

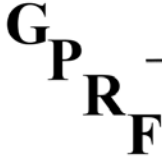
**REACHING U,
A FOUNDATION FOR URUGUAY**

Financial Report

December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Reaching U, A Foundation for Uruguay

Report on the Financial Statements

We have audited the accompanying financial statements of Reaching U, A Foundation for Uruguay ("Reaching U"), a not-for-profit organization, which comprise the statements of financial position as of December 31, 2019 and 2018, and related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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.

THE FIRM OF LORENTZ AND GRUBER SINCE 1945

MEMBERS NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS AND AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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 Reaching U, A Foundation for Uruguay as of December 31, 2019 and 2018, and the changes in its net assets, its functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gruber Palumberi Raffaele Fried, P.C.

New York, NY
July 21, 2020

**REACHING U,
A FOUNDATION FOR URUGUAY**
Statements of Financial Position
As of December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 1,090,850	\$ 1,103,791
Grants and contributions receivable	73,024	95,650
Prepaid expenses	-	1,500
Total assets	<u>\$ 1,163,874</u>	<u>\$ 1,200,941</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 28,752	\$ 32,822
Grants payable	<u>4,985</u>	<u>-</u>
Total liabilities	<u>33,737</u>	<u>32,822</u>
NET ASSETS		
Without donor restrictions		
Board designated	460,000	460,000
Undesignated	<u>606,189</u>	<u>677,171</u>
Total without donor restrictions	1,066,189	1,137,171
With donor restrictions	<u>63,948</u>	<u>30,948</u>
Total net assets	<u>1,130,137</u>	<u>1,168,119</u>
Total liabilities and net assets	<u>\$ 1,163,874</u>	<u>\$ 1,200,941</u>

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

**REACHING U,
A FOUNDATION FOR URUGUAY**
Statements of Activities
For the Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Grants and contributions: other	\$ 58,010	\$ 170,302	\$ 228,312	\$ 76,617	\$ 84,785	\$ 161,402
Grants and contributions: Espigas	-	-	-	-	921,151	921,151
In-kind contributions	-	-	-	59,468	-	59,468
Funraising events (including in-kind goods amounts of \$2,663 in 2019 and \$4,524 in 2018, respectively)	709,293	-	709,293	530,046	-	530,046
Interest income	-	-	-	52	-	52
	<u>767,303</u>	<u>170,302</u>	<u>937,605</u>	<u>666,183</u>	<u>1,005,936</u>	<u>1,672,119</u>
Net assets released from restrictions						
Satisfaction of program restrictions	<u>137,302</u>	<u>(137,302)</u>	<u>-</u>	<u>2,050,936</u>	<u>(2,050,936)</u>	<u>-</u>
Total revenue and support	<u>904,605</u>	<u>33,000</u>	<u>937,605</u>	<u>2,717,119</u>	<u>(1,045,000)</u>	<u>1,672,119</u>
EXPENSES:						
Program services						
Better Learning	203,378	-	203,378	271,958	-	271,958
Zero Fee Education	134,722	-	134,722	2,146,386	-	2,146,386
Principal and Teacher Training	120,412	-	120,412	136,078	-	136,078
Social Emotional Learning and Tutoring	161,315	-	161,315	142,875	-	142,875
Others	19,851	-	19,851	24,903	-	24,903
Management and general	86,962	-	86,962	130,246	-	130,246
Fundraising:						
General	53,399	-	53,399	55,809	-	55,809
Special events	195,548	-	195,548	162,752	-	162,752
Total expenses	<u>975,587</u>	<u>-</u>	<u>975,587</u>	<u>3,071,007</u>	<u>-</u>	<u>3,071,007</u>
Change in net assets	(70,982)	33,000	(37,982)	(353,888)	(1,045,000)	(1,398,888)
Net assets, beginning of year	<u>1,137,171</u>	<u>30,948</u>	<u>1,168,119</u>	<u>1,491,059</u>	<u>1,075,948</u>	<u>2,567,007</u>
Net assets, end of year	<u>\$ 1,066,189</u>	<u>\$ 63,948</u>	<u>\$ 1,130,137</u>	<u>\$ 1,137,171</u>	<u>\$ 30,948</u>	<u>\$ 1,168,119</u>

