



# **Developments in Literacy**

Educating Children • Empowering Communities

FINANCIAL STATEMENTS  
DECEMBER 31, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Developments in Literacy, Inc.

### **Opinion**

I have audited the accompanying financial statements of Developments in Literacy, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Developments in Literacy, Inc. as of December 31, 2022, 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**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Developments in Literacy, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Developments in Literacy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.



To the Board of Directors of  
Developments in Literacy, Inc.

In performing an audit in accordance with generally accepted auditing standards, I:

- 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 Developments in Literacy Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Developments in Literacy Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

#### **Report on Summarized Comparative Information**

I have previously audited the Developments in Literacy Inc.'s 2021 financial statements, and my report dated July 9, 2022, expressed an unmodified opinion on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Troy Yoshida CPA, Inc.  
Cypress, CA  
July 30, 2023

**DEVELOPMENTS IN LITERACY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**  
 (with summarized totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash	\$ 1,479,291	\$ -	\$ 1,479,291	\$ 899,210
Current Portion of Pledges Receivable, Net	-	-	-	62,530
Note Receivable	12,774	-	12,774	14,574
Prepaid Expenses	1,839	-	1,839	1,841
<b>TOTAL CURRENT ASSETS</b>	<b>1,493,904</b>	<b>-</b>	<b>1,493,904</b>	<b>978,155</b>
<b>PROPERTY &amp; EQUIPMENT</b>				
Computers & Equipment	13,673	-	13,673	13,673
Accumulated Depreciation	(13,429)	-	(13,429)	(12,648)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>244</b>	<b>-</b>	<b>244</b>	<b>1,025</b>
<b>OTHER ASSETS:</b>				
Investments	650,190	-	650,190	732,385
Deposits	139	-	139	5,034
<b>TOTAL OTHER ASSETS</b>	<b>650,329</b>	<b>-</b>	<b>650,329</b>	<b>737,419</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,144,477</b>	<b>\$ -</b>	<b>\$ 2,144,477</b>	<b>\$ 1,716,599</b>
<b>LIABILITIES &amp; NET ASSETS</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts Payable	\$ 954	\$ -	\$ 954	\$ 8,264
Accrued Liabilities	10,562	-	10,562	18,135
<b>TOTAL CURRENT LIABILITIES</b>	<b>11,516</b>	<b>-</b>	<b>11,516</b>	<b>26,399</b>
<b>NET ASSETS:</b>				
Without Donor Restrictions				
Undesignated	2,132,961	-	2,132,961	1,690,200
With Donor Restrictions	-	-	-	-
<b>TOTAL NET ASSETS</b>	<b>2,132,961</b>	<b>-</b>	<b>2,132,961</b>	<b>1,690,200</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 2,144,477</b>	<b>\$ -</b>	<b>\$ 2,144,477</b>	<b>\$ 1,716,599</b>

**DEVELOPMENTS IN LITERACY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
 (with summarized totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Totals	2021 Totals
<b>REVENUES AND OTHER SUPPORT</b>				
Special events, net of direct benefit to donors of \$232,962	\$ 1,435,414	\$ -	\$ 1,435,414	\$ 1,221,371
Contributions	1,007,094	-	1,007,094	813,123
Interest and Dividend Income	36,040	-	36,040	28,534
Net Unrealized Gain (Loss)	(129,218)	-	(129,218)	29,227
Net Assets Released from Time Restriction	-	-	-	-
<b>TOTAL REVENUES AND OTHER SUPPORT</b>	<b>2,349,330</b>	<b>-</b>	<b>2,349,330</b>	<b>2,092,255</b>
<b>EXPENSES</b>				
Program Services	\$ 1,721,575	\$ -	\$ 1,721,575	\$ 1,602,990
Supporting Services				
Management and General	88,738	-	88,738	114,746
Fundraising	96,256	-	96,256	102,570
<b>TOTAL EXPENSES</b>	<b>1,906,569</b>	<b>-</b>	<b>1,906,569</b>	<b>1,820,306</b>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	<b>442,761</b>	<b>-</b>	<b>442,761</b>	<b>271,949</b>
<b>OTHER INCOME</b>				
PPP Forgiveness & Relief Grant	-	-	-	179,425
<b>CHANGE IN NET ASSETS</b>	<b>\$ 442,761</b>	<b>\$ -</b>	<b>\$ 442,761</b>	<b>\$ 451,374</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>\$ 1,690,200</b>	<b>\$ -</b>	<b>\$ 1,690,200</b>	<b>\$ 1,238,826</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,132,961</b>	<b>\$ -</b>	<b>\$ 2,132,961</b>	<b>\$ 1,690,200</b>

