

LOTUS OUTREACH
FINANCIAL STATEMENTS
DECEMBER 31, 2022



Leaf & Cole, LLP
Certified Public Accountants

**LOTUS OUTREACH
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 15



Leaf & Cole, LLP
*Certified Public Accountants
A Partnership of Professional Corporations*

Independent Auditor's Report

To the Board of Directors
Lotus Outreach

Opinion

We have audited the accompanying financial statements of Lotus Outreach (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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lotus Outreach 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Lotus Outreach, 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.

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 Lotus Outreach'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

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 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, including omissions, 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 generally accepted 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 Lotus Outreach'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 Lotus Outreach'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.

Report on Summarized Comparative Information

We have previously audited Lotus Outreach's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 18, 2022. In our 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.

Leaf & Cole LLP

San Diego, California
July 25, 2023

LOTUS OUTREACH
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

ASSETS		
	<u>2022</u>	<u>2021</u>
<u>Current Assets:</u> (Notes 2 and 4)		
Cash and cash equivalents	\$ 397,794	\$ 263,188
Inventory	5,009	5,009
Contributions receivable	6,100	55,000
Prepaid expenses	<u>1,625</u>	<u>1,625</u>
TOTAL ASSETS	\$ <u>410,528</u>	\$ <u>324,822</u>
LIABILITIES AND NET ASSETS		
<u>Current Liabilities:</u> (Note 2)		
Accounts payable and accrued expenses	\$ <u>198</u>	\$ <u>9,128</u>
Total Liabilities	<u>198</u>	<u>9,128</u>
<u>Contingency</u> (Note 6)		
<u>Net Assets:</u> (Notes 2 and 5)		
Without donor restrictions	226,163	102,552
With donor restrictions	<u>184,167</u>	<u>213,142</u>
Total Net Assets	<u>410,330</u>	<u>315,694</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>410,528</u>	\$ <u>324,822</u>

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

LOTUS OUTREACH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	Total <u>2022</u>	Total <u>2021</u>
<u>Revenue and Support:</u>				
Contributions and grants	\$ 538,215	\$ 417,258	\$ 955,473	\$ 754,235
Other income	10,772	-	10,772	8,023
In-kind donations	4,500	-	4,500	4,500
Investment income	645	-	645	27
Net assets released from restrictions	446,233	(446,233)	-	-
Total Revenue and Support	<u>1,000,365</u>	<u>(28,975)</u>	<u>971,390</u>	<u>766,785</u>
<u>Expenses:</u>				
Program Services	<u>694,497</u>	<u>-</u>	<u>694,497</u>	<u>595,876</u>
<u>Supporting Services:</u>				
Fundraising	154,104	-	154,104	121,403
General and administrative	28,153	-	28,153	22,790
Total Supporting Services	<u>182,257</u>	<u>-</u>	<u>182,257</u>	<u>144,193</u>
Total Expenses	<u>876,754</u>	<u>-</u>	<u>876,754</u>	<u>740,069</u>
Change in Net Assets	123,611	(28,975)	94,636	26,716
Net Assets at Beginning of Year	<u>102,552</u>	<u>213,142</u>	<u>315,694</u>	<u>288,978</u>
NET ASSETS AT END OF YEAR	<u>\$ 226,163</u>	<u>\$ 184,167</u>	<u>\$ 410,330</u>	<u>\$ 315,694</u>

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

LOTUS OUTREACH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	Program Services	Supporting Services		Total 2022	Total 2021
		General and Administrative	Fundraising		
Bank fees	\$ 2,279	\$ 243	\$ 8,140	\$ 10,662	\$ 9,737
Communications	219	151	6,939	7,309	6,049
Conferences, meetings and training	-	165	-	165	195
Contract labor	1,900	-	-	1,900	4,358
Document management	300	1,662	1,050	3,012	2,400
Employee benefits	-	-	250	250	-
Grants and contracts	680,423	-	-	680,423	589,329
Insurance	-	3,043	621	3,664	2,105
Legal	-	-	-	-	1,100
Memberships and dues	-	225	-	225	225
Office expenses	-	-	-	-	57
Other expenses	-	75	-	75	150
Payroll processing	-	828	-	828	674
Payroll taxes	706	368	9,217	10,291	6,667
Postage and shipping	-	31	2,412	2,443	1,765
Printing	-	-	-	-	89
Professional services	-	16,660	-	16,660	16,660
Promotion and sponsored events	-	900	17,671	18,571	18,558
Salaries and consultants	8,670	3,752	107,804	120,226	79,882
Software	-	50	-	50	69
TOTAL EXPENSES	\$ 694,497	\$ 28,153	\$ 154,104	\$ 876,754	\$ 740,069

