

INCLUSION ZONE, INC.
d/b/a
FDR MEMORIAL LEGACY COMMITTEE
(a nonprofit organization)

FINANCIAL STATEMENTS

Year ended December 31, 2022

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Inclusion Zone, Inc.
d/b/a FDR Memorial Legacy Committee
Washington, DC

Opinion

We have audited the accompanying financial statements of Inclusion Zone, Inc. d/b/a FDR Memorial Legacy Committee (the Committee), 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 the Committee as of December 31, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 the Committee 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 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 the Committee'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 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 the Committee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Committee'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.

Renner and Company, CPA, P.C.

Alexandria, Virginia
November 29, 2023

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE

STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

CURRENT ASSETS

Cash and restricted cash	\$ 94,132
Contributions receivable	3,157
Grants receivable	20,627
Prepaid expenses	<u>2,669</u>

TOTAL CURRENT ASSETS	<u>120,585</u>
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OTHER ASSETS

Inventory - bronze relief	<u>39,650</u>
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TOTAL ASSETS	<u><u>\$ 160,235</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 2,713
Accrued expenses	5,603
Deferred revenue	<u>44,063</u>

TOTAL CURRENT LIABILITIES	<u>52,379</u>
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NET ASSETS

Without donor restrictions	23,685
With donor restrictions	<u>84,171</u>

TOTAL NET ASSETS	<u>107,856</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 160,235</u></u>
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See Notes to Financial Statements.

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE**STATEMENT OF ACTIVITIES****Year Ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 188,209	\$ 84,650	\$ 272,859
25th Anniversary Event	137,950	-	137,950
Grants	37,761	-	37,761
Other	508	-	508
Net assets released from restrictions	479	(479)	-
TOTAL SUPPORT AND REVENUE	364,907	84,171	449,078
EXPENSES			
Program services	277,554	-	277,554
General and administrative	49,010	-	49,010
Fundraising	19,536	-	19,536
TOTAL EXPENSES	346,100	-	346,100
CHANGE IN NET ASSETS	18,807	84,171	102,978
NET ASSETS, beginning of year	4,878	-	4,878
NET ASSETS, end of year	\$ 23,685	\$ 84,171	\$ 107,856

See Notes to Financial Statements.

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE**STATEMENT OF FUNCTIONAL EXPENSES****Year Ended December 31, 2022**

	<u>Program</u>	<u>General and administrative</u>	<u>Fundraising</u>	<u>Total</u>
Consultants	\$ 109,717	\$ 14,023	\$ 9,814	\$ 133,554
25th Anniversary Event	103,052	-	-	103,052
Professional fees	44,228	4,425	-	48,653
Administrative and accounting	51	18,955	-	19,006
Travel	6,746	14	1,791	8,551
Communication	633	2,080	4,380	7,093
Events	6,804	-	-	6,804
Fees and dues	1,516	3,478	-	4,994
Fundraising	-	-	2,912	2,912
Miscellaneous	-	2,753	-	2,753
Honorarium	2,550	-	-	2,550
Insurance	1,131	1,205	-	2,336
Occupancy	20	1,366	20	1,406
Shipping	509	612	40	1,161
Database and software	118	99	579	796
Internship	479	-	-	479
	<u>\$ 277,554</u>	<u>\$ 49,010</u>	<u>\$ 19,536</u>	<u>\$ 346,100</u>

See Notes to Financial Statements.

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from operations

Support and revenue \$ 429,707

Cash used in operations

Payment to suppliers 351,612

NET CASH PROVIDED BY OPERATING ACTIVITIES 78,095

NET INCREASE IN CASH 78,095

CASH AND RESTRICTED CASH, beginning of year 16,037

CASH AND RESTRICTED CASH, end of year \$ 94,132

See Notes to Financial Statements.

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

**RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

CHANGE IN NET ASSETS	<u>\$ 102,978</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS PROVIDING CASH	
ASSETS	
Contributions receivable	(3,157)
Grants receivable	(20,627)
Prepaid expenses	(2,669)
Inventory - bronze relief	<u>(39,650)</u>
	<u>(66,103)</u>
LIABILITIES	
Accounts payable	(8,446)
Accrued expenses	5,603
Deferred revenue	<u>44,063</u>
	<u>41,220</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>(24,883)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 78,095</u></u>

See Notes to Financial Statements.

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE

Organization and Purpose

Inclusion Zone, Inc., d/b/a FDR Memorial Legacy Committee (the Committee) is an independent, nonprofit organization incorporated in Washington, DC in 2013 whose purpose is to educate public and private individuals, officials and organizations about the various challenges individuals with disabilities have throughout their lives, and to educate the public and public and private officials and organizations on ways to properly address and service people with disabilities throughout their lives.

As President Franklin D. Roosevelt is one of the most well-known leaders to have had a disability, this is honored at the FDR Memorial in Washington, DC, the Committee performs work to promote the education, accessibility and historical preservation of the FDR Memorial and other legacies and narratives related to the Roosevelt era.