**DEVELOPMENTS IN LITERACY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
 (with summarized totals for 2021)

	Program Services	Supporting Services		2022 Totals	2021 Totals
		Management and General	Fundraising		
<b>Education:</b>					
Grants	1,424,000	-	-	1,424,000	1,300,000
Direct Fundraising Event Expense	-	-	232,962	232,962	164,451
Bank and Credit Card Fees	24,542	5,511	3,599	33,652	26,258
Database and Software	751	735	5,895	7,381	7,088
Depreciation	-	781	-	781	781
Insurance	-	6,374	-	6,374	5,766
Marketing	-	-	2,430	2,430	1,576
Miscellaneous	-	769	50	819	3,264
Payroll & Related Expenses	263,982	66,508	82,386	412,876	425,838
Postage and Printing	-	1,236	-	1,236	2,603
Professional Fees	8,270	1,446	1,596	11,312	19,528
Rent Expenses	-	976	-	976	24,682
Small Equipment	-	-	-	-	419
Supplies	-	3,359	-	3,359	193
Telephone	30	1,043	30	1,103	2,270
Travel	-	-	270	270	40
<b>TOTAL EXPENSES</b>	<b>1,721,575</b>	<b>88,738</b>	<b>329,218</b>	<b>2,139,531</b>	<b>1,984,757</b>
Less: Direct Benefit to Donors at Special Events Included in Revenue	-	-	(232,962)	(232,962)	(164,451)
<b>TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES</b>	<b>\$ 1,721,575</b>	<b>\$ 88,738</b>	<b>\$ 96,256</b>	<b>\$ 1,906,569</b>	<b>\$ 1,820,306</b>

**DEVELOPMENTS IN LITERACY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
 (with summarized totals for 2021)

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 442,761	\$ 451,374
Adjustments to Reconcile Change in Net Assets		
To Net Cash Provided by Operating Activities:		
Depreciation	\$ 781	\$ 781
Unrealized (Gain) Loss on Investment	129,218	(29,227)
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Pledges Receivable	62,530	104,580
(Increase) Decrease in Note Receivable	1,800	1,800
(Increase) Decrease in Prepaid Expenses	2	25,547
(Increase) Decrease in Right of Use Asset-Operating Lease	-	16,552
(Increase) Decrease in Lease Incentive	-	3,862
(Increase) Decrease in Deposits	4,895	62
Increase (Decrease) in Accounts Payable	(7,310)	(395)
Increase (Decrease) in Accrued Liabilities	(7,573)	1,076
Increase (Decrease) in Lease Liability	-	<u>(25,360)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>627,104</b>	<b>550,652</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in Investments	(47,023)	<u>(62,998)</u>
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b><u>(47,023)</u></b>	<b><u>(62,998)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in Loan Payable	-	<u>(83,441)</u>
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b><u>-</u></b>	<b><u>(83,441)</u></b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>580,081</b>	<b>404,213</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>\$ 899,210</b>	<b>\$ 494,997</b>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 1,479,291</u></b>	<b><u>\$ 899,210</u></b>

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

1. Summary of Significant Accounting Policies

Nature of Organization

Developments in Literacy, Inc. (“the Organization”) was founded in February 1997 as a California nonprofit public benefit corporation. The purpose of the Organization is to promote literacy and provide education to underprivileged children in Pakistan. The Organization’s support comes entirely from donor contributions.

Net Assets

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations.

*Without donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. This also includes net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

1. Summary of Significant Accounting Policies – (Continued)

Use of Estimates and Assumptions

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 and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Concentration of Credit Risk

The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Note Receivable

Notes Receivable are carried at cost, net of any allowance for losses. The allowance for losses is based on the Organization's evaluation of the collectability of the note. Interest income on notes receivable are recorded on the accrual basis.

