

The Wily Network

**Financial Statements and
Independent Auditor's Report**

December 31, 2023

The Wily Network

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Independent Auditor's Report

To the Board of Directors of
The Wily Network

Opinion

We have audited the financial statements of The Wily Network (a nonprofit organization), (the "Organization"), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Wily Network as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited the Organization's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Wakefield, Massachusetts
August 27, 2024

The Wily Network
Statement of Financial Position
December 31, 2023
With Comparative Totals as of December 31, 2022

	<u>Assets</u>	
	2023	2022
Current assets		
Cash and cash equivalents	\$ 729,984	\$ 2,722,006
Promises to give, current	733,165	711,095
Prepaid expenses	34,203	12,068
Short-term investments	2,702,525	16,108
Total current assets	4,199,877	3,461,277
Fixed assets		
Furniture	6,783	6,783
Computer and office equipment	5,929	5,929
Leasehold improvements	27,000	27,000
Total fixed assets	39,712	39,712
Less: accumulated depreciation	(10,374)	(3,719)
Total net fixed assets	29,338	35,993
Other assets		
Operating right-of-use asset, net	410,850	484,288
Security deposit	14,625	14,625
Long-term investments	813,219	716,380
Promises to give, long-term, net	1,109,331	1,258,961
Total other assets	2,348,025	2,474,254
Total assets	\$ 6,577,240	\$ 5,971,524
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable	\$ 51,946	\$ 20,011
Accrued expenses	58,864	55,135
Operating lease liability, current	90,681	87,981
Deferred compensation, current	4,639	-
Total current liabilities	206,130	163,127
Long-term liability		
Operating lease liability, net of current portion	326,247	397,341
Total current liabilities and long-term liability	532,377	560,468
Net assets		
Net assets without donor restrictions	3,178,546	2,699,937
Net assets with donor restrictions	2,866,317	2,711,119
Total net assets	6,044,863	5,411,056
Total liabilities and net assets	\$ 6,577,240	\$ 5,971,524

See Notes to Financial Statements.

The Wily Network

Statement of Activities Year Ended December 31, 2023 With Comparative Totals for the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	2023 Total	2022 Total
Revenue and support				
Contributions and grants	\$ 1,355,922	\$ 1,159,716	\$ 2,515,638	\$ 2,669,897
In-kind donations	155,696	-	155,696	234,564
Interest and dividends	74,620	-	74,620	25,159
Net realized/unrealized gain (loss) on investments	32,074	71,190	103,264	(50,980)
Released from restrictions	1,075,708	(1,075,708)	-	-
Other	-	-	-	7,809
Total revenue and support	2,694,020	155,198	2,849,218	2,886,449
Expenses				
Program services	1,375,427	-	1,375,427	1,256,040
General and administrative	413,087	-	413,087	257,077
Fundraising	426,897	-	426,897	439,217
Total expenses	2,215,411	-	2,215,411	1,952,334
Change in net assets from operations	478,609	155,198	633,807	934,115
Change in net assets	478,609	155,198	633,807	934,115
Net assets, beginning	2,699,937	2,711,119	5,411,056	4,476,941
Net assets, end	\$ 3,178,546	\$ 2,866,317	\$ 6,044,863	\$ 5,411,056

See Notes to Financial Statements.

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Statement of Functional Expenses Year Ended December 31, 2023 With Comparative Totals for the Year Ended December 31, 2022