Significant Accounting Policies

Basis of Accounting

The Committee prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP). Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Cash and Cash Equivalents

The Committee considers all cash accounts, which are not subject to withdrawal restrictions or penalties, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. For purposes of the statement of cash flows, the Committee considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2022.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. There were no long term unconditional promises to give as of December 31, 2022.

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. The Committee recognizes bad debts when, in the opinion of management, a specific account becomes uncollectible.

Accrued Expenses

Accrued expenses include accrued operating expenses incurred but not billed as of the year-end.

Classes of Assets

In accordance with U.S. GAAP, the Committee's net assets are classified into two categories: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction

The Committee includes operating net assets which are available for the general operations of the Committee as net assets without donor restriction.

Net Assets With Donor Restriction

The Committee reports gifts of cash and other restricted support if they are received with donor stipulations that limit the use of donated assets as net assets with donor restriction. When a donor restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

Revenue Recognition

Contributions are recognized as revenue at the earlier of the date of receipt of funds or the date of a formal, unconditional promise to give. All contributions are considered to be available for use unless specifically restricted by the donor. If a restriction is fulfilled in the same time period in which the contribution is received, the Committee reports the support as net assets without donor restriction.

Grants and contracts are reported as revenue as allowable expenses are incurred. Funds received prior to being expended are reported as deferred revenue and expenses incurred for which reimbursement has not been received are reported as receivables.

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs, such as consultants, travel, communication, occupancy, shipping, and database and software have been allocated among the program and supporting services based on specific identification.

Income Taxes

The Committee is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been granted public charity status. However, it is subject to tax on income generated by unrelated business activities as provided for in the tax law. To date, the Committee has not engaged in such activities.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated the Committee's tax positions and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 during the reporting period. Actual results could differ from those estimates.

Liquidity and Availability of Assets

The Committee maintains a liquid cash balance in a checking account in an amount necessary to meet its anticipated expenditures for the next 30 days.

The Committee reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Restricted cash and contributions are separately identified and monitored as part of the Committee's monthly financial reporting process.

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES, ORGANIZATION AND PURPOSE (CONTINUED)

Liquidity and Availability of Assets (Continued)

The Committee's financial assets available within one year to meet cash needs for general expenditures through December 31, 2023 are as follows:

Financial Assets	
Cash	\$ 94,132
Contributions receivable	3,157
Grants receivable	20,627
Inventory - bronze relief	39,650
Total financial assets	<u>157,566</u>
Less amounts not available within one year:	
Inventory - bronze relief subject to donor restrictions	(39,650)
Net assets with donor restriction - purpose restricted	<u>(44,521)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 73,395</u></u>

2. CASH AND RESTRICTED CASH

Cash as of December 31, 2022 consisted of the following:

Operating account	<u><u>\$ 94,132</u></u>
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The Committee maintains cash balances at one financial institution. The balances are insured by the Federal Deposit Insurance Corporation. As of December 31, 2022, the Committee's cash balances in excess of federal deposit insurance coverage totaled \$0. Restricted cash totaled \$44,521 as of December 31, 2022.

3. GRANTS RECEIVABLE

Receivables as of December 31, 2022 consisted of the following:

Grants receivable	
National Endowment for the Humanities	\$ 10,979
National Trust for Historic Preservation	<u>9,648</u>
Total grants receivable	<u><u>\$ 20,627</u></u>

INCLUSION ZONE, INC. D/B/A FDR MEMORIAL LEGACY COMMITTEE

NOTES TO FINANCIAL STATEMENTS

4. INVENTORY - BRONZE RELIEF

The Committee received a donated work of art, a relief, in 2022 that will not be added to collections nor be capitalized as it does not fit the definition of a collection. The Committee recorded the donation as an asset and correspondent contribution when it was received. The donor placed a time restriction of three years for the Committee to be able to see this asset and therefore it was classified as an increase in net assets with donor restrictions. The appraised value in 2022 was for an estimated fair market value of \$39,650.

5. NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions, subject to time restriction and program restriction, consisted of the following at December 31, 2022:

	Balance at December 31, 2021	Revenue and Support	Released from Restriction	Balance at December 31, 2022
Program restricted:				
Deland internship	\$ -	\$ 45,000	\$ 479	\$ 44,521
Time restricted:				
Bronze Relief	-	39,650	-	39,650
	<u>\$ -</u>	<u>\$ 84,650</u>	<u>\$ 479</u>	<u>\$ 84,171</u>

6. CONCENTRATIONS OF RISK - MAJOR CONTRIBUTIONS

Inherent in the Committee's activities are various risks and uncertainties, including general economic conditions, dependence on continued support from donors and grantors. Total revenue from five significant donors/grantors represented 63% of total revenue.

7. SUBSEQUENT EVENTS

In preparing the financial statements, the Committee has evaluated events and transactions for potential recognition or disclosure through November 29, 2023, the date the financial statements were available to be issued.