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

1. Summary of Significant Accounting Policies – (Continued)

Property and Equipment

Property and equipment are stated at fair value at the date of donation or at cost, if purchased. Depreciation is computed using the straight-line method over the estimated useful lives of ten years for furniture and equipment and five years for computers. It is the policy of the Organization to capitalize assets costing \$2,500 or more with a useful life exceeding one year.

Promises to Give

Unconditional promises to give (i.e. contributions) are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give (i.e. contributions) are recognized when the conditions on which they depend are substantially met.

Revenue Recognition

The Organization normally receives the majority of its revenues from donors at fundraising events. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions.

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class.

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**1. Summary of Significant Accounting Policies – (Continued)**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The major programs of the Organization are as follows:

**Cooperation for Advancement Rehabilitation and Education (CARE)**

The Organization's partnership with CARE began in 2002. The objective of this project is to provide quality, marketable education to underprivileged children in the Sheikhupura District of the Punjab Province.

**Orangi**

The objective of this project is to provide quality education through teacher training, strengthening curriculum and grassroots collaboration in the outskirts of Northwest Orangi. This project began in 2001.

**Indus Resource Center (IRC)**

The Organization's partnership with IRC began in 2001. The objective of this project is to provide quality education through teacher training, strengthening curriculum and grassroots collaboration in the Khairpur district of Karachi.

**Kala Shah Kaku (KSK)**

The objective of this project is to provide quality education through teacher training, strengthening curriculum and grassroots collaboration for children living in the low income housing scheme of Khuda Ki Basti in the Sheikhupura district. This project began in 2009.

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**1. Summary of Significant Accounting Policies – (Continued)**

**Functional Allocation of Expenses (Continued)**

**Khwendo Kor (KK)**

The objective of this project is to provide quality education through grassroots collaboration and efforts, and mobilize local resources to address the social sector needs of underserved communities, particularly for women and girls living in the North West Frontier Province of Pakistan. The Organization's partnership with KK began in 2001.

**Naz Old Boys Welfare Association (NOWA)**

The objective of this project is to provide quality primary education for girls in the remote villages of Khairpur. The Organization's partnership with NOWA began in 1998.

**Islamabad Central Territory (ICT)**

The objective of this project is to provide quality education through teacher training, strengthening curriculum and grassroots collaboration in the underserved communities in ICT. This project began in 2006.

**Rural Rawalpindi (RRP)**

The objective of this project is to provide quality education through teacher training, strengthening curriculum and grassroots collaboration in areas of Rural Rawalpindi. This project began in late 2003.

**Mansehra**

The objective of this project is to provide quality education through teacher training, strengthening curriculum and grassroots collaboration in Mansehra District, in Khyber Pakhtunkwa. This project began in 2006.

**Leases**

At lease inception, the Organization determines whether an arrangement is or contains a lease. Operating leases are included in operating lease right of use (ROU) assets, current operating lease liabilities, and noncurrent lease liabilities in the financial statements.

ROU assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date. The lease liability is measured as the present value of the lease payments over the lease term. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses its incremental borrowing rate at the commencement date of the

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

Leases (continued)

lease to determine the present value of the lease payments. Operating ROU assets are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received. Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight line basis over the lease term. The Organization has elected not to recognize an ROU asset and obligation for leases with an initial term of twelve months or less. The expense associated with short term leases is included in rent expense in the statement of functional expenses.

Loan Payable

The Organization received a Paycheck Protection Program Loan (PPP). Management has elected to recognize forgivable debt received from a government entity as debt until debt extinguishment occurs when the Organization is legally released from being the obligor. Upon legal release as obligor, the Organization will recognize the forgiven amount as other income in the statement of activities.

Income Taxes

The Organization is a not-for-profit organization, as described in Section 501(c)(3) of the Internal Revenue Code and corresponding state law. Accordingly, the Organization is exempt from federal and state income taxes. The Organization takes no tax positions that it considers to be uncertain.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent Events

In preparing these financial statements, the Organization continues to evaluate events and transactions for potential recognition or disclosure through July 30, 2023 the date on which the financial statements were available to be issued.

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**2. Cash & Cash Equivalents**

The total cash held by the Organization at December 31, 2022 totaled \$1,479,291 maintained in various accounts. Balances in bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. Federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. As such, the failure of an underlying institution could result in financial loss to the Organization.

**3. Contributed Services**

A number of unpaid volunteers have made contributions to the different Organization program services. The value of these contributions is not reflected in these statements since they do not meet the criteria for recognition as contributed services.

