THE FRANCES AND HENRY RIECKEN FOUNDATION, INC.

Princeton, New Jersey

FINANCIAL REPORT

For the Years Ended December 31, 2023 and 2022

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Certified Public Accountants | Business Advisors

THE FRANCES AND HENRY RIECKEN FOUNDATION, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Frances and Henry Riecken Foundation, Inc.
Princeton, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying combined financial statements of The Frances and Henry Riecken Foundation, Inc. (the Foundation), which comprise the combined Statements of Financial Position as of December 31, 2023 and 2022 and the related combined Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Foundation and to meet our 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 Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 Foundation'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 and *Government 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 GAAS and *Government 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 Foundation'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 Foundation'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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2024, on our consideration of The Frances and Henry Riecken Foundation, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
August 1, 2024

THE FRANCES AND HENRY RIECKEN FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents	**$ 158,337**	$ 308,253
Total Current Assets	**158,337**	308,253
Property, Plant, and Equipment, Net of Accumulated Depreciation of $56,428 in 2023 and $53,811 in 2022	**4,311**	2,559
Operating Lease Assets, Net of Accumulated Amortization of $81,639 in 2023 and $58,867 in 2022	**31,114**	53,762
Total Assets	**$ 193,762**	$ 364,574
Current Liabilities		
Operating Lease Liability - Current Portion	**$ 23,036**	$ 22,698
Deferred Revenue	**1,729**	-
Total Current Liabilities	**24,765**	22,698
Operating Lease Liability - Noncurrent Portion	**8,078**	31,064
Total Liabilities	**32,843**	53,762
Net Assets		
Without Donor Restrictions	**112,870**	255,494
With Donor Restrictions	**48,049**	55,318
Total Net Assets	**160,919**	310,812
Total Liabilities and Net Assets	**$ 193,762**	$ 364,574

See Notes to Financial Statements

THE FRANCES AND HENRY RIECKEN FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenues, Gains, and Other Support		
Contributions	**$ 216,574**	$ 319,250
Grants	**549,746**	449,565
Interest and Dividends	**331**	452
Net Assets Released From Restrictions	**36,979**	25,163
Total Revenues, Gains, and Other Support	**803,630**	794,430
Expenses		
Program Services	**679,873**	467,829
Management and General	**173,020**	144,130
Fundraising	**93,361**	86,654
Total Expenses	**946,254**	698,613
Total Change in Net Assets Without Donor Restrictions	**(142,624)**	95,817
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	**29,710**	36,988
Net Assets Released From Restrictions	**(36,979)**	(25,163)
Total Change in Net Assets With Donor Restrictions	**(7,269)**	11,825
Change in Net Assets	**(149,893)**	107,642
Net Assets, Beginning of Year	**310,812**	203,170
Net Assets, End of Year	**$ 160,919**	$ 310,812

See Notes to Financial Statements

THE FRANCES AND HENRY RIECKEN FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising	Total
Building Expenses	$ 27,106	$ 3,012	$ -	$ 30,118
Employee Benefits	37,774	14,529	5,812	58,115
Financial Expenses	-	2,159	-	2,159
Follow-up and Monitoring	29,025	7,256	-	36,281
Librarians	19,609	2,179	-	21,788
Library Board of Directors	1,190	132	-	1,322
Library Programming	126,053	14,006	-	140,059
Miscellaneous Business Expenses	5,085	1,271	-	6,356
New Libraries	229,756	25,528	-	255,284
Office Expenses	11,986	2,997	-	14,983
Other Staff Expenses	32,109	8,027	-	40,136
Professional Services	-	24,310	24,310	48,620
Salaries	126,478	63,239	63,239	252,956
Vehicle Expenses	2,240	560	-	2,800
Volunteers	29,166	3,241	-	32,407
Total Expenses Before Depreciation and Translation	677,577	172,446	93,361	943,384
Depreciation Expense	2,182	545	-	2,727
Translation Adjustment	114	29	-	143
Total Expenses	**$ 679,873**	**$ 173,020**	**$ 93,361**	**$ 946,254**