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

REACHING U
A FOUNDATION FOR URUGUAY
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Programs						Supporting Services			2019 Total
	Better Learning	Zero Fee Education	Principal and Teacher Training	Social Emotional Learning and Tutoring	Others	Total	Management and General	Fundraising General	Special Events	
EXPENSES:										
Program and charitable grants	\$ 178,926	\$ 113,125	\$ 101,781	\$ 129,814	\$ 17,972	\$ 541,618	\$ -	\$ -	\$ -	\$ 541,618
Salaries and related costs	24,406	21,556	18,596	31,441	1,875	97,874	48,937	48,937	-	195,748
Catering and program	-	-	-	-	-	-	-	-	85,963	85,963
Accounting and auditing fees	-	-	-	-	-	-	15,196	-	-	15,196
Auction fees and commissions	-	-	-	-	-	-	-	-	9,420	9,420
Space rental	-	-	-	-	-	-	-	-	7,540	7,540
Travel, meetings, and conferences	-	-	-	-	-	-	4,605	-	1,920	6,525
Marketing and promotion	-	-	-	-	-	-	-	1,838	4,456	6,294
Professional fees	-	-	-	-	-	-	5,194	-	-	5,194
Printing and copying	-	-	-	-	-	-	40	-	3,960	4,000
Consultants	-	-	-	-	-	-	-	-	3,500	3,500
Bank charges and processing fees	-	-	-	-	-	-	419	2,531	-	2,950
Insurance	46	41	35	60	4	186	2,494	93	-	2,773
Telephone and internet	-	-	-	-	-	-	791	-	-	791
Licenses and fees	-	-	-	-	-	-	738	-	-	738
Office expenses	-	-	-	-	-	-	602	-	-	602
Postage	-	-	-	-	-	-	242	-	-	242
Miscellaneous	-	-	-	-	-	-	7,704	-	78,789	86,493
Total expenses	<u>\$ 203,378</u>	<u>\$ 134,722</u>	<u>\$ 120,412</u>	<u>\$ 161,315</u>	<u>\$ 19,851</u>	<u>\$ 639,678</u>	<u>\$ 86,962</u>	<u>\$ 53,399</u>	<u>\$ 195,548</u>	<u>\$ 975,587</u>

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

REACHING U
A FOUNDATION FOR URUGUAY
Statement of Functional Expenses
For the Year Ended December 31, 2018

	Programs						Supporting Services			2018 Total
	Better Learning	Zero Fee Education	Principal and Teacher Training	Social Emotional Learning and Tutoring	Others	Total	Management and General	Fundraising General	Special Events	
EXPENSES:										
Program grants: Espigas	\$ -	\$ 1,971,151	\$ -	\$ -	\$ -	\$ 1,971,151	\$ -	\$ -	\$ -	1,971,151
Program and charitable grants	237,122	152,372	117,570	124,180	23,329	654,573	-	-	-	654,573
Salaries and related costs	34,836	22,863	18,508	18,695	1,574	96,476	48,239	48,239	-	192,954
Catering and program	-	-	-	-	-	-	-	-	79,933	79,933
Professional fees	-	-	-	-	-	-	63,685	-	-	63,685
Travel, meetings, and conferences	-	-	-	-	-	-	6,859	-	3,083	9,942
Auction fees and commissions	-	-	-	-	-	-	-	-	9,724	9,724
Space rental	-	-	-	-	-	-	-	-	8,557	8,557
Bank charges and processing fees	-	-	-	-	-	-	1,853	4,788	-	6,641
Accounting and auditing fees	-	-	-	-	-	-	3,390	-	-	3,390
Marketing and promotion	-	-	-	-	-	-	-	2,782	168	2,950
Printing and copying	-	-	-	-	-	-	70	-	2,066	2,136
Consultants	-	-	-	-	-	-	-	-	1,261	1,261
Office expenses	-	-	-	-	-	-	1,377	-	-	1,377
Telephone and internet	-	-	-	-	-	-	1,184	-	-	1,184
Licenses and fees	-	-	-	-	-	-	470	-	-	470
Postage	-	-	-	-	-	-	455	-	-	455
Miscellaneous	-	-	-	-	-	-	2,663	-	57,961	60,624
Total expenses	<u>\$ 271,958</u>	<u>\$ 2,146,386</u>	<u>\$ 136,078</u>	<u>\$ 142,875</u>	<u>\$ 24,903</u>	<u>\$ 2,722,200</u>	<u>\$ 130,246</u>	<u>\$ 55,809</u>	<u>\$ 162,752</u>	<u>\$ 3,071,007</u>

