

National Mill Dog Rescue

Independent Auditor's Report and Financial Statements

December 31, 2022 and 2021



National Mill Dog Rescue
December 31, 2022 and 2021

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Independent Auditor's Report

Board of Directors
National Mill Dog Rescue
Colorado Springs, Colorado

Opinion

We have audited the financial statements of National Mill Dog Rescue (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 National Mill Dog Rescue as of December 31, 2022 and 2021, 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). 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 National Mill Dog Rescue 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.

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 National Mill Dog Rescue's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Board of Directors
National Mill Dog Rescue

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 National Mill Dog Rescue'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 National Mill Dog Rescue'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.

FORVIS, LLP

Colorado Springs, Colorado
April 6, 2023

National Mill Dog Rescue
Statements of Financial Position
December 31, 2022 and 2021

Assets

	2022	2021
Cash	\$ 971,637	\$ 1,860,802
Investments	2,122,373	834,103
Inventory	7,595	3,609
Property and equipment, net	4,015,694	3,118,791
Total assets	\$ 7,117,299	\$ 5,817,305

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 241,369	\$ 125,534
Accrued liabilities	45,023	37,775
Total liabilities	286,392	163,309

Net Assets

Without donor restrictions	6,824,907	5,036,116
With donor restrictions		
Purpose restrictions - adoption assistance	6,000	-
Purpose restrictions - capital projects	-	617,880
Total net assets	6,830,907	5,653,996
Total liabilities and net assets	\$ 7,117,299	\$ 5,817,305

National Mill Dog Rescue
Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions and grants	\$ 3,041,113	\$ 6,000	\$ 3,047,113
Contributed nonfinancial assets	100,397	-	100,397
Adoption fees	283,036	-	283,036
Merchandise sales, net of cost of sales of \$3,099	22,317	-	22,317
Investment return, net	3,241	-	3,241
Insurance proceeds on involuntary conversion	349,007	-	349,007
Other	423	-	423
Net assets released from restrictions - capital projects	<u>617,880</u>	<u>(617,880)</u>	<u>-</u>
Total revenues, gains and other support	<u>4,417,414</u>	<u>(611,880)</u>	<u>3,805,534</u>
Expenses			
Program services	2,126,687	-	2,126,687
Support services			
General and administrative	302,822	-	302,822
Fundraising	<u>199,114</u>	<u>-</u>	<u>199,114</u>
Total expenses	<u>2,628,623</u>	<u>-</u>	<u>2,628,623</u>
Change in Net Assets	<u>1,788,791</u>	<u>(611,880)</u>	<u>1,176,911</u>
Net Assets, Beginning of Year	<u>5,036,116</u>	<u>617,880</u>	<u>5,653,996</u>
Net Assets, End of Year	<u>\$ 6,824,907</u>	<u>\$ 6,000</u>	<u>\$ 6,830,907</u>

National Mill Dog Rescue
Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions and grants	\$ 2,353,122	\$ 400,000	\$ 2,753,122
Contributed nonfinancial assets	120,158	-	120,158
Adoption fees	256,189	-	256,189
Merchandise sales, net of cost of sales of \$1,667	5,593	-	5,593
Investment return, net	34,928	-	34,928
Other	39	-	39
	<u>2,770,029</u>	<u>400,000</u>	<u>3,170,029</u>
Expenses			
Program services	1,596,744	-	1,596,744
Support services			
General and administrative	194,417	-	194,417
Fundraising	230,445	-	230,445
	<u>2,021,606</u>	<u>-</u>	<u>2,021,606</u>
Change in Net Assets	<u>748,423</u>	<u>400,000</u>	<u>1,148,423</u>
Net Assets, Beginning of Year	<u>4,287,693</u>	<u>217,880</u>	<u>4,505,573</u>
Net Assets, End of Year	<u><u>\$ 5,036,116</u></u>	<u><u>\$ 617,880</u></u>	<u><u>\$ 5,653,996</u></u>