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

LOTUS OUTREACH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	<u>2022</u>	<u>2021</u>
<u>Cash Flows From Operating Activities:</u>		
Change in net assets	\$ 94,636	\$ 26,716
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) Decrease in:		
Inventory	-	226
Contributions receivable	48,900	(55,000)
Increase (Decrease) in:		
Accounts payable and accrued expenses	<u>(8,930)</u>	<u>8,925</u>
Net Cash Provided by (Used in) Operating Activities	<u>134,606</u>	<u>(19,133)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	134,606	(19,133)
Cash and Cash Equivalents at Beginning of Year	<u>263,188</u>	<u>282,321</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 397,794</u></u>	<u><u>\$ 263,188</u></u>

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

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 1 - Organization:

Lotus Outreach is a nonprofit organization, incorporated in California in 2002, dedicated to ensuring the education, health and safety of vulnerable women and children in the developing world. Lotus Outreach's purpose is to create a more just, peaceful world where all people--regardless of nationality, ethnicity, religion, and gender--can lead rich, meaningful lives that are free of physical and structural violence.

Lotus Outreach's pursuit of this mission is manifested in the following core program areas:

- Improving access to quality education for marginalized youth.
- Economic empowerment of parents and young women.
- Human trafficking and gender-based violence prevention and aftercare.
- Improving health and sanitation for vulnerable communities.

From one year to the next, Lotus Outreach programs reach over 30,000 marginalized women and children in some of the poorest regions of Asia. Current Lotus Outreach programs include:

Accredited Social Health Activists (ASHA)

ASHA improves women and children's village health care by training local government healthcare workers, ensuring better quality, and increasing access by education their communities about vital health care rights and practices in rural Rajasthan, India.

Blossom Bus

The Blossom Bus provides vehicles driven by trustworthy drivers to safely deliver young women to secondary school and college. We currently transport over 650 girls to secondary school and 40 young women to college. Until proper secondary schools and colleges become available to all villagers, the Blossom Bus aims to provide transportation to girls and young women at this transitional stage, leading the way in establishing female education as a norm rather than an anomaly.

Buddha Smiles

Buddha Smiles' evening classes have been serving poor children of quarry labor, weaving artisans and subsistence farmers for more than 15 years. Buddha Smiles, is a network of local volunteer teachers that assist struggling primary school students with free after-school tutoring for less than \$15 per student per year.

Buddha Smiles to College

This program provides scholarship support to young women and men from poor and marginalized communities in Tamil Nadu, India, including from incredibly remote villages.

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 1 - Organization: (Continued)

CATALYST

Through full scholarships (covering tuition, food, residence, utilities, class fees, and a daily allowance) of approximately \$1,800 per girl, per year, the CATALYST program carries on the work of GATE by seeing through our long-term investment in girls education by helping to rebuild the intellectual class that was completely decimated by the Khmer Rouge only a generation ago.

Counseling and Reintegration (formerly Consoling Through Counselling. CTC)

The counseling and reintegration project supported by Lotus Outreach provides a safe haven for survivors of violence, guarantees them physical protection and emotional support, and provides them the sanctuary needed for recovery. Support includes individual and group counseling, literacy courses, vocational training, life skills classes, legal services and reintegration assistance.

EQU+

The EQU+ after school program serves children of migrant laborers by enrolling them in school and providing evening bridge classes to ensure they keep up at an age-appropriate level. The program also engages parents and seeks to establish formal relationships between parents and the schools.

First Steps

In partnership with Primeros Pasos, First Steps provides crucial healthcare and resources to people living in a very remote region of Guatemala where there are high incidents of malnutrition and a general lack of infrastructure and resources for public health.

Garden of Peace - Nutrition

Garden of Peace provides nutritious daily meals to students at a school dedicated to holistic education for the rural poor in Tamil Nadu, India.

Garden of Peace - Integrated Rural Development (IRD)

This project established oil processing units for Self Help Groups in Tamil Nadu, India, as part of a sustainable rural development project, which will provide employment for economically challenged rural women and men (80% / 20%), especially those impacted by the Covid pandemic.

Getting Wells

This program installs water wells that serve entire villages in drought prone regions of rural Cambodia, as well as providing education to recipient communities regarding water sanitation and hygiene.

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 1 - Organization: (Continued)

Girls Access to Education (GATE)

Provides scholarships to girls who are at-risk or are survivors of violence in order to keep them enrolled in school. Our goal is for these girls to attend school through the third year of high school, and further if possible.

