



**AUDITED
FINANCIAL STATEMENTS**

MAY 31, 2021 AND 2020

LAKE ERIE INK:
A WRITING SPACE FOR
YOUTH, INC.

INDEX

MAY 31, 2021

(With Summarized Comparative Financial Information for
the Year Ended May 31, 2020)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Erie Ink: A Writing Space for Youth, Inc.

We have audited the accompanying financial statements of Lake Erie Ink: A Writing Space for Youth, Inc. ("Lake Erie Ink"), a nonprofit organization, which comprise the statement of financial position as of May 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lake Erie Ink as of May 31, 2021 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.

Report on Summarized Comparative Information

We have previously audited Lake Erie Ink's 2020 financial statements, and our report dated November 16, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cleveland, Ohio
November 30, 2021

H&J
Certified Public Accountants



**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

STATEMENTS OF FINANCIAL POSITION

MAY 31, 2021
(WITH COMPARABLE TOTALS FOR 2020)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2021	2020
ASSETS				
Cash and Cash Equivalents	\$ 173,180	\$ 32,000	\$ 205,180	\$ 277,490
Grants Receivable	24,430	12,038	36,468	15,632
Accounts Receivable	10,445	-	10,445	4,400
Prepaid Expenses	1,485	-	1,485	742
	<u>\$ 209,540</u>	<u>\$ 44,038</u>	<u>\$ 253,578</u>	<u>\$ 298,264</u>
LIABILITIES				
Accounts Payable	\$ 5,425	\$ -	\$ 5,425	\$ 6,384
Refundable Advance - PPP	-	-	-	48,743
Deferred Revenue	3,610	-	3,610	90
Total Liabilities	<u>9,035</u>	<u>-</u>	<u>9,035</u>	<u>55,217</u>
NET ASSETS				
NET ASSETS				
Without Donor Restrictions	200,505	-	200,505	165,949
With Donor Restrictions	-	44,038	44,038	77,098
Total Net Assets	<u>200,505</u>	<u>44,038</u>	<u>244,543</u>	<u>243,047</u>
Total Net Assets & Liabilities	<u>\$ 209,540</u>	<u>\$ 44,038</u>	<u>\$ 253,578</u>	<u>\$ 298,264</u>

See accompanying notes.

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

STATEMENTS OF ACTIVITIES

YEAR ENDED MAY 31, 2021
(WITH COMPARABLE TOTALS FOR 2020)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2021	2020
PUBLIC SUPPORT AND REVENUE				
PUBLIC SUPPORT				
Foundations	\$ 45,015	\$ 36,000	\$ 81,015	\$ 56,325
Governmental	33,883	36,843	70,726	71,938
Individuals & Organizations	60,512	-	60,512	63,805
Governmental - PPP	48,743	-	48,743	-
Special Events, Net	4,267	-	4,267	1,842
Net Assets Released from Restrictions	105,903	(105,903)	-	-
TOTAL PUBLIC SUPPORT	298,323	(33,060)	265,263	193,910
REVENUE				
Program Income	80,139	-	80,139	77,079
State Unemployment Refund	4,838	-	4,838	6,880
Investment Income	72	-	72	176
TOTAL REVENUE	85,049	-	85,049	84,135
TOTAL PUBLIC SUPPORT & REVENUE	383,372	(33,060)	350,312	278,045
EXPENSES				
Program Expenses	312,251	-	312,251	310,868
Management & General	12,663	-	12,663	34,734
Fundraising	23,902	-	23,902	20,498
	348,816	-	348,816	366,100
CHANGE IN NET ASSETS	34,556	(33,060)	1,496	(88,055)
NET ASSETS – Beginning	165,949	77,098	243,047	331,102
NET ASSETS – Ending	\$ 200,505	\$ 44,038	\$ 244,543	\$ 243,047

See accompanying notes.

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED MAY 31, 2021
(WITH COMPARABLE TOTALS FOR 2020)

EXPENSES	PROGRAM	MANAGEMENT & GENERAL	FUNDRAISING	2021	2020
Compensation	\$ 177,268	\$ 9,073	\$ 17,340	\$ 203,681	\$ 210,118
Health Benefits	16,599	850	1,623	19,072	14,174
Payroll Taxes	14,762	756	1,444	16,962	16,633
	<u>208,629</u>	<u>10,679</u>	<u>20,407</u>	<u>239,715</u>	<u>240,925</u>
Professional Fees	76,043	-	-	76,043	64,051
Rent & Utilities	10,277	473	1,063	11,813	10,906
Direct Program Expenses	3,795	-	-	3,795	8,255
Office Expenses	3,220	148	333	3,701	5,266
Insurance	1,319	1,045	-	2,364	944
Marketing and Advertising	2,029	-	-	2,029	2,992
Printing & Copying	1,523	70	157	1,750	4,371
Dues and Subscriptions	908	-	650	1,558	1,560
Staff Development	1,384	154	-	1,538	2,098
Communications	1,068	49	111	1,228	1,386
Postage & Shipping	968	45	100	1,113	1,241
Fundraising Expense	-	-	1,081	1,081	-
Small Equipment	623	-	-	623	8,565
Travel & Meetings	465	-	-	465	6,940
Bad Debt	-	-	-	-	4,800
Repairs & Maintenance	-	-	-	-	1,800
Total Expenses	<u>\$ 312,251</u>	<u>\$ 12,663</u>	<u>\$ 23,902</u>	<u>\$ 348,816</u>	<u>\$ 366,100</u>