National Mill Dog Rescue
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services						Support Services			Total Expenses	
	Rescue	Rehabilitation and Care	Veterinary Care	Kennel Facility	Adoptions and Foster Care	Outreach and Education	Total Program Services	Management and General	Fundraising		Total Support Services
Compensation and payroll tax	\$ 43,618	\$ 501,564	\$ 362,458	\$ 70,013	\$ 126,912	\$ 102,171	\$ 1,206,736	\$ 156,466	\$ 85,002	\$ 241,468	\$ 1,448,204
Rescue and related support	13,482	1,696	37,127	63,267	6,909	46,084	168,565	38,820	96,014	134,834	303,399
Supplies	-	4,299	192,414	33,998	-	-	230,711	9,149	-	9,149	239,860
Write-off of damaged property in involuntary conversion	-	-	-	250,924	-	-	250,924	-	-	-	250,924
In-kind donations	-	82,299	-	-	-	-	82,299	-	18,098	18,098	100,397
Depreciation and amortization	-	-	-	112,595	-	-	112,595	-	-	-	112,595
Bank/credit card fees	-	-	-	-	-	-	-	42,442	-	42,442	42,442
Insurance/worker's comp	-	-	-	4,526	-	-	4,526	32,776	-	32,776	37,302
Vehicle costs	35,114	-	-	-	-	-	35,114	-	-	-	35,114
Information technology	-	-	-	-	-	-	-	23,169	-	23,169	23,169
Repairs and maintenance	-	-	385	21,130	-	-	21,515	-	-	-	21,515
Travel expenses	8,926	-	-	-	-	4,776	13,702	-	-	-	13,702
	<u>\$ 101,140</u>	<u>\$ 589,858</u>	<u>\$ 592,384</u>	<u>\$ 556,453</u>	<u>\$ 133,821</u>	<u>\$ 153,031</u>	<u>\$ 2,126,687</u>	<u>\$ 302,822</u>	<u>\$ 199,114</u>	<u>\$ 501,936</u>	<u>\$ 2,628,623</u>

National Mill Dog Rescue
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services						Support Services			Total Expenses	
	Rescue	Rehabilitation and Care	Veterinary Care	Kennel Facility	Adoptions and Foster Care	Outreach and Education	Total Program Services	Management and General	Fundraising		Total Support Services
Compensation and payroll tax	\$ 43,212	\$ 354,302	\$ 326,319	\$ 20,815	\$ 125,275	\$ 79,077	\$ 949,000	\$ 72,244	\$ 91,200	\$ 163,444	\$ 1,112,444
Rescue and related support	2,164	-	72,920	40,090	6,085	42,936	164,195	42,612	61,337	103,949	268,144
Supplies	-	456	227,781	20,582	-	-	248,819	3,546	-	3,546	252,365
In-kind donations	-	42,250	-	-	-	-	42,250	-	77,908	77,908	120,158
Depreciation and amortization	-	-	-	106,633	-	-	106,633	-	-	-	106,633
Bank/credit card fees	-	-	-	-	-	-	-	39,214	-	39,214	39,214
Insurance/worker's comp	-	-	-	26,237	-	-	26,237	12,447	-	12,447	38,684
Repairs and maintenance	-	-	385	25,481	-	-	25,866	-	-	-	25,866
Information technology	-	-	-	-	-	-	-	24,354	-	24,354	24,354
Vehicle costs	21,936	-	-	-	-	-	21,936	-	-	-	21,936
Travel expenses	7,541	-	-	-	-	2,404	9,945	-	-	-	9,945
Interest	-	-	-	1,863	-	-	1,863	-	-	-	1,863
	<u>\$ 74,853</u>	<u>\$ 397,008</u>	<u>\$ 627,405</u>	<u>\$ 241,701</u>	<u>\$ 131,360</u>	<u>\$ 124,417</u>	<u>\$ 1,596,744</u>	<u>\$ 194,417</u>	<u>\$ 230,445</u>	<u>\$ 424,862</u>	<u>\$ 2,021,606</u>

