

**RURAL EDUCATION AND DEVELOPMENT, INC.
DBA: READ GLOBAL**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022



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RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Rural Education and Development, Inc. dba: READ Global
San Francisco, California

Report on the Audited Financial Statements

Opinion

We have audited the accompanying financial statements of Rural Education and Development, Inc. dba: READ Global (a California nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Rural Education and Development, Inc. dba: READ Global as of December 31, 2023 and 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rural Education and Development, Inc. dba: READ Global 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.

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; 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 Rural Education and Development, Inc. dba: READ Global's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 Rural Education and Development, Inc. dba: READ Global'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 Rural Education and Development, Inc. dba: READ Global'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.



CliftonLarsonAllen LLP

Bellevue, Washington
November 21, 2024

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 462,027	\$ 904,496
Investments	496,280	-
Contributions and Grants Receivable	3,375	30,400
Program Advances	63,059	23,236
Prepaid Expenses and Other Assets	4,306	3,309
Total Current Assets	<u>1,029,047</u>	<u>961,441</u>
OTHER ASSETS		
Property and Equipment, Net	<u>25,725</u>	<u>948</u>
Total Assets	<u><u>\$ 1,054,772</u></u>	<u><u>\$ 962,389</u></u>
CURRENT LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,772	\$ 1,500
Refundable Advance	49,431	200,000
Total Current Liabilities	<u>51,203</u>	<u>201,500</u>
NET ASSETS		
Without Donor Restrictions		
Board Designated	496,280	-
Undesignated	170,826	677,879
Total Without Donor Restrictions	<u>667,106</u>	<u>677,879</u>
With Donor Restrictions:		
Purpose Restricted for Future Expenditures	336,463	83,010
Total Net Assets	<u>1,003,569</u>	<u>760,889</u>
Total Current Liabilities and Net Assets	<u><u>\$ 1,054,772</u></u>	<u><u>\$ 962,389</u></u>

See accompanying Notes to Financial Statements.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions and Grants	\$ 86,158	\$ 624,154	\$ 710,312
Fee for Service Revenue	13,500	-	13,500
Investment Income	8,047	-	8,047
Realized Gain on Investments	8,892	-	8,892
Unrealized Loss on Investments	4,550	-	4,550
In-kind Contributions	24,265	-	24,265
Loss on Exchange Rate	(5,958)	-	(5,958)
Other Income	1,883	-	1,883
Net Assets Released from Restrictions	370,701	(370,701)	-
Total Revenue, Support, and Gains	<u>512,038</u>	<u>253,453</u>	<u>765,491</u>
EXPENSES AND LOSSES			
Program Services Expense	436,499	-	436,499
Administrative and Support	76,903	-	76,903
Fundraising	9,409	-	9,409
Total Expenses and Losses	<u>522,811</u>	<u>-</u>	<u>522,811</u>
CHANGE IN NET ASSETS	(10,773)	253,453	242,680
Net Assets - Beginning of Year	<u>677,879</u>	<u>83,010</u>	<u>760,889</u>
NET ASSETS - END OF YEAR	<u><u>\$ 667,106</u></u>	<u><u>\$ 336,463</u></u>	<u><u>\$ 1,003,569</u></u>

See accompanying Notes to Financial Statements.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions and Grants	\$ 641,349	\$ 27,660	\$ 669,009
Net Assets Released from Restrictions	359,644	(359,644)	-
Total Revenue, Support, and Gains	1,000,993	(331,984)	669,009
EXPENSES AND LOSSES			
Program Services Expense	482,825	-	482,825
Administrative and Support	94,520	-	94,520
Fundraising	51,970	-	51,970
Total Expenses and Losses	629,315	-	629,315
CHANGE IN NET ASSETS	371,678	(331,984)	39,694
Net Assets - Beginning of Year	306,201	414,994	721,195
NET ASSETS - END OF YEAR	<u>\$ 677,879</u>	<u>\$ 83,010</u>	<u>\$ 760,889</u>

See accompanying Notes to Financial Statements.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

