



**Malteser
International**

Order of Malta Worldwide Relief

*ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.*

*FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT*

FOR THE YEAR ENDED DECEMBER 31, 2022



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**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Order of Malta Worldwide Relief
Malteser International Americas, Inc.
New York, NY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Order of Malta Worldwide Relief Malteser International Americas, Inc. (a not-for-profit corporation, "MIA"), 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of MIA as of December 31, 2022, and the change 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") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MIA 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.

Restatement of 2021 Net Assets

As discussed in Note 7 to the financial statements, net assets as of December 31, 2021 has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 MIA's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 MIA'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 MIA'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2023 on our consideration of MIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MIA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MIA's internal control over financial reporting and compliance.

Cerini & Associates LLP

Bohemia, New York
August 9, 2023

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022**

ASSETS

Current Assets:

Cash.....	\$	489,160
Receivables.....		1,423,263
Due from affiliates.....		232,857
Prepaid expenses.....		16,513

TOTAL CURRENT ASSETS 2,161,793

Property and equipment, net of accumulated depreciation..... 6,558

TOTAL ASSETS \$ 2,168,351

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses.....	\$	107,418
Due to affiliates.....		944,858

TOTAL LIABILITIES 1,052,276

Net Assets:

Without donor restrictions.....		466,348
With donor restrictions.....		649,727

TOTAL NET ASSETS 1,116,075

TOTAL LIABILITIES AND NET ASSETS \$ 2,168,351

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Grants and contributions.....	\$ 7,502,264	\$ 457,294	\$ 7,959,558
Other revenue.....	12,494	-	12,494
Donations in-kind.....	182,799	-	182,799
Loss on foreign currency exchange.....	(103,229)	-	(103,229)
Net assets released from restrictions.....	164,067	(164,067)	-
TOTAL SUPPORT AND REVENUE	7,758,395	293,227	8,051,622
EXPENSES:			
Program services.....	7,195,972	-	7,195,972
Management and general.....	321,272	-	321,272
Fundraising.....	310,476	-	310,476
TOTAL EXPENSES	7,827,720	-	7,827,720
CHANGE IN NET ASSETS	(69,325)	293,227	223,902
Net assets, beginning of year, as restated.....	535,673	356,500	892,173
Net assets, end of year.....	<u>\$ 466,348</u>	<u>\$ 649,727</u>	<u>\$ 1,116,075</u>

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services	Management and General	Fundraising	Total
Salaries and wages.....	\$ 1,875,283	\$ 129,585	\$ 107,936	\$ 2,112,804
Payroll taxes and fringe benefits.....	67,006	39,341	64,344	170,691
Grants and contributions expense.....	2,500,661	-	-	2,500,661
Project expenses.....	1,334,776	2,349	-	1,337,125
Travel.....	495,543	-	-	495,543
Contractors.....	269,023	-	3,311	272,334
Repairs and maintenance.....	112,059	11,818	-	123,877
Communications.....	58,225	-	15,185	73,410
Other services.....	321,218	5,625	-	326,843
Rent expense.....	78,950	12,626	-	91,576
Insurance.....	3,797	18,775	-	22,572
Consulting.....	26,092	-	-	26,092
Professional fees.....	4,804	54,214	-	59,018
Office expense.....	19,510	14,308	-	33,818
Telephone.....	16,390	3,341	-	19,731
Training.....	28	2,060	-	2,088
Development.....	7,710	-	119,700	127,410
Postage.....	268	1,363	-	1,631
Miscellaneous expenses.....	-	25,867	-	25,867
Depreciation expense.....	4,629	-	-	4,629
TOTAL EXPENSES	\$ 7,195,972	\$ 321,272	\$ 310,476	\$ 7,827,720

