$ -	\$ 864,581	\$ -	\$ -	\$ 864,581
Salaries and Wages	1,422,382	2,183,689	381,257	3,987,328	723,588	192,324	4,903,240
Employee Benefits	217,992	319,943	49,492	587,427	89,385	15,967	692,779
Payroll Taxes	144,732	219,861	37,951	402,544	72,237	21,077	495,858
Professional Services	19,099	23,115	24,220	66,434	316,737	1,195	384,366
Contract Services	31,411	102,786	630,091	764,288	13,989	255	778,532
Advertising	3,384	6,622	647	10,653	960	288	11,901
Office Expenses	91,125	120,933	11,879	223,937	24,410	9,362	257,709
Information Technology	39,067	136,961	18,712	194,740	80,125	4,908	279,773
Building-Related Expenses	114,277	191,427	35,503	341,207	21,902	5,518	368,627
Travel and Vehicle Expense	4,429	27,843	21,937	54,209	-	296	54,505
Conferences and Meetings	12,536	10,511	334	23,381	186	666	24,233
Subrecipient Payments	498,423	53,104	-	551,527	-	-	551,527
Insurance	17,000	40,772	6,873	64,645	10,514	752	75,911
Equipment, Licenses, and Fees	2,433	4,270	523	7,226	439	107	7,772
Special Events	4,231	6,193	784	11,208	-	-	11,208
Miscellaneous	5,271	26,354	10,411	42,036	90,035	954	133,025
Total Direct Expenses	<u>2,627,792</u>	<u>4,338,965</u>	<u>1,230,614</u>	<u>8,197,371</u>	<u>1,444,507</u>	<u>253,669</u>	<u>9,895,547</u>
Depreciation	<u>73,002</u>	<u>126,347</u>	<u>11,870</u>	<u>211,219</u>	<u>4,389</u>	<u>1,978</u>	<u>217,586</u>
Total Expenses	<u>\$ 2,700,794</u>	<u>\$ 4,465,312</u>	<u>\$ 1,242,484</u>	<u>\$ 8,408,590</u>	<u>\$ 1,448,896</u>	<u>\$ 255,647</u>	<u>\$ 10,113,133</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

Dorcac International Institute of Rhode Island, Inc.							
	Program Services			Supporting Services			
	Education	Social	Pinpoint Translations	Total Program Services	Management	Fundraising	Total
Direct Expenses:							
Grants and Other Assistance	\$ 2,247	\$ 1,763,870	\$ -	\$ 1,766,117	\$ -	\$ -	\$ 1,766,117
Salaries and Wages	1,212,428	1,848,595	317,439	3,378,462	550,527	223,667	4,152,656
Employee Benefits	167,395	265,532	37,001	469,928	75,421	40,080	585,429
Payroll Taxes	96,057	148,387	25,265	269,709	43,623	17,528	330,860
Professional Services	20,215	92,989	6,197	119,401	161,738	2,847	283,986
Contract Services	58,213	296,635	803,757	1,158,605	16,693	16	1,175,314
Advertising	4,614	5,324	2,879	12,817	9,113	10,306	32,236
Office Expenses	96,249	97,869	16,959	211,077	25,155	16,520	252,752
Information Technology	100,163	81,594	13,364	195,121	12,831	6,360	214,312
Building-Related Expenses	58,149	101,709	13,859	173,717	9,678	957	184,352
Travel and Vehicle Expense	837	18,694	21,882	41,413	527	45	41,985
Conferences and Meetings	484	1,546	101	2,131	2,522	3,323	7,976
Subrecipient Payments	448,954	209,435	-	658,389	-	-	658,389
Insurance	16,771	31,965	4,914	53,650	5,586	330	59,566
Equipment, Licenses, and Fees	22,610	14,382	1,312	38,304	2,226	687	41,217
Special Events	2,325	3,487	501	6,313	325	68,270	74,908
Miscellaneous	4,841	22,926	8,421	36,188	33,316	1,611	71,115
Total Direct Expenses	<u>2,312,552</u>	<u>5,004,939</u>	<u>1,273,851</u>	<u>8,591,342</u>	<u>949,281</u>	<u>392,547</u>	<u>9,933,170</u>
Depreciation	64,450	104,882	9,010	178,342	10,245	1,087	189,674
Total Expenses	<u>\$ 2,377,002</u>	<u>\$ 5,109,821</u>	<u>\$ 1,282,861</u>	<u>\$ 8,769,684</u>	<u>\$ 959,526</u>	<u>\$ 393,634</u>	<u>\$ 10,122,844</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)**

	International Charter School Corporation				
	Program Services		Supporting Services		
	Education	Total Program Services	Management	Fundraising	Total
Direct Expenses:					
Salaries and Wages	\$ 3,503,619	\$ 3,503,619	\$ 235,621	\$ -	\$ 3,739,240
Employee Benefits	1,084,262	1,084,262	50,706	-	1,134,968
Payroll Taxes	254,608	254,608	17,162	-	271,770
Professional Services	132,312	132,312	6,718	-	139,030
Contract Services	33,146	33,146	37,250	-	70,396
Supplies	162,122	162,122	16,921	-	179,043
Building Related Expenses	343,768	343,768	43,231	-	386,999
Travel and Vehicle Expense	13,870	13,870	4,478	-	18,348
Conferences and Meetings	2,206	2,206	20,524	-	22,730
Student Costs	1,183,956	1,183,956	7,631	-	1,191,587
Insurance	20,017	20,017	619	-	20,636
Equipment, Licenses, and Fees	3,878	3,878	16,789	-	20,667
Miscellaneous	156,987	156,987	9,984	-	166,971
Total Direct Expenses	6,894,751	6,894,751	467,634	-	7,362,385
Depreciation	165,516	165,516	4,937	-	170,453
Total Expenses	<u>\$ 7,060,267</u>	<u>\$ 7,060,267</u>	<u>\$ 472,571</u>	<u>\$ -</u>	<u>\$ 7,532,838</u>

**DORCAS INTERNATIONAL INSTITUTE OF RHODE ISLAND, INC.
AND THE INTERNATIONAL CHARTER SCHOOL CORPORATION
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)**

	International Charter School Corporation				
	Program Services		Supporting Services		
	Education	Total Program Services	Management	Fundraising	Total
Direct Expenses:					
Salaries and Wages	\$ 3,307,378	\$ 3,307,378	\$ 257,267	\$ -	\$ 3,564,645
Employee Benefits	994,091	994,091	38,190	-	1,032,281
Payroll Taxes	248,618	248,618	19,483	-	268,101
Professional Services	175,706	175,706	24,468	-	200,174
Contract Services	73,402	73,402	5,495	-	78,897
Supplies	213,179	213,179	620	-	213,799
Building Related Expenses	385,667	385,667	32,508	-	418,175
Travel and Vehicle Expense	12,616	12,616	1,259	-	13,875
Conferences and Meetings	2,285	2,285	8,980	-	11,265
Student Costs	767,997	767,997	6,060	-	774,057
Insurance	24,172	24,172	748	-	24,920
Equipment, Licenses, and Fees	36,378	36,378	160	-	36,538
Miscellaneous	33,417	33,417	94,592	-	128,009
Total Direct Expenses	6,274,906	6,274,906	489,830	-	6,764,736
Depreciation	153,578	153,578	4,976	-	158,554
Total Expenses	<u>\$ 6,428,484</u>	<u>\$ 6,428,484</u>	<u>\$ 494,806</u>	<u>\$ -</u>	<u>\$ 6,923,290</u>