See accompanying notes.

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

STATEMENTS OF CASH FLOWS

YEAR ENDED MAY 31, 2021
(WITH COMPARABLE TOTALS FOR 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,496	\$ (88,055)
Impact on Cash from Changes in:		
Accounts Receivable	(20,836)	41,440
Grants Receivable	(6,045)	16,284
Prepaid Expenses	(743)	3,243
Accounts Payable	(959)	1,521
Refundable Advance - PPP	(48,743)	48,743
Deferred Revenue	3,520	(3,965)
Cash Provided by (Used by) Operating Activities	(72,310)	19,211
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(72,310)	19,211
CASH AND CASH EQUIVALENTS – Beginning	277,490	258,279
CASH AND CASH EQUIVALENTS – Ending	\$ 205,180	\$ 277,490

See accompanying notes.

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2021 AND 2020

1. NATURE OF ORGANIZATION

Lake Erie Ink: A Writing Space for Youth, Inc. ("LEI") is a nonprofit 501(c)(3) that provides creative expression opportunities and academic support to youth in the Greater Cleveland community. At Lake Erie Ink, youth:

- Grow as students and citizens in an emotionally safe environment where they develop strong relationships with peers and adults in their community
- Become more confident participants in the community as they discover their voices, share their ideas, and listen to and gain inspiration from each other
- Develop life skills and critical thinking capacity through collaborative project-based learning
- Connect with and contribute to their community by writing and "publishing" their creative work for an audience of peers and community

In addition to creating a climate and structure in which youth can express their ideas and tell their stories, LEI supports students by offering after school homework assistance in one-on-one and small group formats. LEI also supports teachers in our public schools by collaborating with them to design writing projects that meet and exceed state standards in order to encourage true writing mastery—projects that will culminate in publication, with the help of volunteers as writing coaches/editors. . LEI is a member of the International Alliance of Youth Writing Centers.

Services provided by LEI include the following core programs:

Evening Ink Teen Program

Weekly writing workshops for teens in grades 6th-12, that focus on a range of topics and in various genres including: fiction, journalism, poetry, and personal essays in preparation for college and after high school career opportunities. Monthly Open Mic Nights where teen writers have the opportunity to share their work with a supportive audience of peers.

Weekend Ink

Monthly weekend workshops for all ages that explore creative writing in all genres, including: Poetry, Play writing, Comics and graphic stories, and a range of fiction, (realistic, science fiction and fantasy, adventure, and historical)

The Ink Spot Afterschool Programs and Writers Studio for Middle School Writers

Two locations: At our site in the Coventry School and at our satellite Ink Spot at Noble Elementary School. We offer homework help and creative writing opportunities for 3rd-6th graders, Monday through Thursday, from 3:00 p.m. - 5:30 p.m. Writers Studio is open to youth in grades 6-8 and meets weekly. Staff and volunteers are available for homework help in all subjects. Once homework is completed, a variety of engaging creative writing activities are offered.

Summer Ink Creative Camps for Youth in Grades 2-12

LEI offers 8 weeks of creative expression camps to youth in grades 3-12. Session topics include, Comics and graphic storytelling, Puppetry, Community Connections, Writing in 3-D, playwriting and Creative nonfiction. All camps are designed to provide an engaging and enriching experience that connects youth to their peers and their community through writing.

School and Community Programs

LEI staff works with teachers and other youth serving professionals to design writing projects that meet the needs of the teacher and students both academically and developmentally and are aligned with State standards. Projects may be thematic (for example: bullying and empathy) or genre based (for example: tall tales, poetry, personal essays, or play writing). School programs also include elementary school field trips to our center for on-site project-based creative writing experiences. LEI offers an indelible experience in creative writing and bookmaking to public school primary grade students. Projects typically culminate in a quality publication and/or presentation. These programs have a fee but we work with schools and organization who cannot pay to find other sources of funding.

