

**LITERACY COUNCIL OF NORTHERN  
VIRGINIA, INC.  
DBA ENGLISH EMPOWERMENT CENTER**

**FINANCIAL STATEMENTS**

**JUNE 30, 2024**



*Certified Public Accountants*

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*Certified Public Accountants*

## **Independent Auditor's Report**

To the Board of Directors

**Literacy Council of Northern Virginia, Inc.  
dba English Empowerment Center**

### **Opinion**

We have audited the accompanying financial statements of **Literacy Council of Northern Virginia, Inc. dba English Empowerment Center** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 **Literacy Council of Northern Virginia, Inc. dba English Empowerment Center** as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Literacy Council of Northern Virginia, Inc. dba English Empowerment Center** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Literacy Council of Northern Virginia, Inc. dba English Empowerment Center's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

To the Board of Directors  
**Literacy Council of Northern Virginia, Inc.**  
**dba English Empowerment Center**

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 **Literacy Council of Northern Virginia, Inc. dba English Empowerment Center'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 **Literacy Council of Northern Virginia, Inc. dba English Empowerment Center'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.

*Kositzka, Wicks and Company*

Alexandria, Virginia  
November 8, 2024

**Literacy Council of Northern Virginia, Inc.**  
**dba English Empowerment Center**

**Statement of Financial Position**  
**June 30, 2024**

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**Assets**

**Current assets**

Cash	\$ 139,910
Investments	2,058,767
Accounts receivable	29,280
Grants and contributions receivable	125,072
Prepaid expenses	11,814
	<hr/>
	2,364,843

**Property and equipment, net**

Total assets

21,241

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**\$ 2,386,084**

**Liabilities and net assets**

**Current liabilities**

Accounts payable and accrued expenses	\$ 25,172
Accrued payroll	25,011
Accrued vacation	55,751
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Total liabilities	105,934

**Net assets**

Without donor restrictions	2,232,742
With donor restrictions	47,408
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Total net assets	2,280,150
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Total liabilities and net assets	<b>\$ 2,386,084</b>

See accompanying notes and independent auditor's report.

**Literacy Council of Northern Virginia, Inc.**  
**dba English Empowerment Center**

**Statement of Activities**  
**for the year ended June 30, 2024**

	Without donor restrictions	With donor restrictions	Total
<b>Support and revenue</b>			
Contributions	\$ 1,716,936	\$ 57,500	\$ 1,774,436
Grant revenue	-	575,472	575,472
Contributed services	848,855	-	848,855
Workshop and student fees	177,236	-	177,236
Special fundraising events, net of direct expenses of \$13,572	84,837	-	84,837
Investment income, net	137,141	-	137,141
Net assets released from restrictions	672,409	(672,409)	-
	<u>3,637,414</u>	<u>(39,437)</u>	<u>3,597,977</u>
<b>Expenses</b>			
Program services			
Destination workforce	401,222	-	401,222
English language learners basic literacy	1,208,057	-	1,208,057
Family learning	136,614	-	136,614
Other program services	328,238	-	328,238
Supporting services			
Management and general	305,255	-	305,255
Fundraising	188,407	-	188,407
	<u>2,567,793</u>	<u>-</u>	<u>2,567,793</u>
<b>Change in net assets</b>	1,069,621	(39,437)	1,030,184
<b>Net assets, beginning of year</b>	1,163,121	86,845	1,249,966
<b>Net assets, end of year</b>	<u>\$ 2,232,742</u>	<u>\$ 47,408</u>	<u>\$ 2,280,150</u>

See accompanying notes and independent auditor's report.

