

THE READING LEAGUE, INC.

FINANCIAL STATEMENTS

December 31, 2021 and 2020



grossman st. amour

CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Reading League, Inc.
Syracuse, New York

Opinion

We have audited the financial statements of The Reading League, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 referred to above present fairly, in all material respects, the financial position of The Reading League, Inc. as of December 31, 2021 and 2020, 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 The Reading League, Inc. 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 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 The Reading League, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 Reading League, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Reading League, Inc.'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.

Grossman St. Amour CPA

Syracuse, New York
July 11, 2022

THE READING LEAGUE, INC.

Statements of Financial Position

	December 31,	
	2021	2020
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,661,266	\$ 727,566
Accounts and memberships receivable	189,320	138,593
Prepaid expenses	166,957	125,519
Inventory	45,397	14,389
Funds held outside the organization	92,363	1,377,034
Total current assets	4,155,303	2,383,101
Digital assets, net	97,601	-
Leasehold improvements and equipment, net	555,552	575,864
Total assets	\$ 4,808,456	\$ 2,958,965
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 58,556	\$ 14,416
Other accrued liabilities	43,136	24,875
Deferred revenue, current portion	116,350	-
Total current liabilities	218,042	39,291
Deferred revenue, net of current portion	2,759,236	1,634,913
Total liabilities	2,977,278	1,674,204
Net assets:		
Without donor restriction	1,830,453	1,284,651
With donor restriction	725	110
Total net assets	1,831,178	1,284,761
Total liabilities and net assets	\$ 4,808,456	\$ 2,958,965

The accompanying notes are an integral part of the financial statements.

THE READING LEAGUE, INC.

Statement of Activities

For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	\$ 43,459	\$ 615	\$ 44,074
Merchandise sales, net	20,631	-	20,631
Journal revenue	295,650	-	295,650
Grant revenue	715,097	-	715,097
Service fee revenue	1,065,336	-	1,065,336
Conference revenue	471,067	-	471,067
Miscellaneous revenue	5,322	-	5,322
Forgiveness of Payroll Protection Loan funds	165,525	-	165,525
Total support and revenue	<u>2,782,087</u>	<u>615</u>	<u>2,782,702</u>
Expenses:			
Program services	1,829,926	-	1,829,926
Fundraising	95,504	-	95,504
Management and general	310,855	-	310,855
Total expenses	<u>2,236,285</u>	<u>-</u>	<u>2,236,285</u>
Change in net assets	545,802	615	546,417
Net assets without donor restriction at beginning of year	<u>1,284,651</u>	<u>110</u>	<u>1,284,761</u>
Net assets without donor restriction at end of year	<u>\$ 1,830,453</u>	<u>\$ 725</u>	<u>\$ 1,831,178</u>

The accompanying notes are an integral part of the financial statements.

THE READING LEAGUE, INC.

Statement of Activities

For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions, including in-kind donations of \$560	\$ 173,209	\$ 110	\$ 173,319
Merchandise sales, net	29,100	-	29,100
Journal revenue	288,812	-	288,812
Grant revenue	760,889	-	760,889
Service fee revenue	364,239	-	364,239
Conference revenue	442,312	-	442,312
Forgiveness of Payroll Protection Loan funds	110,355	-	110,355
Total support and revenue	<u>2,168,916</u>	<u>110</u>	<u>2,169,026</u>
Expenses:			
Program services, including in-kind donations of \$464	1,635,712	-	1,635,712
Fundraising, including in-kind donations of \$25	79,002	-	79,002
Management and general, including in-kind donations of \$71	201,159	-	201,159
Total expenses	<u>1,915,873</u>	<u>-</u>	<u>1,915,873</u>
Change in net assets	253,043	110	253,153
Net assets without donor restriction at beginning of year	<u>1,031,608</u>	<u>-</u>	<u>1,031,608</u>
Net assets without donor restriction at end of year	<u>\$ 1,284,651</u>	<u>\$ 110</u>	<u>\$ 1,284,761</u>

The accompanying notes are an integral part of the financial statements.

THE READING LEAGUE, INC.