	Program services	General and administrative	Fundraising	2023 Total	2022 Total
Salaries	\$ 683,637	\$ 65,507	\$ 265,440	\$ 1,014,584	\$ 952,166
Payroll taxes	57,579	5,042	23,896	86,517	77,247
Fringe benefits	40,467	3,003	16,172	59,642	34,894
Subtotal	781,683	73,552	305,508	1,160,743	1,064,307
Student support	414,968	-	31,299	446,267	389,768
Student support - in kind	109,780	-	1,730	111,510	126,693
Consultants and professional fees	-	106,029	20,727	126,756	41,743
Consultants and professional fees - in kind	-	-	18,686	18,686	57,675
Office supplies and expense	60,792	67,855	-	128,647	26,619
Office supplies and expense - in kind	-	1,800	-	1,800	25,800
Human resources	-	107,993	-	107,993	38,252
Human resources - in kind	-	8,000	-	8,000	24,296
Event - in kind	-	-	700	700	100
Bank and other fees	-	27,123	-	27,123	9,480
Legal	-	-	-	-	414
Legal - in kind	-	15,000	-	15,000	-
Insurance	4,211	3,073	3,482	10,766	11,089
Depreciation	3,993	2,662	-	6,655	2,905
Postage	-	-	1,665	1,665	2,196
	1,375,427	413,087	383,797	2,172,311	1,821,337
Reconciliation to statement of activities					
Special events, direct benefits to donors	-	-	43,100	43,100	130,997
	<u>\$ 1,375,427</u>	<u>\$ 413,087</u>	<u>\$ 426,897</u>	<u>\$ 2,215,411</u>	<u>\$ 1,952,334</u>

See Notes to Financial Statements.

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Statement of Cash Flows Year Ended December 31, 2023 With Comparative Totals for the Year Ended December 31, 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 633,807	\$ 934,115
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	6,655	2,905
Net realized/unrealized gain (loss) on investments	(103,263)	50,980
Operating right-of-use asset amortization	73,438	11,977
Decrease (increase) in assets		
Promises to give	127,560	(676,276)
Prepaid expenses	(22,135)	(8,523)
Security deposit	-	(14,625)
Increase (decrease) in liabilities		
Accounts payable	31,935	6,747
Accrued expenses	3,729	9,581
Operating lease liability	(68,394)	(10,943)
Deferred compensation	4,639	-
	<u>687,971</u>	<u>305,938</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchase of fixed assets	-	(27,000)
Purchase of investments	(2,679,993)	(72,783)
Sale of investments	-	60,040
	<u>(2,679,993)</u>	<u>(39,743)</u>
Net cash used in investing activities		
Net (decrease) increase in cash and cash equivalents	(1,992,022)	266,195
Cash and cash equivalents, beginning	<u>2,722,006</u>	<u>2,455,811</u>
Cash and cash equivalents, end	<u>\$ 729,984</u>	<u>\$ 2,722,006</u>
Supplemental disclosure of noncash investing and financing activities		
Initial operating right of use asset and liability	<u>\$ -</u>	<u>\$ 496,265</u>

See Notes to Financial Statements.

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Notes to Financial Statements December 31, 2023

Note 1 - Summary of significant accounting policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The significant accounting policies followed by The Wily Network (the "Organization") are described below to enhance the usefulness of the financial statements to the reader.

Nature of activities

The Organization is a Massachusetts not-for-profit organization established in 2013 to improve outcomes for youth who, having persevered through such life challenges as aging out of foster care, homelessness, or lack of family support, are navigating their post-secondary careers independently. Scholars are provided the tools and networks necessary to thrive in four-year residential colleges, empowering them to transition successfully and become vibrant members of their communities. The Organization provides a critical safety net and programming specifically designed to help scholars achieve personal and financial wellbeing.

Basis of presentation

The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Organization's ongoing efforts.

Standards of accounting and reporting

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Organization are presented as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net assets with donor restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions, gains and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are recognized.

Cash and cash equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Endowments that are perpetual in nature are excluded from this definition.

The Organization maintains its cash balances at financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the

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Notes to Financial Statements December 31, 2023

federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2023.

Fixed assets

Fixed assets are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Organization computes depreciation using the straight-line method over the following estimated lives:

Furniture	5 years
Computer and office equipment	7 years
Leasehold improvements	6 years

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Interest and dividends are recorded when earned. Gains and losses are recognized as incurred or based on fair value changes during the period. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct investment expenses. Investments are exposed to risks such as interest rate, credit and overall market volatility.

Revenue recognition

The Organization earns revenue as follows:

Contributions and Grants - In accordance with Accounting Standards Codification ("ASC") Sub Topic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution (or a promise) and a grant are conditional or unconditional for transactions deemed to be a contribution and a grant. A contribution and a grant are considered to be conditional contributions if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barriers or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions and grants without donor restrictions are recognized as revenue when received or unconditionally pledged. Contributions and grants with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions

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lapse. Contributions and grants with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Donated Services - Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization.