**Literacy Council of Northern Virginia, Inc.**  
**dba English Empowerment Center**

**Statement of Functional Expenses**  
**for the year ended June 30, 2024**

	Program services					Supporting services		
	Destination workforce	English language learners basic literacy	Family learning	Other program services	Total program services	Management and general	Fundraising	Total
<b>Expenses</b>								
Depreciation	\$ 406	\$ 844	\$ 117	\$ 378	\$ 1,745	\$ 252	\$ 312	\$ 2,309
Direct fundraising expenses	-	-	-	-	-	-	13,572	13,572
Dues and memberships	963	2,143	214	1,845	5,165	461	834	6,460
Employee benefits	17,704	39,453	5,051	20,178	82,386	10,912	13,566	106,864
Employee relations	1,759	5,519	615	4,130	12,023	17,846	1,270	31,139
Insurance	405	876	113	437	1,831	3,404	303	5,538
Miscellaneous	341	618	230	780	1,969	248	184	2,401
Payroll taxes	14,289	31,450	4,018	16,041	65,798	7,266	10,744	83,808
Postage and shipping	751	2,832	482	924	4,989	1,555	750	7,294
Printing and publications	2,265	5,496	693	5,138	13,592	1,979	1,894	17,465
Professional fees	19,807	10,991	1,403	18,131	50,332	64,658	3,770	118,760
Program books and supplies	11,593	36,580	6,664	119	54,956	-	-	54,956
Rental facilities	-	-	1,955	-	1,955	-	-	1,955
Repairs and maintenance	-	-	-	-	-	4,739	-	4,739
Salaries	188,159	414,966	52,810	211,198	867,133	133,152	141,216	1,141,501
Supplies	4,581	7,986	650	6,265	19,482	10,433	3,325	33,240
Telephone	898	770	27	12	1,707	9,084	-	10,791
Travel	892	2,802	398	3,065	7,157	1,343	218	8,718
	264,813	563,326	75,440	288,641	1,192,220	267,332	191,958	1,651,510
<b>In-kind expenses</b>								
Donated facilities	13,352	29,446	3,747	14,986	61,531	9,448	10,021	81,000
Donated professional services	-	-	-	-	-	28,475	-	28,475
Donated tutoring services	123,057	615,285	57,427	24,611	820,380	-	-	820,380
	136,409	644,731	61,174	39,597	881,911	37,923	10,021	929,855
<b>Total expenses by function</b>	401,222	1,208,057	136,614	328,238	2,074,131	305,255	201,979	2,581,365
<b>Less expenses included with revenues on the statement of activities:</b>								
Direct fundraising expenses	-	-	-	-	-	-	(13,572)	(13,572)
<b>Total expenses</b>	<u>\$ 401,222</u>	<u>\$ 1,208,057</u>	<u>\$ 136,614</u>	<u>\$ 328,238</u>	<u>\$ 2,074,131</u>	<u>\$ 305,255</u>	<u>\$ 188,407</u>	<u>\$ 2,567,793</u>

See accompanying notes and independent auditor's report.

**Literacy Council of Northern Virginia, Inc.**  
**dba English Empowerment Center**

**Statement of Cash Flows**  
**for the year ended June 30, 2024**

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**Cash flows from operating activities**

Change in net assets	\$ 1,030,184
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Depreciation	2,309
Contributed rent receivable	81,000
Net realized and unrealized gain on investments	(103,959)
Proceeds from sale of contributed securities	(5,047)
(Increase) decrease in operating assets	
Grants and contributions receivable	(3,633)
Accounts receivable	(29,280)
Prepaid expenses	9,182
Increase (decrease) in operating liabilities	
Accounts payable and accrued expenses	(26,471)
Accrued payroll	10,202
Accrued vacation	18,110
Net cash provided by operating activities	<u>982,597</u>

**Cash flows from investing activities**

Purchase of property and equipment	(18,496)
Purchase of investments and reinvestments	<u>(1,040,588)</u>
Net cash (used in) investing activities	<u>(1,059,084)</u>

<b>Net change in cash and cash equivalents</b>	<b>(76,487)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>216,397</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 139,910</u></b>

**Supplemental disclosure of cash flow information**

Interest paid	\$ -
Income taxes paid	<u>\$ -</u>

See accompanying notes and independent auditor's report.



