

THE MIDORI FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Midori Foundation, Inc.

Opinion

We have audited the accompanying financial statements of The Midori Foundation, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 The Midori Foundation, Inc. as of June 30, 2022 and 2021, 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. 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 Midori Foundation, Inc. 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.

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 The Midori Foundation, Inc.'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 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 Midori Foundation, Inc.'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 Midori Foundation, Inc.'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.

Lotz + Carr, LLP

New York, New York
March 28, 2023

THE MIDORI FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents (Notes 1b and 7a)	\$ 883,882	\$ 352,301
Contributions receivable (Notes 1c, 4 and 7b)		
Without donor restrictions	212,350	819,450
With donor restrictions	40,000	110,000
Accounts receivable (Note 7b)	209,393	10,408
Prepaid expenses	48,055	16,684
Property and equipment, at cost, net of accumulated depreciation (Notes 1d and 5)	-	2,891
Security deposit	<u>36,434</u>	<u>36,434</u>
Total Assets	<u><u>\$1,430,114</u></u>	<u><u>\$1,348,168</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 199,642	\$ 262,662
Deferred revenue (Note 1f)	9,500	5,125
Loans payable (Note 6)	<u>-</u>	<u>97,800</u>
Total Liabilities	<u>209,142</u>	<u>365,587</u>
Commitments and Contingencies (Notes 10 and 11)		
Net Assets (Note 3)		
Without Donor Restrictions		
Operating	955,972	672,581
Board designated - working capital reserve	200,000	200,000
Total Without Donor Restrictions	<u>1,155,972</u>	<u>872,581</u>
With Donor Restrictions	<u>65,000</u>	<u>110,000</u>
Total Net Assets	<u>1,220,972</u>	<u>982,581</u>
Total Liabilities and Net Assets	<u><u>\$1,430,114</u></u>	<u><u>\$1,348,168</u></u>

See notes to financial statements.

THE MIDORI FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Support and Revenue (Note 7b)						
Contributions						
Individuals	\$ 146,379	\$ 50,000	\$ 196,379	\$ 69,635	\$ -	\$ 69,635
Foundations and trusts	24,000	10,000	34,000	35,100	15,700	50,800
Corporations	78,810	-	78,810	51,175	-	51,175
Government	1,194,050	5,000	1,199,050	1,104,650	-	1,104,650
Government - Employee Retention Tax Credit (Note 8)	184,103	-	184,103	-	-	-
Benefit income	-	-	-	31,300	-	31,300
In-kind contributions (Note 9)	-	-	-	5,000	-	5,000
Education revenue	330,523	-	330,523	3,965	-	3,965
Other revenue	2,757	-	2,757	8,650	-	8,650
	<u>1,960,622</u>	<u>65,000</u>	<u>2,025,622</u>	<u>1,309,475</u>	<u>15,700</u>	<u>1,325,175</u>
Net assets released from restrictions						
Satisfaction of time and program restrictions	110,000	(110,000)	-	219,159	(219,159)	-
	<u>2,070,622</u>	<u>(45,000)</u>	<u>2,025,622</u>	<u>1,528,634</u>	<u>(203,459)</u>	<u>1,325,175</u>
Expenses						
Program Services	1,188,149	-	1,188,149	1,324,650	-	1,324,650
Supporting Services						
Management and general	357,286	-	357,286	232,593	-	232,593
Fundraising	241,796	-	241,796	224,104	-	224,104
	<u>1,787,231</u>	<u>-</u>	<u>1,787,231</u>	<u>1,781,347</u>	<u>-</u>	<u>1,781,347</u>
Increase (decrease) in net assets	283,391	(45,000)	238,391	(252,713)	(203,459)	(456,172)
Net assets, beginning of year	872,581	110,000	982,581	1,125,294	313,459	1,438,753
	<u>\$ 1,155,972</u>	<u>\$ 65,000</u>	<u>\$1,220,972</u>	<u>\$ 872,581</u>	<u>\$ 110,000</u>	<u>\$ 982,581</u>

See notes to financial statements.