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$	223,902
<u>Adjustment to reconcile change in net assets to net cash</u>		
<u>used in operating activities:</u>		
Depreciation expense.....		4,629
<u>Changes in operating assets and liabilities:</u>		
Receivables.....		(1,024,296)
Due from affiliates.....		95,900
Prepaid expenses		(7,445)
Accounts payable and accrued expenses.....		89,459
Due to affiliates.....		739,229
Deferred revenue.....		<u>(164,976)</u>
NET CASH USED IN OPERATING ACTIVITIES		<u>(43,598)</u>
NET CHANGE IN CASH		(43,598)
Cash, beginning of the year.....		<u>532,758</u>
Cash, end of the year.....	\$	<u><u>489,160</u></u>

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Order of Malta Worldwide Relief Malteser International Americas, Inc. ("MIA") is presented to assist in understanding MIA's financial statements. These financial statements and notes are representations of MIA's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Operations: MIA is a non-profit organization dedicated to humanitarian aid delivery in the wake of disasters, both natural and man-made, throughout South and Central America, the Caribbean, and occasionally in North America. MIA is a faith-based, Catholic, non-governmental organization which also focuses on sustainable development in the aftermath of those disasters. MIA is an affiliate of Malteser International, the humanitarian relief and development organization of the Sovereign Order of Malta.

Vision: To protect the dignity, health, and wellbeing of people in crisis, minding the future of our common home.

Mission: The mission of MIA is:

- To excel at offering inclusive humanitarian and development assistance in fragile and crisis settings. MIA helps affected communities to build resilience against the effects of conflict, crisis, and climate change, and to build lasting peace;
- To serve and empower people affected by crises and displacement, especially the most vulnerable, marginalized and forgotten – regardless of their beliefs or identities;
- To nurture health as a holistic state of full physical, mental and social well-being connected to water, sanitation and hygiene; food and nutrition security; shelter and environmental health;
- To trust local actors and affected people to find innovative solutions to their challenges and empower them to make choices that put these into practice; and
- To use our expertise and the Order of Malta's international network to advocate for sustainable positive change.

Funding: The audited financials of MIA reflect only those funds collected from individual and institutional donors in North America and grants or contracts received from U.S. institutions. Some of MIA's projects receive funding from non-U.S. institutions such as the United Nations High Commissioner for Refugees and the German Federal Ministry for Economic Cooperation and Development. Grants from these and other non-U.S. institutions are transferred directly to MIA's local account in the country in which the project being funded is located and are not included in the scope of the audited financial statements. These projects are, nevertheless, subject to regular audits by the grantor organizations to ensure program enforcement and compliance.

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Projects: MIA supports the most vulnerable, including refugees and displaced persons. The projects are concentrated in four main areas: providing culturally sensitive healthcare; water, sanitation, and hygiene; food and nutrition security; and disaster risk management and climate change adaptation.

Currently, MIA is responsible for projects in the U.S., Bahamas, Colombia, Venezuela, Haiti, Peru, and Mexico. A summary of significant U.S.-funded MIA programs in 2022 is as follows:

- U.S. Bureau of Population, Refugees and Migration (“BPRM”): MIA was awarded a contract in 2021 to address the gaps in health care needs for Venezuelan refugees. Mobile medical units have been procured and staffed. Medical and psychological consultations are being carried out daily.
- U.S. Agency for International Development (“U.S. AID”): MIA was awarded funding by U.S. AID for emergency flood relief for vulnerable communities in the La Guajira and El Magdalena Departments of Colombia. The recovery program focused on multi-ethnic rural underserved communities and Marginalized groups.

Additional projects, funded by European government agencies or foundations, include planting and development of mangrove nurseries which, in turn, create biodiversity as well as the environmental benefits of carbon capture, coastal defense, and water filtration; housing for the indigenous and displaced Wayuu and Afro-Colombian communities; and pre- and post-natal healthcare for mothers and their babies.

Guiding Principles: MIA’s humanitarian aid and assistance in conflict and emergency settings is guided by the principles of humanity, impartiality, independence, and neutrality. MIA works in accordance with internationally recognized quality standards for humanitarian aid and development, and endeavors to contribute to the continued evolution of these principles.