**4. Pledges Receivable**

In addition to contributions received during the fiscal year, donors have made pledges for current contributions. There were no pledges receivable at December 31, 2022.

**5. Note Receivable**

The Organization carried an unsecured note receivable with repayment terms of 24 months commencing on August 1, 2016 with interest at 0% per annum. As of December 31, 2022, the balance on the note receivable totaled \$12,774. There was no allowance for loss at December 31, 2022.

**6. Property and Equipment**

Property and equipment consist of the following:

Computers	\$ 12,673
Furniture and equipment	<u>1,000</u>
	13,673
Less accumulated depreciation	<u>(13,429)</u>
Total Property and Equipment (net)	<u><u>\$ 244</u></u>

Depreciation expense for the year ended December 31, 2022 totaled \$781.

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**7. Investments**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Fair Value Measurements*, 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 fair value hierarchy under FASB ASC, *Fair Value Measurements* are described as follows:

The three levels of fair value hierarchy under FASB ASC, *Fair Value Measurements* are described as follows:

Level 1 -	Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.
Level 2 -	Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.
Level 3 -	Unobservable inputs supported by little or no market data, and require significant judgment or estimation. The Organization does not hold any level 3 financial instruments.

Fair value methods and assumptions on investments consisting of common stock, preferred stock, mutual funds and bond funds are based on the Level 1 market approach. The following table present the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at December 31, 2022:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Common stock	\$272,148	\$272,148	\$ -	\$ -
Mutual Funds	378,042	378,042		
Fixed Income Funds	0	0	-	-
 Total Investments carried at fair value	 \$650,190	 \$ 650,190	 \$ -	 \$ -
Money Market Funds	0			
Total Investments	<u>\$650,190</u>			

The following schedule summarizes the investment return on cash equivalents and investments for the year ended December 31, 2022:

Interest and Dividends	\$ 36,040
Unrealized Gains/(Losses)	<u>(129,218)</u>
 Total Investment Return	 <u>\$(93,178)</u>

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**8. Liquidity and Availability**

Financial assets held by the Organization at December 31, 2022 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized as follows:

Financial Assets at Year End:	
Cash	\$1,479,291
Investments	650,190
Pledges Receivable, Net	0
Total Financial Assets at Year End	\$2,129,481
Less Amounts Not Available to Be Used Within One Year:	
	0
Financial Assets Available to Meet General Expenditures Within One Year	
	<u>\$2,129,481</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

The Organization has various sources of liquid financial resources at its disposal, including cash and cash equivalents and liquid investments. For purposes of analyzing resources available to meet general expenditures over a 12 month period, the Organization considers pledges receivable expected to be collected in the next fiscal year as available for general expenditures.

**9. Leases**

The Organization rents a month to month storage unit. The components of lease expense were as follows:

Operating Lease Cost	\$ 976
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There was no lease liability as of December 31, 2022.

**DEVELOPMENTS IN LITERACY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

**10. Net Assets With Donor Restrictions**

Net assets with donor restrictions at December 31, 2022 totaled \$0 and usually consists of donations restricted by time.

**11. Special Events**

Special event revenue and expenses are directly related to fundraising events. The gross revenue in 2022 was \$1,668,376 and the direct expense benefit to donors was \$232,962. In 2021, the gross revenue was \$1,385,822 and the direct expense benefit to donors was \$164,451. The Statement of Activities reports special event revenue net of the direct expense benefit to donors, totaling \$1,435,414 in 2022 and \$1,221,371 in 2021.

**12. Financial Statement Summarized Prior Year Information**

The financial statements include certain prior-year summarized comparative information in total but not by the net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021 from which the summarized information was derived.

**13. Developments in Literacy, Pakistan**

The Organization is the major contributor for an entity named Developments in Literacy, Pakistan. The Organization sends money to Developments in Literacy, Pakistan to support the programs of the Organization. Developments in Literacy, Pakistan then distributes the money to the schools that the Organization supports. The amount of money sent to each school is determined by letters of agreement between the Organization and the schools. The Board of Developments in Literacy, U.S.A. occasionally authorizes more money to be distributed to a school based on specific needs. The Organization also pays for the majority of expenses incurred by the Developments in Literacy, Pakistan office.