THE MIDORI FOUNDATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2022 AND 2021

	2022					2021				
	Program Services	Supporting Services			Total Expenses	Program Services	Supporting Services			Total Expenses
	Management and General	Fundraising	Total		Management and General	Fundraising	Total			
Salaries, payroll taxes and employee benefits	\$ 560,801	\$ 253,500	\$ 130,844	\$384,344	\$ 945,145	\$ 427,934	\$ 118,486	\$ 68,616	\$187,102	\$ 615,036
Artist fees	334,994	-	-	-	334,994	556,712	474	4,214	4,688	561,400
Professional fees	54,781	4,377	69,251	73,628	128,409	101,719	16,916	109,611	126,527	228,246
Occupancy	94,060	38,513	22,994	61,507	155,567	116,702	25,033	11,277	36,310	153,012
Accounting and legal	35,004	35,942	151	36,093	71,097	19,677	26,973	5,968	32,941	52,618
Marketing and promotion	4,191	1,108	874	1,982	6,173	54,318	8,633	6,471	15,104	69,422
Insurance	7,037	2,845	1,699	4,544	11,581	7,745	1,661	748	2,409	10,154
Travel	9,352	127	1,411	1,538	10,890	706	152	68	220	926
Programming supplies	14,779	-	-	-	14,779	-	-	-	-	-
Postage and mailing	62	26	716	742	804	1,354	52	50	102	1,456
Instrument and equipment rentals	33,938	1,966	1,174	3,140	37,078	6,821	1,463	659	2,122	8,943
Office expenses	29,714	11,480	9,168	20,648	50,362	26,342	5,609	7,396	13,005	39,347
Meals and entertainment	2,040	2,071	1,278	3,349	5,389	-	266	5,083	5,349	5,349
Miscellaneous expenses	3,040	1,410	1,571	2,981	6,021	2,275	797	1,294	2,091	4,366
Dues and subscription	4,356	1,030	665	1,695	6,051	2,345	381	2,649	3,030	5,375
Bad debt expense	-	-	-	-	-	-	18,652	-	18,652	18,652
Total expenses before depreciation	1,188,149	354,395	241,796	596,191	1,784,340	1,324,650	225,548	224,104	449,652	1,774,302
Depreciation	-	2,891	-	2,891	2,891	-	7,045	-	7,045	7,045
Total Expenses	<u>\$1,188,149</u>	<u>\$ 357,286</u>	<u>\$ 241,796</u>	<u>\$599,082</u>	<u>\$1,787,231</u>	<u>\$1,324,650</u>	<u>\$ 232,593</u>	<u>\$ 224,104</u>	<u>\$456,697</u>	<u>\$1,781,347</u>

See notes to financial statements.

THE MIDORI FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$238,391	\$ (456,172)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	2,891	7,045
Bad debt expense	-	18,652
Forgiveness of loan payable - Paycheck Protection Program	(97,800)	(101,400)
(Increase) decrease in:		
Contributions receivable	677,100	(638,815)
Accounts receivable	(198,985)	(2,824)
Prepaid expenses	(31,371)	5,526
Increase (decrease) in:		
Accounts payable and accrued expenses	(63,020)	142,008
Deferred revenue	4,375	3,249
Net Cash Provided (Used) By Operating Activities	<u>531,581</u>	<u>(1,022,731)</u>
Cash Flows From Financing Activities		
Proceeds from loan payable	<u>-</u>	<u>97,800</u>
Net increase (decrease) in cash and cash equivalents	531,581	(924,931)
Cash and cash equivalents, beginning of year	<u>352,301</u>	<u>1,277,232</u>
Cash and Cash Equivalents, End of Year	<u><u>\$883,882</u></u>	<u><u>\$ 352,301</u></u>

See notes to financial statements.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The Midori Foundation, Inc. (the "Foundation") is a nonprofit corporation formed under the General Law of Delaware. The primary purpose of the Foundation is to serve New York City's schools and community organizations by providing, at no cost to the individual student, comprehensive music education of the highest quality. Focusing on children with little or no access to the arts, the Foundation, which operates as Midori & Friends, offers music programming that enhances the existing educational curricula by exposing children to diverse cultures and uncovering new means of self-expression through general music studies, instrument instruction, and on-site professional ensemble performances.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash.

c - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Amounts received that are designated for future periods and 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.