New Accounting Pronouncements: During the year ended December 31, 2022, MIA was required to adopt Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Under this accounting pronouncement, MIA presents contributed nonfinancial assets as a separate line item in the accompanying statement of activities and provides additional disclosures about contributions of nonfinancial assets. These additional disclosures include qualitative information about whether contributed nonfinancial assets were either monetized or utilized during the reporting period, a description of any donor-imposed restrictions associated with the contributed nonfinancial assets, and a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition.

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During the year ended December 31, 2022, MIA also adopted Accounting Standards Codification (“ASC”) Topic 842, *Leases*, for all material, long-term operating leases. Under this new accounting pronouncement, an entity is required to recognize right-of-use assets and lease liabilities calculated based on the present values of the lease payments not yet paid, discounted using appropriate discount rates at the lease commencement dates, for all long-term leases. The right-of-use assets are initially equal to the lease liabilities plus any initial direct costs and prepaid lease payments, less any lease incentives received. Under this approach, amortization of right-of-use assets is charged to rent expense, which is recorded on the straight-line basis over the term of each lease.

MIA's operating leases, as described in Note 4, do not exceed one year in duration. Payments pursuant to these leases are accounted for as part of rent expense in the statement of functional expenses. Short-term leases are not subject to the provisions of ASC 842 requiring the recognition of right-of-use assets and lease liabilities.

Income Tax Status: MIA is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. In addition, MIA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). MIA is also exempt from state and local taxes. MIA evaluated for uncertain tax positions and has determined that there were no uncertain tax positions for the year ended December 31, 2022.

MIA files an IRS Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by federal, state, and local authorities. MIA has determined that it has registered in all states where it is required to be registered.

Basis of Accounting: These financial statements are presented on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

Basis of Presentation: MIA is required to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations or other stipulations that may or will be met, either by action of MIA and/or the passage of time. When a restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Other donor restrictions may be perpetual in nature, whereby donors may stipulate the funds be maintained in perpetuity. As of December 31, 2022, there were no net assets held in perpetuity.

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Receivables: Receivables consist of amounts due from government agencies, foundations, and other donors for MIA's various programs and fundraising initiatives. MIA uses the allowance method to estimate uncollectible receivables. Receivables are charged to bad debt expense when they are deemed to be uncollectible based on a periodic review of the receivables. As of December 31, 2022, all receivables were deemed collectible by management and there was no allowance for doubtful accounts.

Property and Equipment: Capital outlays for purchased equipment that have a useful life greater than one year are capitalized at cost or, if donated, at their fair values, at the dates of the gifts. Depreciation is calculated using the straight-line method over the estimated useful life of the equipment, which is five years. Property and equipment are stated at cost less accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred.

Grants and Contributions: MIA receives government and non-government grants and contributions. Each grant and contribution is reviewed to determine if it has traits that more closely resemble conditional contributions. Contributions are recognized when the donor makes a promise to give to MIA that is, in substance, unconditional. Contributions received with no restrictions are reported as contributions without donor restrictions. Contributions with requirements for the use of the assets for a specific purpose or for a stipulated amount of time are reported as contributions with donor restrictions. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Conditional contributions are accounted for as a liability or are not recognized as revenue initially, until the barriers to entitlement are overcome, at which point contributions are recognized as unconditional and classified as either net assets with donor restrictions, or net assets without donor restrictions.

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated by management among program, management and general, and fundraising categories. Those costs that cannot be directly assigned to a category are allocated based upon reasonable allocation methodologies, the most significant of which are:

- Salaries and wages are allocated based on an estimate of time spent on program related functions, management and general, and fundraising activities.
- Payroll taxes and fringe benefits are allocated based upon salary allocations.
- Rent expense is allocated based on square footage utilized by program related functions, management and general, and fundraising activities.

Donated Assets and Services: MIA benefits from volunteer services in program, fundraising, and administrative duties from Board members and other volunteers. Contributed services are recognized if the services require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if donated. During the year ended December 31, 2022, MIA recorded donated salaries of \$182,799 as donations in-kind within the accompanying statement of activities, and in salaries within the accompanying statement of functional expenses. Donated salaries were valued based on the fair market value of such services if MIA had paid for them. There were no restrictions associated with these donated salaries.