# Literacy Council of Northern Virginia, Inc. dba English Empowerment Center

## Notes to Financial Statements June 30, 2024

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### 1. Organization

Literacy Council of Northern Virginia, Inc. dba English Empowerment Center (EEC or the Organization) is an adult educational organization whose mission is to teach adults the basics of reading, writing, speaking, and understanding English so they can access employment and education opportunities and more fully and equitably participate in their community. EEC teaches primarily foreign-born adults through classroom programs with the help of trained volunteers. Main sources of revenue of EEC are contributions, grant revenue, and workshop and student fees.

Effective November 9, 2022, the Organization began doing business as English Empowerment Center.

### 2. Summary of significant accounting policies

#### Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

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 in two categories as described below.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### 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 revenue and expenses during the reporting period. Actual results could differ from those amounts.

#### Cash

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. FDIC insurance is \$250,000 per depositor, per insured bank. The Organization's cash did not exceed the FDIC limit on June 30, 2024. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash. Management performs periodic evaluations of the relative credit standing of these institutions.

#### Accounts receivable and allowance for credit losses

EEC operates in the nonprofit industry and its accounts receivable are primarily derived from customer contracts related to workshops and fees for services. Accounts receivable are recorded when the appropriate revenue recognition criteria is met. At the statement of financial position date, the Organization recognizes an expected allowance for credit losses. In addition, also at each reporting date, the estimate is updated to reflect any changes in credit risk since similar risk characteristics exist.

See independent auditor's report.

# Literacy Council of Northern Virginia, Inc. dba English Empowerment Center

## Notes to Financial Statements June 30, 2024

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Management monitors the aging of all receivable balances. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables and at the individual customer level. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. EEC believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segments have remained constant since the Organization's inception.

Based on the Organization's experience with its customers and management's assessment of current conditions, reasonable and supportable forecasts regarding future events, no allowance for credit losses was considered necessary for the Organization's accounts receivable as of June 30, 2024.

### **Grants and contributions receivable**

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Grants receivable are conditional contributions that are recognized when qualifying expenses are incurred. At June 30, 2024 grants receivable for \$122,572 originated from cost reimbursement grants in which the expenses have already been incurred during the year ended June 30, 2024. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management. At June 30, 2024 no allowance for uncollectible accounts was considered necessary.

Grant advances are recorded to the extent that amounts received are in excess of grant expense. As of June 30, 2024, there were no grant advances related to conditional or cost-reimbursement grants.

### **Investments**

Investments are reported at fair value based on publicly available market data obtained from services independent of EEC. Investment income or loss (including gains and losses on investments, interest and dividends, and investment management fees) is included in the statement of activities as increases or decreases in net assets without donor restrictions, unless the income or loss is restricted by donor or law.

In general, investments are exposed to various risk, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect amounts reported in future statements of activities. Management believes that ECC's investments do not represent significant concentrations of market risk, as its investment portfolio is adequately diversified among issuers.

### **Property and equipment**

Property over \$1,000 and with an estimated useful life in excess of one year is capitalized at cost or its estimated value at the date of donation. Depreciation is computed using the straight-line method over the useful life of the asset, generally three to seven years.

### **Other financial assets and liabilities**

Financial assets with carrying values approximating fair value include cash and cash equivalents, grants and contribution receivable, accounts receivables, and prepaid expenses. Financial liabilities with carrying values approximating fair value include accounts payable and accrued expenses, accrued payroll, and accrued vacation. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

See independent auditor's report.

# Literacy Council of Northern Virginia, Inc. dba English Empowerment Center

## Notes to Financial Statements June 30, 2024

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### **Functional classification of expenses**

The costs of providing the programs and services are summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and services benefited. Expenses have been allocated among the various programs, management and general, and fundraising functions based on a combination of specific identification and allocation by management. Expenses related to salaries, employee benefits, payroll taxes, telephone, insurance, employee relations, dues and memberships, rent, and donated facilities are charged to programs and supporting services based on specific identification by management and estimates of personnel time and effort.

### **Prepaid expenses**

Prepaid expenses are measured at the amount paid for the services, adjusted for the proportion of the time frame of the services that has elapsed prior to year-end.