Donated Goods - Donations of goods are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated good to a specific purpose.

Substantially all of the Organization's revenue is derived from its activities in Massachusetts. During the year ended December 31, 2023, the Organization derived substantially all of its total revenue from contributions and grants. All revenue is recorded at the estimated net realizable amounts.

Promises to give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of December 31, 2023, management has determined any allowance would be immaterial.

Fair value measurements

U.S. GAAP defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three-level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels used to measure fair value are as follows:

Level 1: Quoted prices for identical instruments traded in active markets.

Level 2: Observable inputs other than quoted prices included in Level 1. Assets and liabilities included in this level are valued using quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant inputs to the valuation model are unobservable.

Recurring fair value measurements

In accordance with U.S. GAAP, certain assets and liabilities are required to be recorded at fair value on a recurring basis. The Organization's assets that are adjusted to fair value on a recurring

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Notes to Financial Statements December 31, 2023

basis are described below. The Organization currently has no liabilities that are adjusted to fair value on a recurring basis.

Investments in debt and equity securities

Quoted market prices, a Level 1 input, have been used to determine the fair value of investment securities (see Note 3 and Note 7).

The Organization's policy is to recognize transfers in and out of levels as of the date an event or change in circumstances causes the transfer.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Payroll and associated costs are allocated to functions based upon time studies.

Use of estimates

In preparing the Organization's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes

The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is generally not subject to income tax. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization is not a private foundation under Section 509(a)(1) of the IRC.

Management has analyzed the tax positions taken by the Organization and has concluded that, as of December 31, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosures in the financial statements.

Generally, the Organization's information or tax returns remain open for possible federal income tax examination for three years after the filing date. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2020 remain open.

Leases

The Organization recognizes a lease asset and a lease liability at the lease commencement date. The lease asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any direct initial costs incurred.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted, see Note 4.

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Notes to Financial Statements December 31, 2023

Total lease costs on an undiscounted basis are recognized as rent expense over the term of the lease on a straight-line basis. Annual rent expense comprises amortization of the lease asset plus interest on the lease liability adjusted for any variations in lease payment amounts.

Summarized financial information for 2022

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Note 2 - Promises to give

Promises to give consist of the following as of December 31, 2023:

	<u>Gross promises</u>	<u>Discount</u>	<u>Net promises</u>
Receivable less than one year	\$ 733,165	\$ -	\$ 733,165
Receivable in one to five years	<u>1,272,500</u>	<u>(163,169)</u>	<u>1,109,331</u>
	<u>\$ 2,005,665</u>	<u>\$ (163,169)</u>	<u>\$ 1,842,496</u>

The applicable discount rates as of December 31, 2023 ranged from 1.60 – 5.80% dependent on year of pledge origination. Approximately 40% of the gross promises to give are pledged by one donor.

Note 3 - Short-term investments

Short-term investments are comprised of the following as of December 31, 2023:

Certificates of deposits	\$ 361,359
Bonds	<u>2,341,166</u>
Total	<u>\$ 2,702,525</u>

Investment fees incurred on investments were immaterial and included with investment revenue on the accompanying statement of activities. For long-term investments, see Note 7.

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Notes to Financial Statements December 31, 2023

Note 4 - Lease commitments

Lessee

The Organization leases office space for use in its operations. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they contain a lease.

At lease commencement, the Organization recognizes a lease liability, which is measured at the present value of future minimum lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for any prepaid lease costs, initial direct costs and lease incentives. The Organization has elected and applies the practical expedient to combine non-lease components with their related lease components and account for them as a single combined lease component for all its leases. The Organization remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such changes do not qualify to be accounted for as a separate contract.

For accounting purposes, the Organization leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Organization's leases coincides with the contractual effective date. The Organization's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts. Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or non-exercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration of the minimum non-cancellable contractual term. When the exercise of a renewal option or non-exercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

The lease term expires in 2028 and is accounted for as an operating lease. For the year ended December 31, 2023, facilities rent expense totaled \$93,497.

Lease payments

For the year ended December 31, 2023, cash paid for amounts included in the measurement of the operating lease liabilities totaled \$87,981.