Statements of Functional Expenses

	For the year ended December 31, 2021				For the year ended December 31, 2020			
	Program Services	Fundraising / Marketing	Management and General	Total	Program Services	Fundraising / Marketing	Management and General	Total
Salaries	\$ 816,729	\$ 43,351	\$ 182,017	\$ 1,042,097	\$ 774,876	\$ 34,063	\$ 107,866	\$ 916,805
Benefits	162,114	8,605	36,129	206,848	164,444	7,229	22,891	194,564
Total salaries and benefits	978,843	51,956	218,146	1,248,945	939,320	41,292	130,757	1,111,369
Contractors	207,501	16,142	11,108	234,751	104,507	14,797	6,869	126,173
Repairs and maintenance	31,589	4,174	11,825	47,588	19,596	3,500	2,573	25,669
Advertising and marketing	139,646	6,381	28,529	174,556	177,401	9,365	27,293	214,059
Office expenses	18,761	857	3,833	23,451	21,431	1,123	3,273	25,827
Chapter expenses	16,193	-	-	16,193	5,808	-	-	5,808
Conferences, meetings and event expenses	62,931	-	-	62,931	105,710	-	-	105,710
Meeting expenses	15,926	52	958	16,936	8,384	181	527	9,092
Insurance	4,070	186	831	5,087	4,107	217	632	4,956
Journal expenses	127,283	-	-	127,283	92,755	-	-	92,755
Trade shows and travel	48,570	565	2,527	51,662	27,209	1,063	3,097	31,369
Miscellaneous	13,982	450	11,366	25,798	9,600	384	7,850	17,834
Dues and subscriptions	1,512	9,942	278	11,732	11,131	588	1,712	13,431
Program costs	10,468	165	738	11,371	5,778	1,056	733	7,567
Rent and occupancy	46,783	2,028	9,067	57,878	44,691	2,359	6,876	53,926
Total expenses before depreciation and amortization	1,724,058	92,898	299,206	2,116,162	1,577,428	75,925	192,192	1,845,545
Amortization	48,846	-	-	48,846	-	-	-	-
Depreciation	57,022	2,606	11,649	71,277	58,284	3,077	8,967	70,328
Total expenses	\$ 1,829,926	\$ 95,504	\$ 310,855	\$ 2,236,285	\$ 1,635,712	\$ 79,002	\$ 201,159	\$ 1,915,873

The accompanying notes are an integral part of the financial statements.

THE READING LEAGUE, INC.

Statements of Cash Flows

	Year ended December 31,	
	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 546,417	\$ 253,153
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	71,277	70,328
Amortization	48,846	-
Changes in operating assets and liabilities:		
Accounts and memberships receivable	(50,727)	(83,831)
Prepaid expenses	(41,438)	(78,681)
Inventory	(31,008)	(6,881)
Accounts payable	34,204	(15,327)
Deferred revenue	1,240,674	847,654
Net cash provided by operating activities	<u>1,818,245</u>	<u>986,415</u>
Cash flows from (used in) investing activities:		
Draws on funds held outside the organization	2,609,354	261,731
Other contributions to funds held outside the organization	(1,324,682)	(993,131)
Purchase of leasehold improvements and equipment	(22,770)	-
Purchase of digital assets	(146,447)	-
Net cash provided by (used in) investing activities	<u>1,115,455</u>	<u>(731,400)</u>
Net increase in cash and cash equivalents	2,933,700	255,015
Cash and cash equivalents at beginning of year	<u>727,566</u>	<u>472,551</u>
Cash and cash equivalents at end of year	\$ 3,661,266	\$ 727,566
Supplemental schedule of noncash investing activities:		
Purchase of leasehold improvements and equipment in accounts payable	<u>\$ 28,195</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

THE READING LEAGUE, INC.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

Nature of Operations

The Reading League, Inc. (the Organization) is a not-for-profit organization focused on advancing the awareness, understanding, and using evidence-aligned reading instruction to improve student literacy in the United States. The Organization intends to bridge the gap between the research performed to improve literacy in students and educators teaching reading in order to achieve maximum instructional impact. The Organization offers educational events, an annual conference, a social media presence, a journal, multiple web-based services, a television show, a compilation of resources for professional learning, and an opportunity to partner with individual schools and districts in order to accomplish their mission.

The Organization has Chapters throughout the United States and provides guidance and other assistance to such Chapters in executing the Organization's purpose. Chapter Agreements entered into between each Chapter and the Organization provide for common purposes and policy direction. The Chapter Agreement also provides the Organization with a monetary interest in the Chapters after the first year for support, website development and use of materials. Each Chapter is a separate not-for-profit organization. There is no common control between the Chapters and the Organization and therefore these financial statements do not include the results of the independent chapters. The Organization had 19 and 7 active Chapters as of December 31, 2021 and 2020, respectively.

Basis of Accounting

The Organization follows the guidelines and accounting policies outlined in the AICPA Audit and Accounting Guide, "Not-for-Profit Organizations." The accompanying financial statements have been prepared on the accrual basis of accounting.

Classification of Net Assets

The net assets of the Organization have been classified as without donor restrictions or with donor restrictions on the basis of the existence and/or nature of any donor-imposed restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as contributions and net assets without donor restrictions. Net assets with donor restrictions were \$725 and \$110 at December 31, 2021 and 2020, respectively.

Liquidity

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in a savings or money market account, and an agency fund as discussed further in Note 2.