### **Income taxes**

The EEC is exempt from federal income tax as a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. The Organization did not have a liability for unrelated business income taxes for the year ended June 30, 2024.

The material jurisdictions subject to potential examination by taxing authorities include the U.S. and Virginia. Management does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on the Association's results of operations. Tax years that remain subject to examination by the IRS are fiscal years 2021 through 2024.

### **Compensated absences**

Employees of the Organization are entitled to paid time off for vacation, sick, and personal time based on job classification, length of service, and other factors. As of June 30, 2024, estimated compensated absences of \$55,751 are reported as accrued vacation in the accompanying statement of financial position.

### **Revenue recognition**

The Organization recognizes contributions when grants, cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Sources of revenue from contracts include workshop and student fees, and fees for services. Contracts were evaluated using the practical expedient of a portfolio approach because each contract is with an individual member or company. All contracts have similar characteristics and corresponds to a revenue stream that is carried out on a consistent basis.

Management expects that the geographical location of customers will not have a significant impact on the nature, amount, timing, and uncertainty of future revenue and cash flows. The workshop and student fees, and fees for services are recognized at a point in time, when the event, service or the workshop takes place. Amounts paid in advance are deferred to the period in which the underlying service or event takes place. There was no deferred revenue for the year ended June 30, 2024. Accounts receivable at June 30, 2024 related to exchange transactions was \$29,280, there were no receivables for the year ended June 30, 2023.

See independent auditor's report.

# Literacy Council of Northern Virginia, Inc. dba English Empowerment Center

## Notes to Financial Statements June 30, 2024

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### In-kind contributions

Contributed nonfinancial assets include donated professional services and donated learning space which are recorded at the respective fair value of the space and services received. The value of donated services that either (a) created or enhanced a nonfinancial asset or (b) required specialized skills, was provided by individuals possessing those skills, and would have been purchased if not donated.

In-kind contributions received during the year ended June 30, 2024 consisted of donated learning space, professional services and services for time spent on tutoring. Contributed materials are recorded at fair value at the date of donation. No contributions of materials were received during the year ended June 30, 2024.

### Recently adopted accounting pronouncements

The Organization has adopted the Financial Accounting Standards Board (FASB) Accounting Standard Codification – *Financial Instruments-Credit Losses* (ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

### 3. Investments

Net investment income consisted of the following at June 30, 2024:

Interest and dividends	\$ 42,200
Investment management fees	(9,018)
Realized and unrealized gains	103,959
Total investment income, net	<u>\$ 137,141</u>

### 4. Property and equipment

Property and equipment consisted of the following at June 30, 2024:

	<u>2024</u>	<u>Useful life</u>
Office equipment	\$ 55,695	3 - 5 years
Furniture	<u>2,830</u>	5 - 7 years
	58,525	
Less: accumulated depreciation	<u>(37,284)</u>	
Total property and equipment, net	<u>\$ 21,241</u>	

For the year ended June 30, 2024, depreciation expense totaled \$2,309.

See independent auditor's report.

# Literacy Council of Northern Virginia, Inc. dba English Empowerment Center

## Notes to Financial Statements June 30, 2024

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### 5. Fair value measurements

EEC classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

EEC used the following methods and significant assumptions to estimate fair value for assets recorded at fair value on a recurring basis. There have been no changes in the methodologies used during the year ended June 30, 2024. Money market funds are valued at cost, which approximates fair value.

Mutual funds are valued at the quoted daily closing net asset values (NAVs) per share as reported by the fund. These open-end mutual funds are registered with the Securities and Exchange Commission and are required to publish their daily NAVs and transact at that price. The mutual funds are considered to be actively traded. Common stock is valued at the closing price reported on the active market on which the individual securities are traded. These assets are all included in Level 1.

Corporate bonds and government agency securities represent securities that are generally not traded on a daily basis. The fair value estimates of such investments are based on observable market information, rather than market quotes. Accordingly, the estimates of fair value for such investments, as provided by the pricing service, are included in Level 2.