National Mill Dog Rescue
Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ 1,176,911	\$ 1,148,423
Items not requiring (providing) operating cash flows		
Depreciation and amortization	112,595	106,633
Unrealized and realized loss (gain) on investments	24,193	(31,350)
In-kind donations	(100,397)	(120,158)
Gain on involuntary conversion	(98,082)	-
Contributions received for long-term purposes	-	(400,000)
Changes in		
Inventory	96,411	121,825
Accounts payable	(4,431)	7,582
Accrued liabilities	7,248	18,945
	<u>1,214,448</u>	<u>851,900</u>
Net cash provided by operating activities		
	<u>1,214,448</u>	<u>851,900</u>
Cash Flows from Investing Activities		
Insurance recovery on involuntary conversion	349,007	-
Purchase of property and equipment	(1,140,157)	(172,914)
Proceeds from sale of investments	854,706	-
Purchase of investments	(2,167,169)	(2,343)
	<u>(2,103,613)</u>	<u>(175,257)</u>
Net cash used in investing activities		
	<u>(2,103,613)</u>	<u>(175,257)</u>
Cash Flows from Financing Activities		
Principal payments on long-term debt	-	(186,700)
Contributions received for long-term purposes	-	400,000
	<u>-</u>	<u>213,300</u>
Net cash provided by financing activities		
	<u>-</u>	<u>213,300</u>
Net Increase (Decrease) in Cash	<u>(889,165)</u>	<u>889,943</u>
Cash, Beginning of Year	<u>1,860,802</u>	<u>970,859</u>
Cash, End of Year	<u>\$ 971,637</u>	<u>\$ 1,860,802</u>
Supplemental Cash Flow Information		
Interest paid	<u>\$ -</u>	<u>\$ 1,863</u>
Noncash Investing Activities		
Purchase of property and equipment on accounts payable	<u>\$ 221,200</u>	<u>\$ 100,934</u>

National Mill Dog Rescue
Notes to Financial Statements
December 31, 2022 and 2021

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

National Mill Dog Rescue (the Organization) is a not-for-profit organization working to rescue, rehabilitate, and rehome discarded commercial breeding dogs and to educate the public about cruel realities of the puppy mill industry.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

At December 31, 2022, the Organization's cash accounts exceeded federally insured limits by approximately \$250,000. Money market funds, held by broker, which are reported as investments, are not considered to be cash equivalents.

Investments and Investment Return, Net

The Organization measures securities at fair value. Investment return includes dividend, interest, realized and unrealized gains and losses on investments carried at fair value, less external and any direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions.

Inventory Pricing

Inventories consist of purchased and in-kind donations of merchandise. Inventories are stated at the lower of cost or net realizable value. Costs of merchandise are determined using the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

National Mill Dog Rescue

Notes to Financial Statements

December 31, 2022 and 2021

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Building and improvements	15 – 39 years
Vehicles and equipment	5 – 7 years

Long-lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2022 and 2021.

Involuntary Conversion

During 2022, the Organization sustained hail and other weather-related damage to buildings and other property. As a result of the damage, during 2022, the Organization received insurance proceeds of \$349,007. During 2022 and 2023, property was repaired or replaced, as necessary, having a net book value of \$250,925, resulting in a net gain of \$98,082.

In connection with the transaction, at December 31, 2022, the Organization reported a liability of \$221,200 for repair or replacement costs paid after year-end.

Supplies

The Organization holds various program and fundraising related supplies. The Organization expenses these items upon purchase as the result of additional, future revenues from these materials is not reasonably assured.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

There were no releases from restrictions during 2021.

National Mill Dog Rescue

Notes to Financial Statements

December 31, 2022 and 2021

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> , the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Contributed Nonfinancial Assets

In addition to receiving cash contributions, the Organization receives various program-related in-kind contributions from donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase contribution revenue by a like amount. For the years ended December 31, 2022 and 2021, in-kind contributions received were \$100,397 and \$120,158, respectively.