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

**REACHING U,
A FOUNDATION FOR URUGUAY**
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ (37,982)	\$ (1,398,888)
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Changes in operating assets and liabilities		
Decrease (increase) in grants and contributions receivable	22,626	(26,920)
Decrease (increase) in prepaid expenses	1,500	(1,500)
Decrease in artwork held for auction	-	12,000
(Decrease) in accounts payable and accrued expenses	(4,070)	(9,296)
Increase in grant payable	<u>4,985</u>	<u>-</u>
Net cash (used in) operating activities and net (decrease) in cash and cash equivalents	(12,941)	(1,424,604)
Cash and cash equivalents, beginning of year	<u>1,103,791</u>	<u>2,528,395</u>
Cash and cash equivalents, end of the year	<u>\$ 1,090,850</u>	<u>\$ 1,103,791</u>

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

**REACHING U
A FOUNDATION FOR URUGUAY**
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 1. ORGANIZATION

Founded in 2001, Reaching U, A Foundation for Uruguay (“Reaching U”) is a Delaware not-for-profit organization, based in Miami, Florida. Reaching U promotes initiatives and strengthens organizations that offer educational opportunities so that all Uruguayans living in poverty can develop their full potential.

Reaching U is exempt from Federal Income Tax as an organization described in Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509 (a)(2).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions: These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets with Donor Restrictions: These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

Cash and Cash Equivalents

Reaching U considers all liquid financial instruments with original maturity dates of ninety days or less when acquired to be cash equivalents.

REACHING U
A FOUNDATION FOR URUGUAY
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investment Policy and Objective

Investments in securities with readily determinable fair values are measured at fair value in the accompanying statement of financial position. Realized and unrealized gains or losses are reported in the accompanying statements of activities as increases and decreases in net assets. Reaching U's primary investment objective is to maximize total return with minimal risk. The stated goal is to preserve capital intended for Reaching U's charitable mission while generating cash flows to support current operations.

Grants and Contributions

Reaching U records contributions and grants, both cash and in-kind, when an unconditional promise to give such assets is received from a donor. Contributions and grants are recorded at the fair market value of the assets received and are classified as either net assets without donor restriction, or net assets with donor restriction, depending on whether the donor has imposed a restriction on the use of such assets.

Contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions.

When restrictions expire (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.

Contributions and grants receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate determined in the year in which the contribution originates. Amortization of the discount is included in contribution revenue. Reaching U received no multiyear promises to give during the years ended December 31, 2019 and 2018.

Reaching U periodically evaluates the balances in the various account receivable categories as well as the status of any significant past due accounts to determine if any balances are uncollectible. When management determines that a receivable is uncollectible, the balance is removed from the receivables balance and is charged directly against operations. Subsequent recoveries of amounts previously written off are credited directly to revenue.

**REACHING U
A FOUNDATION FOR URUGUAY**
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

In-Kind Contributions

In-kind contributions are reflected as revenue and expense in the accompanying financial statements at estimated fair market value at time of donation.

Property and Equipment

Reaching U capitalizes property and equipment with an expected useful life of more than one year. Depreciation and amortization of property and equipment are provided on the straight-line method over the expected useful lives of the assets.

Functional Expenses Allocation

Reaching U has summarized the costs of providing the various programs and other activities on functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management determined such allocations in accordance with grant provisions and/or other equitable bases. In 2019, total expenses were \$975,587 minus the special events expenses of \$195,548 equals \$780,039 operating expenses. The percentage of operating expenses for programs, management and general, and fundraising general were 82%, 11% and 7%, respectively. In 2019, the percentage of staffs' salaries and related costs for programs, management and general, and fundraising general were 50%, 25% and 25%, respectively.