		Supporting Services		
	Program Services	Administrative and Support	Fundraising	Total
Program Support - Library Expense	\$ 185,686	\$ -	\$ -	\$ 185,686
Salaries, Taxes, and Related Benefits	198,669	11,143	3,713	213,525
Professional Services	17,435	52,332	1,652	71,419
Travel and Related Expenses	33,220	1,580	-	34,800
Equipment Expense	-	5,891	3,359	9,250
Office Expense	1,479	2,586	-	4,065
Insurance Expense	-	1,684	-	1,684
Administrative Expense	10	430	685	1,125
Telephone and Internet	-	678	-	678
Depreciation Expense	-	579	-	579
	<u>\$ 436,499</u>	<u>\$ 76,903</u>	<u>\$ 9,409</u>	<u>\$ 522,811</u>
Total Expenses by Function	<u>\$ 436,499</u>	<u>\$ 76,903</u>	<u>\$ 9,409</u>	<u>\$ 522,811</u>

See accompanying Notes to Financial Statements.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

		Supporting Services		
	Program Services	Administrative and Support	Fundraising	Total
Program Support - Library Expense	\$ 273,773	\$ -	\$ -	\$ 273,773
Salaries, Taxes, and Related Benefits	171,768	20,397	18,265	210,430
Professional Services	22,162	56,786	29,539	108,487
Travel and Related Expenses	15,008	811	-	15,819
Equipment Expense	-	6,392	3,538	9,930
Administrative Expense	46	3,592	628	4,266
Office Expense	68	4,098	-	4,166
Insurance Expense	-	1,604	-	1,604
Meetings and Conferences	-	461	-	461
Depreciation Expense	-	379	-	379
Total Expenses by Function	<u>\$ 482,825</u>	<u>\$ 94,520</u>	<u>\$ 51,970</u>	<u>\$ 629,315</u>

See accompanying Notes to Financial Statements.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 242,680	\$ 39,694
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	579	379
Donated Nonfinancial Assets	(24,265)	-
Realized Gain on Investments	(8,892)	-
Unrealized Gain on Investments	(4,550)	-
Changes in Operating Assets and Liabilities:		
Contributions and Grants Receivable	27,025	195,685
Program Advances	(39,823)	90,120
Prepaid Expenses and Other Assets	(997)	(173)
Accounts Payable	272	(15,372)
Refundable Advance	(150,569)	200,000
Net Cash Provided by Operating Activities	<u>41,460</u>	<u>510,333</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(506,838)	-
Proceeds from Endowment Distributions	24,000	
Purchase of Property and Equipment	(1,091)	
Net Cash Used by Investing Activities	<u>(483,929)</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(442,469)	510,333
Cash and Cash Equivalents - Beginning of Year	<u>904,496</u>	<u>394,163</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 462,027</u>	<u>\$ 904,496</u>

See accompanying Notes to Financial Statements.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Rural Education and Development, Inc. dba: READ Global (READ Global) is a nonprofit organization, founded in 1991, incorporated in the state of Pennsylvania, and located in San Francisco, California.

READ Global collaborates with three entities operating in Bhutan, India, and Nepal (the affiliated entities). Rural Education and Development Bhutan (READ Bhutan) is an international nongovernmental organization and is a separate legal entity. Rural Education and Development India (READ India) is an Indian nongovernmental organization and is a separate legal entity. Rural Education and Development Nepal (READ Nepal) is a Nepalese nongovernmental organization and is a separate legal entity. READ Global and the three affiliates partner with rural villages to establish community library and resource centers (READ Centers) as vehicles for social and economic transformation. READ Centers offer training programs in education, economic empowerment, technology, and women's empowerment. With each Center, READ also provides seed support to an independent for-profit "sustaining enterprise" – a small business that generates income to fund the ongoing costs of the READ Centers.

Net Assets

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 therein 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

READ Global reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

READ Global has prepared its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Tax-Exempt Status

The Internal Revenue Service has determined that READ Global is exempt from federal income taxes under provisions of Section 501(c)(3) of the Internal Revenue Code (IRC).