Subsequent Events: MIA has evaluated events and transactions that occurred between January 1, 2023 and August 9, 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 2 - CONCENTRATIONS OF RISK

MIA holds cash with financial institutions. From time to time, balances held at these financial institutions exceed insured limits. Management believes there is little risk of loss associated with these accounts, as these financial institutions are deemed creditworthy.

During the year ended December 31, 2022, approximately 79% of MIA's grants and contributions revenue was provided by three grantors. As of December 31, 2022, approximately 99% of MIA's accounts receivable was due from two grantors.

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 3 - RELATED PARTY TRANSACTIONS

MIA shares common board members with various other associations of the Sovereign Military Order of Malta. MIA also shares board members with Malteser International Europe.

MIA receives contributions and grants from related parties as well as incurs program expenses owed to related parties. As of December 31, 2022, MIA was owed \$232,857 by Malteser International Europe and owed \$944,858 to Malteser International Europe.

During 2022, MIA received contributions without donor restrictions of \$100,000 from the Western Association of the Order of Malta, a contribution without donor restrictions of \$160,000 from the American Association of the Order of Malta, and contributions without donor restrictions of \$169,305 from Malteser Hilfsdienst. MIA also received contributions with restrictions and/or conditional contributions for the purpose of co-funding projects and covering personnel costs for MIA programs totaling \$1,614,997 from Malteser International Europe, \$115,287 from American Association of the Order of Malta, \$103,411 from Western Association of the Order of Malta, \$129,968 from Order of Malta Federal Association, and \$731,563 from the Canadian Association of Order of Malta.

During 2022, MIA paid \$9,513 of contributions to the Order of Malta Peru, \$30,000 of contributions to the Order of Malta Hungary, \$1,337 of contributions to the Sovereign Military Hospitaller Order of St. John of Jerusalem of Rhodes and of Malta, \$6,269 of contributions to the Malteser Hilfsdienst, and \$2,078,076 of contributions to Malteser International Europe for relief and development projects managed and implemented by these entities.

NOTE 4 - OPERATING LEASE

MIA had an operating lease for office space in New York City that expired in May 2020. MIA occupied the space during 2022 on a month-to-month basis, until a new short-term lease was executed effective June 1, 2022 that expires May 31, 2023. The lease agreement requires monthly rent payments of \$4,160 through December 31, 2022, and \$6,312 as of January 1, 2023 through the lease's expiration. MIA had five short-term leases for space for its programs in Colombia, with expiration dates ranging from July 2022 through April 2023, and requiring monthly payments ranging from \$318 to \$1,323. These terms are continuing on a month-to-month basis until a new short-term lease can be executed.

For the year ended December 31, 2022, MIA incurred rent expense of \$91,576 for office space.

**ORDER OF MALTA WORLDWIDE RELIEF
MALTESER INTERNATIONAL AMERICAS, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets are restricted by donors for the following purposes at December 31, 2022:

Haiti relief.....	\$	194,840
Ukraine relief		273,194
Colombia relief		110,972
Other relief efforts		70,721
Total net assets with donor restrictions.....	\$	<u>649,727</u>

NOTE 6 - AVAILABILITY AND LIQUIDITY

The following represents MIA's financial assets at December 31, 2022:

Cash.....	\$	489,160
Receivables		1,423,263
Total financial assets		<u>1,912,423</u>
Less net assets with donor restrictions.....		<u>(649,727)</u>
Total financial assets available to meet general expenditures over the next twelve months.....	\$	<u>1,262,696</u>

As part of MIA's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. From time to time, MIA receives contributions from a related party, which could be requested in the event of an unanticipated liquidity need.

NOTE 7 - OPENING NET ASSET ADJUSTMENTS

The opening balance of net assets with donor restrictions was reduced by \$5,190,648 with a corresponding decrease to receivables of \$2,404,411 and due from affiliates of \$2,621,259, and an increase to deferred revenue of \$164,978. These adjustments reversed the recognition of conditional grants awarded in 2021 for which conditions had not been met, and revenue and due from affiliates for revenue that had not been earned.