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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

LEI classifies its net assets and revenues, expenses, gains and losses on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of LEI and changes therein are classified as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of LEI. LEI's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of LEI or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

SUMMARIZED FINANCIAL INFORMATION

The financial statements and notes to financial statements include certain prior-year summarized comparative information in total, but not by 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 (GAAP). Accordingly, such information should be read in conjunction with LEI's financial statements for the year ended May 31, 2020, from which the summarized information was derived.

Certain amounts in the prior-year summarized comparative information have been reclassified to be consistent with the presentation in the current-year financial statements. These classifications had no impact on changes in net assets as previously presented.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

CASH AND CASH EQUIVALENTS/CONCENTRATION OF RISK

Cash accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 for all combined deposits at the same bank. LEI was fully insured at May 31, 2021. LEI has not experienced losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. Cash equivalents are highly liquid investments with an original maturity of three months or less at the date of purchase. Because of the short maturity of these financial instruments, the carrying value approximates the fair value.

Primarily all of LEI's revenues and receivables are from foundations, businesses and individuals located in northeastern Ohio.

RECEIVABLES AND CREDIT POLICIES

Receivables are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Management evaluated receivables as of May 31, 2021 and has determined that an allowance for doubtful accounts is immaterial to these financial statements.

**LAKE ERIE INK: A WRITING
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NOTES TO THE FINANCIAL STATEMENTS

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FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). LEI groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and maximize the use of observable inputs when measuring fair value, which is LEI's policy. For the years ended May 31, 2021 and 2020, the application of valuation techniques applied to similar assets and liabilities has been consistent.

FIXED ASSETS

LEI capitalizes costs exceeding \$5,000 for personal property purchases and \$10,000 for real property additions and improvements that extend the useful life of assets. Expenditures for routine repairs and maintenance are charged to operations. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets that range from three to forty years. Depreciation expense amounted to \$-0- in 2021 and 2020.

Repairs and maintenance, which are not considered betterments and do not extend the useful life of property, are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the asset and accumulated depreciation are removed from the accounts and the resulting profit or loss is reflected in income.

DEFERRED REVENUE

Deferred revenue consists of registration payments received in advance of the ensuing summer camp and other programs. Such amounts are recorded as revenue when these services are performed.

REVENUE AND REVENUE RECOGNITION

Unconditional donor promises to give are reported at fair value at the date that there is sufficient verifiable evidence documenting that a promise was made by the donor and received by LEI. The gifts are reported as either net assets without donor restriction or net assets with donor restriction if they are received with donor stipulations that sufficiently limit the use of the donated assets. When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and are reported on the statement of activities and changes in net assets as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

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MAY 31, 2021 AND 2020

Revenue from fees for services is earned as services are provided and is reported at an estimated net realizable amount due from individuals, schools, and others for services rendered.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restriction; otherwise, the contributions are recorded as net assets without donor restriction. LEI recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributed income of cash or other assets that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

Gains and losses on investments are reported as increases or decreases to net assets without donor restrictions unless their use is restricted by donor-imposed stipulation or by state law.

LEI records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

LEI recognizes in-kind services in accordance with applicable accounting standards if the services received (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

In addition, LEI receives services from volunteers who give significant amounts of their time to LEI's programs, fundraising campaigns, and management. No amounts have been reflected for these types of donated services as they do not meet the criteria for recognition.

FUNCTIONAL EXPENSE ALLOCATIONS

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses reflects the natural classification detail of expenses by function. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation amount the programs and supporting services benefited. Management believes their allocations are done on a reasonable and consistent basis. Most personnel costs, office expenses, professional services, and other expenses are identified with a specific program or supporting function at the time they are incurred and are reported accordingly. However, some of these expenses require allocation, which is done on the basis of estimates of time and effort.

INCOME TAXES

LEI is exempt from the payment of federal and local income taxes on income other than unrelated business income under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as other than a private foundation. LEI currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded.

ADVERTISING COSTS

Advertising costs are expensed as incurred.

ACCOUNTING GUIDANCE PENDING ADOPTION

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. In 2020, the FASB delayed the effective date for nonpublic entities to fiscal years beginning after December 15, 2021. Early adoption is permitted. LEI is currently evaluating the full effect that the adoption of this standard will have on the financial statements.