The Foundation uses the allowance method to determine uncollectible promises to give. The allowance, if any, is based on prior years' experience and management's analysis of specific promises made.

d - Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives of the assets.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Financial Statement Presentation

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States, which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and Board of Directors.

Net Assets With Donor Restrictions

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

f - Revenue Recognition

Education revenues are recognized when the services are performed.

g - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Foundation's expenses are directly related to program activities. The expenses that are allocated include salaries, payroll taxes and benefits, insurance, general office expenses, and occupancy costs, which are allocated based on employee time and effort.

h - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i - Tax Status

The Midori Foundation, Inc. is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has also been designated as an organization which is not a private foundation.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

j - Subsequent Events

The Foundation has evaluated subsequent events through March 28, 2023, the date that the financial statements are considered available to be issued. No material subsequent events have occurred since June 30, 2022 that require recognition or disclosure in these financial statements.

k - New Accounting Standards

For 2022, the Foundation adopted Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

In February 2016, the FASB issued ASU 2016-02, “*Leases (Topic 842)*”. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than 12 months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. The Foundation is currently evaluating the impact of ASU 2016-02 on its financial statements.

l - Prior Period Information

Certain 2021 amounts have been reclassified for comparative purposes.

Note 2 - Information Regarding Liquidity and Availability

The Foundation operates with the goal of a balanced budget for each fiscal year based on contributed income and earned revenues expected to be available to fund anticipated program expenses. The Foundation considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general, administrative and fundraising activities undertaken to support those services. The Foundation regularly monitors liquidity to meet its operating needs and other commitments and obligations.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 2 - Information Regarding Liquidity and Availability (continued)

Management prepares regular cash flow projections to determine liquidity needs and maintains liquid financial assets, including a board designated cash reserve of \$200,000, on an ongoing basis sufficient to cover four to six months of general expenditures. These liquid financial assets are kept at a bank and drawn upon as needed during the year to manage cash flow. The Foundation's cash flows have seasonal variations during the year attributable to program expenses beginning in the fall and increasing through the spring semester to the end of the school year in June.

The Foundation's financial assets as of June 30, 2022 and 2021 and those available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 883,882	\$ 352,301
Contributions receivable	252,350	929,450
Accounts receivable	<u>209,393</u>	<u>10,408</u>
Total Financial Assets	1,345,625	1,292,159
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(65,000)	(110,000)
Plus: Net assets with donor restrictions expected to be met in less than one year	65,000	110,000
Net assets restricted for board designated working capital reserve	<u>(200,000)</u>	<u>(200,000)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,145,625</u>	<u>\$1,092,159</u>

In addition to these financial assets available within one year, the Foundation's board designated working capital reserve could be made available at any time to meet cash needs for general expenditures at the discretion of the Board.

Note 3 - Net Assets

a - Board Designated - Working Capital Reserve

The Board has designated a working capital reserve that is used to manage the cyclical nature of the Foundation's cash flow. Borrowings from the working capital reserve are expected to be replenished in full prior to the close of each fiscal year.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 3 - Net Assets (continued)

b - Net Assets With Donor Restrictions

Net assets with donor restrictions are designated for future programs and periods as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Music programs	\$55,000	\$ -
Music Inc. program	<u>-</u>	<u>100,000</u>
	55,000	100,000
Subject to expenditure for specified periods	<u>10,000</u>	<u>10,000</u>
Total Net Assets With Donor Restrictions	<u>\$65,000</u>	<u>\$110,000</u>

Note 4 - Contributions Receivable

Contributions receivable are due within one year. Uncollectible contributions receivable are expected to be insignificant and management has determined that no allowance is necessary at June 30, 2022 and 2021.