Investments measured at fair value on a recurring basis by input basis are summarized below:

At June 30, 2024:	Level 1	Level 2	Level 3	Total
Money market funds	\$ 17,895	\$ -	\$ -	\$ 17,895
Exchange traded funds	1,055,820	-	-	1,055,820
Equities	360,486	-	-	360,486
Corporate bonds	-	48,982	-	48,982
Mutual funds	575,584	-	-	575,584
Total assets at fair value	<u>\$ 2,009,785</u>	<u>\$ 48,982</u>	<u>\$ -</u>	<u>\$ 2,058,767</u>

### 6. Retirement plan

EEC maintains a qualified Simple Retirement Plan where qualified employees can make pre-tax contributions up to statutory limits. All employees who have earned at least \$5,000 in annual compensation in any two preceding years are eligible for enrollment in EEC's Plan. EEC makes matching contributions up to three percent of the participating employee's salary for any employees who work 30 hours or more per week.

Total contributions made by the Organization to the Plan for the year ended June 30, 2024 were \$19,098 and were included with employee benefits on the statement of functional expenses.

See independent auditor's report.

# Literacy Council of Northern Virginia, Inc. dba English Empowerment Center

## Notes to Financial Statements June 30, 2024

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### 7. Net assets with donor restrictions

Net assets with donor restrictions consisted of the following funds at June 30, 2024:

	<u>2023</u>	<u>Additions</u>	<u>Releases</u>	<u>2024</u>
Technology upgrades	\$ 5,500	\$ 10,000	(5,024)	\$ 10,476
Destination workforce	-	221,086	(221,086)	-
Adult basic literacy and beginning English	345	391,886	(355,299)	36,932
Family learning	-	10,000	(10,000)	-
Time restrictions	81,000	-	(81,000)	-
	<u>\$ 86,845</u>	<u>\$ 632,972</u>	<u>\$ (672,409)</u>	<u>\$ 47,408</u>

### 8. Concentrations

One donor represented approximately 28% of total revenue, and two donors represent 98% of grants and contributions receivable for the year ended June 30, 2024.

### 9. Liquidity and availability

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, include the following assets on June 30, 2024:

Cash and cash equivalents	\$ 139,910
Accounts receivable	29,280
Grants receivable	125,072
Investments	<u>2,058,767</u>
	2,353,029
Less amounts not available due to donor imposed restrictions	<u>(47,408)</u>
	<u>\$ 2,305,621</u>

EEC invests cash in excess of operating needs prudently in liquid assets and/or investments, depending on anticipated cash flow needs. EEC's investment portfolio is managed by professional investment advisors.

### 10. In-kind contributions

Volunteers provide a substantial amount of the tutoring and teaching services provided by EEC along with other classroom services. The teachers complete instructor training courses and are considered professional educators. For the year ended June 30, 2024 the number of hours contributed totaled approximately 24,570. These hours are multiplied by the value of volunteer time based on the Virginia Employment Commission average hourly earnings. The Virginia average hourly value of volunteer time for the year ended June 30, 2024 was \$33.38.

The value of these services for the year ended June 30, 2024 totaled \$820,380, which is included in contributed services revenue and program services expense in the accompanying statements of activities. Additionally, for the year ended June 30, 2024, EEC received \$8,475 of donated legal services; and \$20,000 in donated website review fees.

See independent auditor's report.

# Literacy Council of Northern Virginia, Inc. dba English Empowerment Center

## Notes to Financial Statements June 30, 2024

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EEC receives 4,050 square feet of donated space from the county government in which to operate. The space is valued at \$20 per square foot for each year. The agreement is renewed in two-year increments and recorded as rent contribution receivable in the year of renewal. In July 2024, the lease was renewed for additional two years through June 30, 2026.

### **11. Subsequent events**

The Organization assessed events occurring subsequent to June 30, 2024 through November 8, 2024, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events except those disclosed in Note 10 occurred during that time period that would require adjustment to or disclosure in the financial statements.