Kapadia Scholars

Kapadia Scholars provides youth from destitute urban neighborhoods in Delhi with mentoring, university annual fee scholarships including online degrees and ongoing peripheral support.

Khemara Pre-Schools (2)

Provides early childhood development for the neediest children through games, nutrition, and education.

Lotus Pedals

By providing bicycles with locks and repair kits, Lotus Pedals has changed the lives of hundreds of girls by supplying safe, reliable transportation. When girls stay in school, their achievements far exceed the basics of formal lessons: they gain confidence, access to academic communities, and the respect of their families and neighbors.

Lotus Relief

This program was established in 2020 to meet the urgent needs of the communities we serve during crises. This emergency relief supports at-home study materials, health education advocacy, and emergency food aid for students and families affected by the pandemic.

Passerelles Numeriques Cambodia (PNC)

PNC supports GATE scholars in attending PNC's IT training program offering courses in System and Network Administration (SNA) and Web Programming (WEB). Lotus Outreach supports 50% of the cost for students to attend this two-year residential program in Cambodia and Vietnam.

Rice 4 Education

Provides rice support to poor village families with girls in scholarship programs in Cambodia keeping the most vulnerable from dropping out of school.

Santi Sena - Integrated Rural Development (IRD)

Through our partnership with Santi Sena, this program will work to empower and create wellbeing in beneficiary communities through two-fold objectives: to reduce barriers to food security for the poor through saving, resilient agriculture, marketing and supply chain improvement, and to improve practices of sanitation and hygiene behavior.

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 1 - Organization: (Continued)

Skills Training for Employment (STEP)

Skills Training for Employment seeks to reduce poverty by providing income-generating skills to those who most need them. Women learn tailoring and men are taught electrical and mechanical skills. Without this ability to earn greater income, these women and men would remain in poverty, eking out a living on \$4 per day as daily wage earners.

Solidarity Market

Solidarity Market serves some of the poorest families in Rio de Janeiro, Brazil. Our partner, Mulheres da Parada, distributes food every 15 days in a market, prioritizing single-parent families headed by women.

Water in Schools (WINS)

WINS installs water filtration systems in rural Cambodian schools in collaboration with committed faculty to provide school children access to clean drinking water.

Note 2 - Significant Accounting Policies:

Accounting Method

The financial statements of Lotus Outreach have been prepared on the accrual basis of accounting which is in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes thereon are classified and reported as follows:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 2 - Significant Accounting Policies: (Continued)

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.

Fair Value Measurements

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). Lotus Outreach had no financial instruments at December 31, 2022 and 2021.

Inventory

Inventory consist primarily of apparel and tote bags. Inventory is valued at the lower of average cost (first-in, first-out method) or net realizable value.

Investment Income

Investment income consists of the following for the years ended December 31:

	<u>2022</u>		<u>2021</u>
	<u>Without Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Interest income	\$ <u>645</u>	\$ <u>645</u>	\$ <u>27</u>
Total Investment Income	\$ <u><u>645</u></u>	\$ <u><u>645</u></u>	\$ <u><u>27</u></u>

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 2 - Significant Accounting Policies: (Continued)

Revenue Recognition

Contributions are recognized when the donor makes a promise to give in writing to Lotus Outreach that is in substance, unconditional. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When the stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Donated Services

Lotus Outreach has received donations for accounting services. The accounting services are recorded at the fair value of the services received and totaled \$4,500 for each of the years ended December 31, 2022 and 2021, and have been recorded as in-kind contributions and professional services in the statement of activities for the years ended December 31, 2022 and 2021. The donated services were used in supporting services.

In addition, many individuals volunteer their time and perform a variety of tasks that assist Lotus Outreach with specific programs and various committee assignments. This contribution of services by the volunteers is not recognized in the financial statements unless the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The donated services by volunteers for the years ended December 31, 2022 and 2021, did not meet the requirements above, therefore no amounts were recognized in the financial statements for volunteer time.

Functional Allocation of Expenses

The statements of functional expenses present expenses by function and natural classification. Lotus Outreach allocates its expenses on a functional basis among its various programs and supporting services. Expenditures which can be identified with a specific program or support services are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among the program and supporting services based on estimates made by Lotus Outreach's management.

Income Taxes

Lotus Outreach is a public charity and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. Lotus Outreach believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Lotus Outreach is not a private foundation.

Lotus Outreach's Return of Organization Exempt from Income Tax for the years ended December 31, 2022, 2021, 2020 and 2019 are subject to examination by the Internal Revenue Service and State taxing authorities, generally three to four years after the returns were filed.