Nonfinancial assets received during 2022 and 2021 consist of donated inventory, supplies and other products used by the Organization for dog care. No restrictions are placed on these items and the Organization estimates the fair value of these items on the basis of market prices for comparable products from local retailers.

National Mill Dog Rescue

Notes to Financial Statements

December 31, 2022 and 2021

In connection with the Organization's adoption of ASU 2020-07, *Contributed Nonfinancial Assets*, the Organization disaggregated non-cash gifts on the statements of activities for 2022 and 2021.

Adoption Fees

Adoption fees are recognized as the Organization satisfies performance obligations under its contracts. Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing goods or services, which is at a point in time in which the adoption transaction is completed. The Organization determines the transaction price based on standard charges for goods and services provided.

The Organization utilizes a point-of-sale system to charge and collect payment upon completion of the adoption. A customer may return the dog any time after the sale. The customer will be refunded their adoption fee, minus a \$50.00 processing fee, if the dog is returned within the first two weeks post adoption.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. The Organization recorded no unrelated business income during the year.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on time expended and other methods.

Subsequent Events

Subsequent events have been evaluated through April 6, 2023, which is the date the financial statements were available to be issued.

Note 2: Liquidity and Availability

The Organization has a liquidity policy to maintain current working capital at a minimum of four months of operating expenses. To achieve these targets, the Organization forecasts future cash flows and monitors its liquidity quarterly and monitors reserves annually. The Organization primarily solicits and receives contributions without donor restrictions, which provides the Organization with fiscal flexibility to pay all annual obligations and general expenditures each year.

National Mill Dog Rescue
Notes to Financial Statements
December 31, 2022 and 2021

The Organization manages its liquidity and reserves following three guiding principles:

1. Operating within a prudent range of financial soundness and stability
2. Maintaining adequate liquid assets to fund near-term operating needs
3. Maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be met

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022 and 2021, comprise the following:

	2022	2021
Cash	\$ 971,637	\$ 1,860,802
Investments	2,122,373	834,103
Total financial assets	3,094,010	2,694,905
Donor-imposed restrictions	-	617,880
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,094,010	\$ 2,077,025

Note 3: Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

National Mill Dog Rescue
Notes to Financial Statements
December 31, 2022 and 2021

Recurring Measurements

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022 and 2021:

2022					
Fair Value Measurements Using					
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Money market funds, held by broker	\$ 2,011,398	\$ 2,011,398	\$ -	\$ -	-
Domestic mutual funds	95,198	95,198	-	-	-
Domestic common stock	<u>15,777</u>	<u>15,777</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,122,373</u>	<u>\$ 2,122,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
2021					
Fair Value Measurements Using					
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Money market funds, held by broker	\$ 698,472	\$ 698,472	\$ -	\$ -	-
Domestic mutual funds	49,764	49,764	-	-	-
Domestic common stock	<u>85,867</u>	<u>85,867</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 834,103</u>	<u>\$ 834,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

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

National Mill Dog Rescue
Notes to Financial Statements
December 31, 2022 and 2021

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Organization currently holds no Level 2 or Level 3 investments.

Note 4: Property and Equipment

Property and equipment at December 31, 2022 and 2021 consists of:

	2022	2021
Land	\$ 389,804	\$ 62,582
Buildings and improvements	3,550,387	3,093,368
Vehicles and equipment	499,226	383,014
	4,439,417	3,538,964
Less accumulated depreciation	671,850	620,735
Construction in progress	248,127	200,562
Total property and equipment	\$ 4,015,694	\$ 3,118,791

Note 5: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Contributions

The Organization primarily relies on individual contributions for its funding. Approximately 30% of all contributions were received from three individual donors during 2022 and approximately 30% of all contributions were received from one individual donor during 2021.

Investments

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 will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.