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2021 AND 2020

3. NET ASSETS WITH DONOR RESTRICTIONS

At May 31, net assets with donor restrictions were as follows:

	2021			
	BEGINNING NET ASSETS WITH DONOR RESTRICTIONS	CONTRIBUTIONS	NET ASSETS RELEASED FROM RESTRICTION	ENDING NET ASSETS WITH DONOR RESTRICTIONS
	\$	70,289	\$ 52,076	\$ (87,327)
2021-2022 Operations	70,289	52,076	(87,327)	35,038
Arts Partnership	2,809	-	(2,809)	-
Book Project	2,000	-	(2,000)	-
CMSD High School Students	1,000	-	(1,000)	-
Ink Spot - Coventry	-	3,000	-	3,000
Inside Out - Queer Creators	-	5,000	-	5,000
Off-Site Programming	1,000	-	-	1,000
Young Writers Project	-	12,767	(12,767)	-
	<u>\$ 77,098</u>	<u>\$ 72,843</u>	<u>\$ (105,903)</u>	<u>\$ 44,038</u>
	2020			
	BEGINNING NET ASSETS WITH DONOR RESTRICTIONS	CONTRIBUTIONS	NET ASSETS RELEASED FROM RESTRICTION	ENDING NET ASSETS WITH DONOR RESTRICTIONS
\$	60,000	\$ 63,589	\$ (53,300)	\$ 70,289
2020-2021 Operations	60,000	63,589	(53,300)	70,289
After School Programming	7,725	-	(7,725)	-
Arts Partnership	-	14,046	(11,237)	2,809
Book Project	-	7,500	(5,500)	2,000
CMSD High School Students	8,325	-	(7,325)	1,000
Fresh Link - 2020	10,000	-	(10,000)	-
Ink Spot - Coventry	3,000	-	(3,000)	-
Off-Site Programming	10,000	-	(9,000)	1,000
Summer Internships	6,600	-	(6,600)	-
Teen Camps	2,000	-	(2,000)	-
Teen Ink	5,000	-	(5,000)	-
	<u>\$ 112,650</u>	<u>\$ 85,135</u>	<u>\$ (120,687)</u>	<u>\$ 77,098</u>

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

NOTES TO THE FINANCIAL STATEMENTS

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4. REFUNDABLE ADVANCE - PPP

In May 2020, LEI received proceeds in the amount of \$48,743 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides qualifying businesses amounts up to 2.5 times of their average monthly payroll expenses. LEI accounted for this grant as a conditional contribution under FASB ASC 958-605 and therefore reflected the proceeds as a Refundable Advance on the Statement of Financial Position at May 31, 2020. In 2021, LEI incurred qualifying expenditures that derecognized whereby the liability was recognized as grant revenue.

5. SPECIAL EVENTS

LEI conducts special fundraising events for which revenue and expenses are as follows:

	2021	2020
Revenue	\$ 4,267	\$ 3,374
Direct Donor Benefits	-	(1,532)
	<u>\$ 4,267</u>	<u>\$ 1,842</u>

6. COMMITMENTS

LEI secured a 15-month operating lease for its facility with Coventry PEACE, Inc., an Ohio nonprofit, beginning October 1, 2021. Additional terms of the lease provide for additional rent in the form of a "shared amenities cost" and also contributions to a reserve account for excess facility expenses of the landlord, in conjunction and proportionate with the facility's other tenants. The future commitment on the lease amounts to approximately \$6,200 in 2022.

Rent expense amounted to approximately \$12,000 and \$10,000 in 2021 and 2020, respectively.

7. AVAILABILITY AND LIQUIDITY

As of May 31, the following represents LEI's financial assets available to meet general expenditures over the next twelve months:

	2021	2020
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 205,180	\$ 277,490
Grants and Contributions Receivable	36,468	15,632
Accounts Receivable	10,445	4,400
	<u>252,093</u>	<u>297,522</u>
Total Financial Assets	252,093	297,522
Less Amounts not Available to be Used Within One Year:		
Net Assets with Donor Restrictions - Cash and Cash Equivalents	(9,000)	(4,000)
Net Assets with Donor Restrictions - Grants Receivable	-	(2,809)
	<u>(9,000)</u>	<u>(6,809)</u>
Financial Assets Available to meet General Expenditures		
Over the Next Twelve Months	<u>\$ 243,093</u>	<u>\$ 290,713</u>

Financial assets are considered available unavailable when illiquid, not convertible to cash within one year, or restricted by donors either for long-term purposes or for use in a certain time period. LEI has certain donor-restricted net assets that are available for general expenditures within one year of May 31, 2021, because restrictions on the net assets are expected to be met by conducting normal activities of its programs in the coming year. LEI is substantially supported by government grants, general contributions, and special event fundraisers. LEI manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due.

**LAKE ERIE INK: A WRITING
SPACE FOR YOUTH, INC.**

NOTES TO THE FINANCIAL STATEMENTS

MAY 31, 2021 AND 2020

8. RISKS AND UNCERTAINTIES

The spread of coronavirus (COVID-19) around the world through the date of these financial statements has caused significant volatility in the U.S. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well its impact on local and U.S. economies and, as such, the LEI is unable to determine if it will have material impact on its operations.

9. SUBSEQUENT EVENTS

In preparing these financial statements, the LEI has evaluated events and transactions for potential recognition or disclosure through November 30, 2021, the date the financial statements were available to be issued.