The Organization's operating lease has monthly payment terms of \$7,538 for the year ended December 31, 2023

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Lease liability

The operating lease liability at December 31, 2023 was \$416,928, and is calculated as the present value of remaining lease payments discounted using the Organization's risk-free discount rate of 4.36%. Future remaining scheduled lease payments during the lease term are shown in the table below, and are presented on an undiscounted basis along with a reconciliation to the Organization's operating lease liability as of December 31, 2023. The operating lease terms remaining as of December 31, 2023 was 58 months for a weighted average of 4.9 years.

Year	Operating lease payment
2024	\$ 90,681
2025	93,381
2026	96,081
2027	98,781
2028	92,849
	471,773
Less: interest on lease liability	(54,845)
Total lease liability	\$ 416,928

Note 5 - Related party transactions

During the year ended December 31, 2022, the Organization hired the spouse of a board member to perform consulting services for the Organization. There were no related party transactions noted during the year ended December 31, 2023.

Note 6 - Net assets with donor restrictions

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors.

As of December 31, 2023, net assets with donor restrictions are restricted for the following periods:

Subject to the passage of time	
For periods after December 31, 2023	\$ 2,078,747
Subject to a particular purpose	
Accumulated endowment appreciation, Fund to Scholar Program	37,570
Investment in perpetuity (purpose)	
Endowment - Fund to Scholar Program, Daniel E. Offutt III Fund	750,000
Total	\$ 2,866,317

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Notes to Financial Statements December 31, 2023

Net assets released from restrictions during the year ended December 31, 2023, were all subject to the passage of time.

Note 7 - Long-term investments and endowment

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the permanent endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Organization's endowment is restricted in perpetuity by the donor. Investment income is purpose-restricted to be used for the Fund to Scholar Program. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In accordance with state law, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Accordingly, the Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Organization has a policy of calculating and distributing appreciation on total endowment assets of 3-5% of the endowment fund's average fair value over the twelve preceding months based on the discretion of the Board of Directors. For the year ended December 31, 2023, there were no releases. Endowment investments are comprised of the following as of December 31, 2023:

Mutual funds	\$ 32,546
Equity securities - mutual funds	<u>755,024</u>
Total	<u>\$ 787,570</u>

Underwater endowment

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration.

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Notes to Financial Statements December 31, 2023

For the year ended December 31, 2023, the balance of endowment in investment was \$787,570, which includes restricted amount earned of \$37,570. Earnings are credited to restricted once endowment rises above/below corpus of \$750,000.

Other investments - long-term

Common stocks consist of equity securities of domestic companies traded on the New York Stock Exchange and National Association of Securities Dealers Automated Quotations and are Level 1 investments. Fidelity long-term investments are comprised of the following as of December 31, 2023:

Common stock	\$ 25,649
Total	<u>\$ 25,649</u>

Note 8 - Liquidity and availability of resources

The following reflects the Organization's financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year-end	
Cash and cash equivalents	\$ 729,984
Promises to give, current	733,165
Short-term investments	<u>2,702,525</u>
Financial assets, at year end	4,165,674
Less those unavailable for general expenditure within one year, due to:	
Time restrictions greater than one year	157,500
Restricted by donor for specific purpose	<u>37,570</u>
Total restrictions	195,070
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,970,604</u>

The Organization is supported by time restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Wily Network

Notes to Financial Statements December 31, 2023

Note 9 - Contributed nonfinancial assets

Contributed nonfinancial assets for the year ended December 31, 2023 were as follows:

Contributed services: consulting	\$	69,841
Gifts in kind: donated clothing; supplies		<u>85,855</u>
Total	\$	<u>155,696</u>

Donated goods are valued at their estimated fair value on the date of donation. Donates services are valued based upon time incurred for services provided.

During the year ended December 31, 2023, \$109,780 of contributed services and gifts in kind were utilized for programmatic purposes, \$24,800 for general and administrative purposes, and \$21,116 for fundraising purposes.

Note 10 - Subsequent events

The Organization has performed an evaluation of subsequent events through August 27, 2024, which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since December 31, 2023 that required recognition or disclosure in these financial statements.



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