Income Taxes

Reaching U has adopted Accounting Standards Codification ("ASC") 740 "Income Taxes." ASC 740 requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The adoption of this guidance did not have an impact on Reaching U's financial statements, as management believes that there are no uncertain tax positions within its financial statements.

Reaching U has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it was nexus; and to review other matters that may be considered tax positions.

Reaching U's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending December 31, 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed.

REACHING U
A FOUNDATION FOR URUGUAY
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Concentration of Credit Risk

Financial instruments that potentially subject Reaching U to concentrations of credit risk consist primarily of cash and cash equivalents. Reaching U maintains cash and cash equivalent balances in various bank accounts that, at times, may exceed federally insured limits. Reaching U's cash accounts were placed with high credit quality financial institutions. Reaching U has not experienced, nor does it anticipate, any losses in such accounts. At December 31, 2019 and 2018, Reaching U had uninsured cash balance of \$836,875 and \$853,791, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

Reclassifications

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

Implementation of FASB ASU 2016-14

During the year ended December 31, 2018, Reaching U implemented Financial Accounting Standards Board Accounting Standards Update (FASB ASU) 2016-14. FASB ASU 2016-14 provides new and expanded guidance for financial reporting for not-for-profit entities. The implementation of FASB ASU 2016-14 has resulted in multiple changes to Reaching U's financial reporting. Net assets are now categorized in two categories; net assets with donor restrictions and net assets without donor restrictions. Reaching U had added additional disclosures related to its financial liquidity and the availability of financial assets for general expenditure within one year from each statement of financial statement date.

**REACHING U
A FOUNDATION FOR URUGUAY**
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

New Authoritative Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606) and Other Assets and Deferred Costs - Contracts with Customers (Subtopic 340-40). This ASU implements a single framework for revenue recognition ensuring that revenue is recognized in a manner which reflects the consideration to which the entity expects to be entitled to in exchange for goods and services. Due to the COVID-19 outbreak in the United States, on April 8, 2020, the FASB voted to delay implementation of ASC Topic 606. On June 3, 2020, the FASB updated guidance to delay implementation of ASC Topic 606, Revenue from Contracts with Customers for one year. The standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2019, and interim reporting periods within annual reporting periods beginning after December 15, 2020. Reaching U is evaluating the impact of the new standard on the organization’s financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new ASU establishes a right-of-use (“ROU”) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Due to the COVID-19 outbreak in the United States, on April 8, 2020, the FASB voted to delay implementation of ASU No. 2016-02. On June 3, 2020, the FASB updated the guidance to delay implementation of ASU No. 2016-02, *Leases (Topic 842)* for one year. The standard delays the effective date for non-public entities to fiscal years beginning after December 15, 2021, and interim reporting periods within fiscal years beginning after December 15, 2022. Reaching U is evaluating the impact of the new standard on the organization’s financial statements.

NOTE 3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of amounts to be received during the following years:

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ <u>73,024</u>	\$ <u>95,650</u>

**REACHING U
A FOUNDATION FOR URUGUAY**
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 4. CONCENTRATION OF CONTRIBUTIONS

Reaching U received approximately 62% of its contribution revenues from one private foundation during the year ended December 31, 2018. There was no concentration of contributions for the year ended December 31, 2019.

NOTE 5. IN-KIND CONTRIBUTIONS

Substantial amounts of services and space are donated by volunteers in carrying out the mission of Reaching U. No amounts have been reflected in the financial statements for those services either because the amounts cannot be quantified, or the volunteers' time does not meet the criteria for recognition under ASC 958.

Food and beverage costs amounting to \$2,663 and \$4,524 were donated by fund-raising event vendors during 2019 and 2018 and have been included in the statements of activities for that year under special events, as both revenues and event costs.

In addition, Reaching U received pro bono legal consultation services, in connection with the funding of the special project, with an estimated fair value of approximately \$59,468 during 2018. This amount is reflected in the statement of activities as a contribution and in the statement of functional expenses as professional expenses.