THE READING LEAGUE, INC.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Availability of Resources

The following represents the Organization's financial assets at December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,661,266	\$ 727,566
Funds held outside the Organization	92,363	1,377,034
Inventory	45,397	14,389
Accounts and memberships receivable	<u>189,320</u>	<u>138,593</u>
Total financial assets	3,988,346	2,257,582
Net assets with donor restrictions	<u>(725)</u>	<u>(110)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 3,987,621</u></u>	<u><u>\$ 2,257,472</u></u>

Risks and Uncertainties

The Organization is subject to various risks and uncertainties in the ordinary course of business that could have adverse impacts on its operating results and financial condition. Future operations could be affected by changes in the economy or other conditions in the geographical area where the Organization is located.

Methods Used for Allocation of Expenses among Program and Supporting Services

The financial statements present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Certain categories of expenses that are attributable to one or more program or administrative services of the Organization are allocated based on estimates based on management's estimate of time spent on each program.

Cash and Cash Equivalents

The Organization considers all short-term investments purchased with a maturity of three months or less to be considered cash and cash equivalents. The Organization has cash balances in various financial institutions, which may, at times, exceed federally insured limits.

Accounts and Memberships Receivable

The Organization considers receivables to be fully collectible based on management's review of individual accounts outstanding. If collection becomes doubtful, an allowance for doubtful accounts will be established when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received. There was no bad debt expense recognized by the Organization for the years ended December 31, 2021 and 2020.

THE READING LEAGUE, INC.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Revenue Recognition and Contributions

The Organization follows FASB ASU 2014-09, Revenue from Contracts with Customers. This ASU requires the recognition of revenue related to the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled to in exchange for those goods or services, as well as additional qualitative and quantitative disclosures about revenues. The Organization's significant revenue streams are as follows:

Contributions and grants received are recorded as without donor restrictions or with donor restrictions support based on the nature of donor restriction. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as in an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Conference and service fee revenue is recognized at the time the associated event occurs. Any payments of deposits or tickets sold prior to the events are recorded in deferred revenue in the accompanying statements of financial position.

Sale of merchandise primarily consists of sales of inventory throughout the year. Revenue is recognized at the time the sale is made. Sales of merchandise are recorded net of cost of sales of \$27,391 and \$35,874 for the years ended December 31, 2021 and 2020, respectively.

The Organization sells subscriptions for The Reading League Journal and each subscription provides access to three editions of the journal. As each edition is made available to the customer, one third of the subscription cost is recognized as revenue. The remaining amount of the subscription cost is recorded in deferred revenue. Journal advertising is paid in advance and recorded as deferred revenue in the accompanying statements of financial position until the journal is published, and the corresponding revenue is recognized.

Deferred Revenue

Deferred revenue consists of amounts received in advance from grants and contributions, sponsorship and advertising for upcoming conferences and events, and for upcoming professional development, and is recognized during the period of the respective event. In addition, subscriptions received in advance are deferred and recognized over equally over the journal subscription period.

Inventory

Inventory consists of merchandise for sale, stated at the lower of cost or market. Cost is determined on a first-in, first-out basis.

THE READING LEAGUE, INC.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Leasehold Improvements and Equipment

It is the policy of the Organization to capitalize assets over \$2,500. Property and equipment are stated at cost and depreciated using the straight-line method. Leasehold improvements are amortized over the shorter of the lease terms or the estimated useful lives of the assets using the straight-line method. The useful lives of property and equipment range from five to ten years.

The Organization reviews its investment in property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by comparison of the carrying amount of the property to the future net undiscounted cash flow expected to be generated by the property including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the property. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property. There was no impairment loss recognized in 2021 or 2020.

Advertising

The Organization's policy is to expense advertising costs as the costs are incurred. Advertising expense was approximately \$174,600 and \$214,100 for the years ended December 31, 2021 and 2020, respectively.

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 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.

Donated Services and Supplies

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received no donated services for the year ended December 31, 2021. The Organization received donated services valued at \$560 for the year ended December 31, 2020. The values of the donated services are included as contributions in the statements of activities and the corresponding program expenses for the year ended December 31, 2020.

The Organization also received donated services from a variety of unpaid volunteers throughout the year. No amounts have been reflected for the donated services by volunteers since an objective basis to measure the value of such services is not available.

THE READING LEAGUE, INC.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is not a private Organization within the meaning of Section 509(a) of the Code.

The Organization evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2021, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next year.

The Organization's tax returns are generally open for examination by federal and local taxing authorities for a period of three years from the date they are filed. It is the Organization's policy to recognize any interest and penalties as expenses in the year assessed.