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Furniture and equipment	5-7 years	\$28,445	\$28,445
Leasehold improvements	3 years	3,000	3,000
Website	3 years	<u>10,600</u>	<u>10,600</u>
		42,045	42,045
Less: Accumulated depreciation		<u>(42,045)</u>	<u>(39,154)</u>
		<u>\$ -</u>	<u>\$ 2,891</u>

In fiscal 2018, The City of New York spent \$32,935 relating to the Foundation's IT system. The City's investment of capital funding obligated the recipient organization to maintain equipment for the respective bonding term as a non-profit entity, open to and used and maintained for the benefit of the people of The City of New York for cultural, educational or artistic uses and/or related purposes approved by the City.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 6 - Loans Payable

On April 11, 2020, the Foundation received a loan totaling \$101,400 under the Paycheck Protection Program (“PPP”) administered by the U.S. Small Business Administration. The loan was forgiven in May 2021 when the Foundation met certain employee retention requirements and used the funds for eligible expenses and is included in Government contributions on the Statement of Activities for the year ended June 30, 2021.

On April 26, 2021, the Foundation received a second loan totaling \$97,800 under the PPP with the same terms as the first loan. This loan was forgiven in November 2021 and is included in Government contributions on the Statement of Activities for the year ended June 30, 2022.

Note 7 - Concentrations

- a - The Foundation maintains its cash balances at financial institutions located in New York. The balances are insured by the Federal Deposit Insurance Corporation up to applicable limits.
- b - Contributions and education revenue from city government agencies approximated 64% and 75% during the fiscal years ended June 30, 2022 and 2021, respectively, of the Foundation’s total support and revenue. Contributions and accounts receivable from city government agencies at June 30, 2022 and 2021 approximated 83% and 88%, respectively, of the Foundation’s total receivables.

Note 8 - Employee Retention Tax Credit

The Coronavirus Aid, Relief and Economic Security (“CARES”) Act enacted in 2020 allowed eligible employers to claim employee retention tax credits for qualified wages paid after March 12, 2020 and before September 30, 2021. The Foundation qualified for a credit of \$184,103 for the period from March 13, 2020 to September 30, 2021 based on partial suspension of operations due to government COVID-related orders and a decrease in gross receipts. Accordingly, the \$184,103 has been recognized as contribution income in the Statement of Activities for the year ended June 30, 2022.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 9 - In-Kind Contributions

In-kind contributions during the year ended June 30, 2021 consist of donated digital access tickets. All in-kind contributions were utilized by the Foundation in connection with its program and administrative supporting services. The value of the in-kind contributions was provided by the donors based on current rates charged for similar items, services, and facilities.

Note 10 - Retirement Plans

The Foundation contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees. The risks of participating in this multiemployer plan are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Foundation chooses to stop participating in its multiemployer plan, the Foundation may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Foundation's participation in this plan is summarized below. The "Plan Number" column provides the three-digit plan number. The most recent Pension Protection Act (PPA) zone status available in 2021 and 2020 is for the plan's year end at March 31, 2021 and 2020, respectively. The zone status is based on information that the Foundation received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates whether a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date of the collective-bargaining agreement to which the plan is subject, as applicable.

<u>Pension Fund</u>	<u>Plan Number</u>	<u>Pension Protection Act Zone Status</u>	<u>FIP/RP Status Pending/Implemented</u>	<u>Contributions of the Foundation</u>		<u>Surcharge Imposed</u>	<u>Expiration Date of Collective Bargaining Agreement</u>
		<u>2021</u>		<u>2022</u>	<u>2021</u>		
American Federation of Musicians and Employer's Pension Fund	001	Red	Implemented	<u>\$18,465</u>	<u>\$ -</u>	10%	June 30, 2025

The Foundation's contributions to the plan listed above are not greater than 5% of the total plan contributions.

THE MIDORI FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 11 - Commitment and Contingencies

- a - The Foundation is obligated under the terms of a lease for office space through October 31, 2024. Minimum annual rental payments are due as follows:

<u>Year Ending June 30,</u>	
2023	\$149,142
2024	152,125
Period ending October 31, 2024	51,042

Rent expense for the years ended June 30, 2022 and 2021 was \$148,790 and \$147,659, respectively.

- b - The Foundation's programs are serviced by teaching artists. All teaching artists are covered by a collective bargaining agreement and are subject to the risks associated with unionized employees.
- c - Government supported programs are subject to audit by the granting agency.