Reaching U received no pro bono legal consultation services for the year ended December 31, 2019.

Reaching U received the following in-kind contributions for the years ended December 31, 2019 and 2018:

	2019	2018
Legal Fees	\$ -	\$ 59,468
Total	\$ -	\$ 59,468

NOTE 6. FUNDRAISING EVENT ACTIVITIES

Total artwork and other items donated for auction for the fundraising events during 2019 and 2018 are included in fundraising events revenue on the statement of activities and amounted to \$198,670 and \$108,818, respectively.

**REACHING U
A FOUNDATION FOR URUGUAY**
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 7. BOARD-DESIGNATED ENDOWMENT

The board of directors has set aside certain unrestricted net assets for endowment purposes. Since these amounts are not restricted by the donor but restricted only by board policy, the amounts have been classified as unrestricted net assets. The board of directors may designate additional amounts from time to time to be added to the endowment fund.

	<u>2019</u>	<u>2018</u>
Endowment net assets, beginning of year	\$ 460,000	\$ 460,000
Increase by:		
Contributions	<u>-</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 460,000</u>	<u>\$ 460,000</u>

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Reaching U's net assets with donor restrictions are subject to the following purpose restrictions:

	<u>2019</u>	<u>2018</u>
Restricted for a specified purpose		
For Liceo Espigas School	\$ 25,711	\$ 25,711
For School Library	237	237
Don Bosco Program	5,000	5,000
National Teachers Prize	3,000	-
For Educate Cerro Largo	5,000	
Fundacion Sophia	10,000	-
For postgraduate scholarships for principals of public and private Uruguayan schools	<u>15,000</u>	<u>-</u>
Total net assets	<u>\$ 63,948</u>	<u>\$ 30,948</u>

**REACHING U
A FOUNDATION FOR URUGUAY**
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS -continued

Assets released from donor restrictions for the years ended December 31, 2019 and 2018 are reflected below:

	<u>2019</u>	<u>2018</u>
Released for purposes		
Liceo Espigas School	\$ -	\$ 1,971,151
Los Pinos After School Support and Employment Training Programs	3,800	3,800
Development of Rural Schools	22,000	23,000
United by Reading Program	13,000	13,216
Don Bosco Program	15,000	12,000
Purchase Equipment for Anima Students	-	6,085
MABI Project	-	2,932
Fulbright Program	-	11,429
Future Graduates Program	-	5,423
Rodrigo Arias Program	-	1,900
Construction of Sustainable Classroom	14,377	-
For Educate Cerro Largo	10,000	-
Principals of Excellence Program	25,000	-
Innovation in Teaching for the Academic Improvement of Adolescents	24,125	-
National Teachers Prize	10,000	-
Total	<u>\$ 137,302</u>	<u>\$ 2,050,936</u>

REACHING U
A FOUNDATION FOR URUGUAY
Notes to Financial Statements
December 31, 2019 and 2018

NOTE 9. LIQUIDITY AND AVAILABILITY

The below reflects Reaching U's financial assets as of the statement of financial position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>2019</u>	<u>2018</u>
Financial assets, at year-end		
Cash and cash equivalents	\$ 1,090,850	\$ 1,103,791
Grants and contributions receivable	<u>73,024</u>	<u>95,650</u>
	<u>1,163,874</u>	<u>1,199,441</u>
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	<u>(63,948)</u>	<u>(30,948)</u>
	<u>(63,948)</u>	<u>(30,948)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,099,926</u>	<u>\$ 1,168,493</u>

In total, Reaching U has financial assets on hand at December 31, 2019 to cover approximated twenty-one months of operating expenses based on the 2020 monthly budgeted run rate for all program and support services expenses. Excluding grants paid, which consist of 62% of the total budgeted expenses, financial assets on hand will cover approximated four and half years of operating expenses.

NOTE 10. SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, Reaching U expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

Reaching U evaluated its December 31, 2019 financial statements for subsequent events through July 21, 2020, the date the financial statements were available to be issued. Reaching U is not aware of any subsequent events which would require recognition or disclosure in the financial statements.