See Notes to Financial Statements

THE FRANCES AND HENRY RIECKEN FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Total
Building Expenses	$ 23,620	$ 2,625	$ -	$ 26,245
Employee Benefits	47,035	18,091	7,236	72,362
Financial Expenses	-	1,699	-	1,699
Follow-up and Monitoring	23,193	5,798	-	28,991
Librarians	30,046	3,339	-	33,385
Library Board of Directors	1,666	185	-	1,851
Library Programming	46,394	5,155	-	51,549
Miscellaneous Business Expenses	6,520	1,630	-	8,150
New Libraries	129,161	14,351	-	143,512
Office Expenses	12,599	3,150	-	15,749
Other Staff Expenses	29,496	7,374	-	36,870
Professional Services	-	24,915	24,915	49,830
Salaries	109,005	54,502	54,503	218,010
Vehicle Expenses	698	175	-	873
Volunteers	6,898	766	-	7,664
Total Expenses Before Depreciation and Translation	466,331	143,755	86,654	696,740
Depreciation Expense	1,911	478	-	2,389
Translation Adjustment	(413)	(103)	-	(516)
Total Expenses	**$ 467,829**	**$ 144,130**	**$ 86,654**	**$ 698,613**

See Notes to Financial Statements

THE FRANCES AND HENRY RIECKEN FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2023	2022
Cash Flows From Operating Activities		
Change in Net Assets	**$ (149,893)**	$ 107,642
Adjustments to Reconcile Change in		
Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	**2,727**	2,389
Lease Amortization	**22,577**	22,996
Translation Adjustment	**143**	(516)
Donated Securities	**(89,817)**	(131,940)
Increase (Decrease) in Operating Liabilities:		
Deferred Revenue	**1,729**	-
Net Cash Provided (Used) by Operating Activities	**(212,534)**	571
Cash Flows From Investing Activities		
Proceeds From the Sale of Investments	**89,817**	131,940
Purchase of Property, Plant, and Equipment	**(4,484)**	(1,865)
Net Cash Provided (Used) by Investing Activities	**85,333**	130,075
Cash Flows From Financing Activities		
Temporary Loan Proceeds	**39,800**	-
Temporary Loan Payments	**(39,800)**	-
Payments on Leases	**(22,715)**	(22,452)
Cash Flows From Financing Activities	**(22,715)**	(22,452)
Change in Cash and Cash Equivalents	**(149,916)**	108,194
Cash and Cash Equivalents, January 1,	**308,253**	200,059
Cash and Cash Equivalents, December 31,	**$ 158,337**	$ 308,253
SUPPLEMENTAL DISCLOSURES		
Donated Securities	**$ 89,817**	$ 131,940

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 1 Summary of Significant Accounting Policies

Description of Organization

The Frances and Henry Riecken Foundation, Inc. (the Foundation), a nonprofit organization, was incorporated in Washington, District of Columbia to operate the Riecken Community Libraries (the Libraries) in Honduras and Guatemala, Central America. The Libraries' goals are to promote civil engagement and prosperity in Central America through social and educational institutions that awaken a spirit of discovery and participation, as well as to improve the lives of poor and underprivileged people, and those living in remote and/or disadvantaged areas worldwide, through charitable and educational activities.

The Foundation maintains its operations in the United States of America. The majority of the Foundation's net assets, other than U.S. bank accounts, are located in Honduras and Guatemala.

Basis of Accounting

The Foundation's policy is to prepare its financial statements on the accrual basis of accounting. Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which the related liability is incurred.

Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), 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 the 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 by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

Combined Financial Statements

The financial statements include the accounts of the Foundation's United States, Honduras, and Guatemala branches. All significant interbranch transactions and accounts are eliminated.

Note 1 **Summary of Significant Accounting Policies - Continued**

Cash and Cash Equivalents
Cash and cash equivalents consist of funds on deposit with banks, money market funds, and time deposits with an original maturity of three months or less. Some cash accounts located in Honduras and Guatemala are kept in their local currency.

Grants and Contributions
Grants and contributions, including unconditional promises to give, are reported as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions until the assets are acquired and placed in service. Contributions of assets other than cash are recorded at their estimated fair value at date of donation.

Foreign Currency Translation
The accounting records of the Libraries are maintained in Honduras' Lempira and Guatemala's Quetzals. Monetary assets and liabilities are translated to U.S. dollars at period-end exchange rates and non-monetary items are translated at historical rates. Revenue and expense accounts are translated at average rates in effect during the period. Gains and losses from changes in exchange rates are recognized in the Statements of Activities.