2. Funds Held Outside the Organization

The Organization made a gift to the Central New York Community Foundation (the Foundation) to establish the Reading League Fund (the Fund). The Organization originally deposited advance funding received from a multi-year grant from the Pleasant Rowland Foundation (the Grant) of \$1,719,054 in the Fund during 2018. In addition, donors may contribute directly to the Fund for the benefit of the Organization. In accordance with the agreement, the Organization may request funds as deemed necessary. During 2021, Grant proceeds of \$1,324,682 were directed to the Fund by the Organization, and the Organization took distributions from the Fund of \$2,609,354 to cover program expenses allocated to the Grant and transferred excess funds to a money market account for future investment and use in 2021. The agency fund held \$92,363 and \$1,377,034 at December 31, 2021 and 2020, respectively. The assets are recorded in the assets and liabilities of the Foundation and are reflected in the accompanying statement of financial position.

3. Pension Plan

The Organization has a 403(b) retirement plan. The retirement plan is available to all employees upon employment with the Organization. The Organization matches the employee's contribution up to a maximum of 5% of the employee's gross salary, after the employee completes 6 months of service. Retirement plan expense was approximately \$42,000 and \$41,500 for the years ended December 31, 2021 and 2020, respectively, and included within benefits on the statements of functional expenses.

THE READING LEAGUE, INC.

Notes to the Financial Statements

4. Leasehold Improvements and Equipment

Property and equipment consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Building improvements	\$ 479,148	\$ 479,148
Furniture and equipment	<u>252,800</u>	<u>201,835</u>
	731,948	680,983
Accumulated depreciation	<u>(176,396)</u>	<u>(105,119)</u>
	<u>\$ 555,552</u>	<u>\$ 575,864</u>

Depreciation expense was approximately \$71,300 and \$70,300 for the years ended December 31, 2021 and 2020, respectively.

5. Digital Assets

The Organization accounts for expenditures incurred to develop and produce a television series and digital content according to FASB ASU 2019-02. Total costs of approximately \$146,500 associated with developing and producing the first season of the digital television show, The Reading League's Reading Buddies™ (the show), have been capitalized within digital assets on the statement of financial position at December 31, 2021. Amortization is calculated on a straight-line basis over the show's estimated useful life of 3 years. Amortization expense for the year ended December 31, 2021 was approximately \$48,800. The show was created in 2021 and as such there were no capitalized digital assets or associated amortization expense for the year ended December 31, 2020.

6. Commitments

The Organization has entered into several operating leases as follows:

- Ten-year operating lease for office space with the Near Westside Initiative beginning June 1, 2019 through May 31, 2029 with initial rent for \$4,384 per month. The rental expense increases approximately 2% in years two through ten.
- Storage space is also rented from the Near Westside Initiative beginning in September 2019 for \$50 per month and increasing to \$100 per month in November 2020. The agreement is a month to month lease.
- Distribution room space is leased from Near Westside Initiative beginning September 2021 for \$600 per month. The lease remains in effect until either party gives notice to terminate.
- A copier lease with a five-year term. Monthly payments are dependent on copier usage.

THE READING LEAGUE, INC.

Notes to the Financial Statements

5. **Commitments** (continued)

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31 are:

2022	\$ 62,358
2023	57,593
2024	57,630
2025	58,757
2026	59,928
Thereafter	<u>149,644</u>
Total future minimum lease payments	<u>\$ 445,910</u>

The Organization incurred lease expense of approximately \$57,900 and \$53,900 for the years ended December 31, 2021 and 2020, respectively, and these costs are included in rental and occupancy expenses on the statements of functional expenses.

6. **Economic Dependency and Concentration of Credit Risk**

The Organization derived approximately 17% and 32% of its revenues from the Pleasant Rowland Foundation for the years ended December 31, 2021 and 2020, respectively. The Organization had advances of approximately \$2,051,000 and \$1,195,900 at December 31, 2021 and 2020, respectively, included within deferred revenue on the statements of financial position, to be used for future operations.

7. **Paycheck Protection Program Loan**

On February 2, 2021, the Organization was granted \$165,525 from Chase Bank through the Small Business Association (SBA), pursuant to the Paycheck Protection Program (PPP) Second Draw under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020. The PPP provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. Under the terms of the PPP, the loan balance can be forgiven, in full or part, based on the use of the funds for qualifying expenses in accordance with the requirements of the CARES Act. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of principal and interest payments for up to one year from the date of first disbursement. The Organizations received notification from Chase Bank on January 3, 2022 that the SBA has approved its application for loan forgiveness in full. The balance forgiven of \$165,525 has been recognized as revenue within the statement of activities for the year ended December 31, 2021.

On April 7, 2020, the Organization was granted \$110,355 from Chase Bank through the Small Business Association (SBA), pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020. The Organizations received notification from Chase Bank on March 22, 2021 that the SBA has approved its application for loan forgiveness in full. The balance forgiven of \$110,355 was recognized as revenue within the statement of activities for the year ended December 31, 2020.

THE READING LEAGUE, INC.

Notes to the Financial Statements

8. Subsequent Events

Management has evaluated subsequent events through July 11, 2022, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.