Cash and Cash Equivalents

For the purposes of the statements of cash flows, READ Global considers highly liquid investments with initial maturities of three months or less to be cash equivalents.

Valuation of Investments and Income Recognition

Investments other than cash and money market accounts are stated at fair value. Cash and money market accounts are measured at cost. If available, quoted market prices are used to value investments. Net appreciation (depreciation) in fair value of investments includes unrealized gains and losses. Restricted investment income is reported as increase in net assets without restrictions if the restrictions expire in the reporting period in which the revenue is recognized. Purchases and sales of securities are recorded on a trade-date basis. Money Market accounts with The Vanguard Group have been classified as short-term investments.

Contributions and Grants Receivable

Contributions and grants receivable are stated at the amount 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 contributions and grants receivable. READ Global determined that an allowance was unnecessary as of December 31, 2023 and 2022.

Unconditional contributions and grants receivable expected to be collected within one year are recorded at net realizable value. Unconditional contributions and grants that are expected to be collected in future years are recorded at the present value of their estimated cash flows using the risk-adjusted discount rates applicable to the years in which the contributions and grants were received. A present value discount was deemed unnecessary by management as of December 31, 2023 and 2022 as the contributions or grants receivable are expected to be collected within one year.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenue from Exchange Transactions: The READ Global recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. READ Global records fee for service revenue as exchange transaction revenue in its statements of activities. Revenue from the consulting is recognized upon the completion of the consulting project at a point in time.

Program Advances

READ Global provides grants to support the activities of the affiliated entities. Funds provided by READ Global to the affiliated entities are recorded as advances on the statements of financial position until the funds are used for their intended purposes by the affiliated entities. At that time, READ Global recognizes grant expense.

Property, Equipment, and Fixtures

READ Global capitalizes property, equipment, and fixtures with a cost of \$1,000 or greater when purchased or fair value on the date donated. The cost of furniture and equipment is depreciated over the estimated useful life of the assets, generally three to seven years, and is computed using the straight-line method. Expenditures for maintenance and repairs, which do not extend the useful life of the related assets, are charged to operations as incurred.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Concentrations

Financial instruments that potentially subject READ Global to concentrations of credit and market risk consist primarily of cash and cash equivalents and program advances. Cash and cash equivalents held by financial institutions at times exceeded Federal Deposit Insurance Corporation insured limits.

As of December 31, 2023, 100% of READ Global's contributions and grants receivable was from two donors. For the year ended December 31, 2023, 65% of READ Global's revenue and support was from two donors.

As of December 31, 2022, 97% of READ Global's contributions and grants receivable was from two donors. For the year ended December 31, 2022, 81% of READ Global's revenue and support was from two donors.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations (Continued)

Contributions received from board members totaled \$41,900 and \$55,400 for the years ended December 31, 2023 and 2022, respectively.

Support provided by READ Global to its affiliated entities represented 36% and 44% of READ Global's total expenses for the years ended December 31, 2023 and 2022, respectively. Support was provided by READ Global as follows for the years ended December 31:

	2023	2022
Nepal	\$ 182,099	\$ 226,059
Bhutan	-	10,000
India	3,587	37,714
Total	<u>\$ 185,686</u>	<u>\$ 273,773</u>

Contributions and Grants

Unconditional contributions and grants are recognized at their fair value when received, or when an unconditional promise is made. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted contributions and grants are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

Conditional contributions and grants are recognized as revenue when the conditions upon which they depend are substantially met. As of December 31, 2023 and 2022, there was \$49,431 and \$200,000, respectively, of conditional grants recorded as refundable advances on the statements of financial position.

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying statements of activities and statements of functional expenses. Certain costs have been allocated among the program and supporting services benefited based generally on the level of effort spent and specific identification.

Change in Accounting Principle

READ Global has adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. READ Global adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have any impact on READ Global's financial statements.

Subsequent Events

We have evaluated subsequent events through November 21, 2024, the date the financial statements were available to be issued.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consisted of \$3,375 and \$30,400 balances due within one year as of December 31, 2023 and 2022, respectively.

NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Measurements

U.S. accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under accounting standards are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that READ Global has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds - Valued at the closing price reported on the active market on which the individual funds are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the READ Global believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, READ Global assets at fair value as of December 31:

	2023		
	Level 1	Level 2	Level 3
Mutual Funds	\$ 496,138	\$ -	\$ -
Money Market	142	-	-
Total	<u>\$ 496,280</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 LIQUIDITY AND AVAILABILITY

READ Global seeks to maintain liquid financial assets sufficient to cover approximately 60 days of payroll and general expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of December 31:

	2023	2022
Cash and Cash Equivalents	\$ 462,027	\$ 904,496
Investments	496,280	-
Contributions and Grants Receivable, Current Portion	3,375	30,400
Program Advances	<u>63,059</u>	<u>23,236</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	1,024,741	958,132
Less Board Designated Endowment	<u>(496,280)</u>	<u>-</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 528,461</u>	<u>\$ 958,132</u>

NOTE 5 IN-KIND DONATIONS

For the year ended December 31, 2023, contributed nonfinancial assets recognized within the statements of activities was from a donation of 333 books and one poster with a fair value of \$24,265 which were valued using an outside consultant Lecky Art Group LLC. The books donated included in property in accordance with GAAP during 2023.

All gifts-in-kind received during the years ended December 31, 2023, were unrestricted.

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	2023	2022
Subject to Expenditure for Specified Purpose:		
Global	\$ 307,354	\$ 32,481
India	4,109	3,587
Nepal	25,000	46,942
Total	<u>\$ 336,463</u>	<u>\$ 83,010</u>

Net assets were released from restrictions as follows for the years ended December 31:

	2023	2022
Expiration of Time Restrictions	\$ -	\$ -
Restricted-Purpose Spending-Rate	370,701	359,644
Total Net Assets Released from Donor Restrictions	<u>\$ 370,701</u>	<u>\$ 359,644</u>

NOTE 7 BOARD DESIGNATED ENDOWMENT

Effective April 30, 2023, READ Global the board of directors approved a resolution to create a board-restricted endowment fund to support the organization's future operations. The initial funding for this endowment was \$500,000, sourced from assets without restrictions.

The endowment fund is subject to annual withdrawals of 4.8% of its total value. These withdrawals are expected to be approved by the board of directors and will be used to fund programs or other expenditures as determined by the board.

Endowment for the year ended December 31, 2023 is as follows:

Balance at December 31, 2023	\$ -
Contributions	500,000
Investment Income:	
Interest and Dividends	6,838
Realized Gains	8,892
Unrealized Losses	4,550
Total Investment Income	<u>20,280</u>
Appropriations	<u>(24,000)</u>
Balance at December 31, 2024	<u>\$ 496,280</u>

RURAL EDUCATION AND DEVELOPMENT, INC. DBA: READ GLOBAL
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 8 EMPLOYEE BENEFIT PLAN

READ Global provides retirement benefits to its employees through a defined contribution plan covering all employees who have met the required eligibility requirements. Eligible employees must be over the age of 21 and have three months of service. READ Global does not make contributions to the plan.

NOTE 9 EXECUTION OF READ GLOBAL STRATEGIC PRIORITIES (UNAUDITED)

In 2023, READ Global's work focused on the four priority areas set in the strategic plan adopted in 2020, namely:

- Ensure that READ Global is a valuable, viable, and sustainable organization by defining its roles and value proposition, continuing to strengthen relationship with the country organization, building a strong board, and continuing to increase fundraising capacities.
- Establish the core elements and impact of READ's model to guide current and future country offices.
- Partner with READ Country Organizations to sustainably meet the needs of their communities and to help them continue to build their program management, fundraising, communications, and operational management skills.
- Raise the profile of the READ model and expand the global network of community centers.

In 2023, 138 READ Centers provided services to more than 347,000 people across South Asia. This included training more than 3,000 youth on technology and life skills.