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 2 - Significant Accounting Policies: (Continued)

Concentration of Credit Risk

Lotus Outreach maintains its cash in bank deposit accounts and money market funds which, at times, may exceed federally insured limits. Lotus Outreach has not experienced any losses in such accounts. Lotus Outreach believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Lotus Outreach considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Comparative Totals for December 31, 2021

The financial statements include certain prior year summarized comparative information in total but not by net asset class. This summarized information is for comparative purposes only, and accordingly, such information should be read in conjunction with Lotus Outreach's financial statements for the year ended December 31, 2021, from which the summarized comparative information was derived.

Accounting Pronouncements Adopted

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. ASU 2020-07 improves transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit entities. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. This standard is applied on a retrospective basis. The adoption had no effect on the 2022 financial statements.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases ("FASB ASC 842")* to increase transparency and comparability among organizations by requiring the recognition of lease assets and lease liabilities on the balance sheet by lessees, and the disclosure of key information about leasing arrangements. This standard is applied on a modified retrospective basis.

FASB ASC 842 was adopted January 1, 2022 with certain practical expedients available. The adoption had no effect on the 2022 financial statements.

Subsequent Events

In preparing these financial statements, Lotus Outreach has evaluated events and transactions for potential recognition or disclosure through July 25, 2023, the date the financial statements were available to be issued and concluded that there were no events or transactions that needed to be disclosed.

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 3 - Liquidity and Availability:

Lotus Outreach regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. Lotus Outreach considers contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For purposes of analyzing resources available to meet general expenditures over a 12-month period, Lotus Outreach considers all expenditures related to its ongoing programs as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets available for general expenditure within one year are comprised of the following at December 31:

	<u>2022</u>	<u>2021</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 397,794	\$ 263,188
Contributions receivable	<u>6,100</u>	<u>55,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 403,894</u>	<u>\$ 318,188</u>

In addition to financial assets available to meet general expenditures over the next 12 months, Lotus Outreach operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Note 4 - Contributions Receivable:

Contributions receivable are due in less than one year and total \$6,100 and \$55,000 at December 31, 2022 and 2021, respectively.

Note 5 - Net Assets With Donor Restrictions:

Net assets with donor restrictions represent contributions received or receivable by Lotus Outreach, which are limited in their use by time or donor-imposed restrictions. Net assets with donor restrictions are available for the following purpose at December 31:

	<u>2022</u>	<u>2021</u>
<u>Subject to Expenditure for Specified Purposes:</u>		
Girls Access to Education (GATE)	\$ 84,149	\$ 92,000
Garden for Peace (Nutrition)	38,965	7,435
Santi Sena IRD	36,247	36,337
COCD Wells	10,460	10,460
EQU+	7,537	26,736
Gate Rice 4 Education	3,975	3,975
WLCT/STEP	1,605	-
Khemara Pre-School	1,115	2,305
Garde of Peace Oil Extraction	114	2,209
Lotus Pedals	-	13,797
Rice 4 Education	-	12,710
Pass'le Num	-	4,564
Sheng Yi Pre-School (Streung)	-	614
Total Net Assets With Donor Restrictions	<u>\$ 184,167</u>	<u>\$ 213,142</u>

LOTUS OUTREACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

Note 5 - Net Assets With Donor Restrictions: (Continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors are as follows for the year ended December 31, 2022:

Purpose Restrictions Accomplished:

Catalyst	\$ 136,818
Girls Access to Education (GATE)	63,343
EQU+	57,037
Blossom Bus	32,139
Santi Sena IRD	21,048
Pass'le Num	20,856
Lotus Pedals	18,597
White Lotus Charitable Trust (WLCT)	16,500
Khemara Pre-School	13,290
Rice 4 Education	12,710
LOCAM Operations	12,366
WLCT/STEP	9,313
Garden for Peace (Education)	8,500
Sheng Yi Pre-School	7,360
Counseling and Reintegration (CTC)	7,321
Garden for Peace (Nutrition)	6,940
Garden of Peace Oil Extraction	2,095
Total Net Assets Released From Restrictions	\$ 446,233

Note 6 - Coronavirus Pandemic Contingency:

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. Lotus Outreach is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on Lotus Outreach's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on Lotus Outreach's donors, employees, and vendors, all of which at present cannot be determined. Accordingly, the extent to which COVID-19 may impact Lotus Outreach's financial position and changes in net assets and cash flows is uncertain, and the accompanying financial statements include no adjustments relating to the effects of this pandemic.