Property, Plant, and Equipment
The Foundation capitalizes all property and equipment with useful lives greater than one year. Property, plant, and equipment are stated at cost, and depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The percentage of depreciation is as follows:

Furniture and Fittings	20%
Computers	33%
Equipment	20%
Vehicles	20%

Use of Estimates
Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and judgments affecting the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and revenue and expenses recognized during the reporting period. Accordingly, actual results could differ from those estimates.

Note 1 **Summary of Significant Accounting Policies - Continued**

Natural and Functional Expenses
Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14 requires the Foundation to provide an analysis of expenses by both natural and functional classification. Natural expenses are defined by their nature, such as salaries, rent, and supplies. Functional expenses are classified by the type of activity for which expenses were incurred; program, administration, or fundraising. Management has analyzed the direct expenses and categorized them according to their functional use. Expenses incurred for multiple functions have been allocated based on reasonable estimates of time and effort.

Income Tax Status
The Frances and Henry Riecken Foundation, Inc. is recognized as a private foundation by the Internal Revenue Service under §507(b)(1)(B). In 2012, the Foundation filed to terminate its private foundation status under §507(b)(1)(B) and be treated as a public charity described in §509(a)(1) and §170(b)(1)(A)(vi) of the Internal Revenue Code. In 2017, the Foundation was officially reclassified by the Internal Revenue Service as a public charity, following the end of the 60-month advance ruling period. Consequently, the Foundation is not subject to United States income tax under §501(a) of the Internal Revenue Code. The activities of the Libraries are subject to income tax in Honduras and Guatemala.

Leases
The Foundation determines if an arrangement is or contains a lease at inception. The Foundation records Right-of-Use (ROU) assets and lease obligations for their finance and operating leases, which are initially based on the discounted future minimum lease payments over the term of the lease. As the rate implicit in the Foundation’s leases is not easily determinable, the Foundation has elected to use the risk-free rate for the same period of time as the lease term.

Lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. Leases may also include options to terminate the arrangement or options to purchase the underlying asset. For leases with an initial term of 12 months or less, no ROU assets or lease obligations are recorded on the balance sheet and the Foundation recognizes short-term lease expense for these leases on a straight-line basis over the lease term.

The Foundation’s lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Foundation is also responsible for certain non-lease costs related to facilities, including utilities, real estate taxes and certain shared operating costs. For the majority of asset classes, the Foundation has elected to separate lease from non-lease components. The Foundation has elected to combine lease and non-lease components for certain classes of equipment.

Note 1 **Summary of Significant Accounting Policies - Continued**

Leases - Continued
Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of goods sold or operating expense. Amortization expense for finances leases is recognized on a straight-line basis over the lease term and is included in operating expense. Interest expense for finance leases is recognized using the effective interest method. Short- term rentals and payments associated with non-lease components are expensed as incurred.

Recent Accounting Pronouncements
In June 2016, the FASB issued ASU 2016-13, “Financial Instruments – Credit Losses: Measurement of Credit Losses on Financial Instruments” (Topic 326). Which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss model with a forward-looking expected loss model which results in earlier recognition of credit losses. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Foundation adopted ASU 2016-13 as of January 1, 2023 using a modified retrospective approach. The adoption of this standard did not have a material impact on the Foundation’s financial statements.

Evaluation of Subsequent Events
Management has evaluated subsequent events and transactions, including changes to exchange rates and their effect of unsettled foreign currency transactions, for potential recognition and disclosure in the financial statements through August1, 2024 the date on which the financial statements were available to be issued.

Note 2 **Liquidity and Availability of Funds**
The Foundation’s 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, are as follows:

	2023	2022
Financial Assets at Year End		
Cash and Equivalents	**$ 158,337**	$ 308,253
Total Financial Assets at Year End	**158,337**	308,253
(Less): Amounts Not Available to be Used Within One Year		
Net Assets With Donor Restrictions	**48,049**	55,318
Total Amounts Unavailable Within One Year	**48,049**	55,318
Total Financial Assets Available to Meet General Expenditures Within One Year	**$ 110,288**	$ 252,935

The Foundation manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 3 **Property, Plant, and Equipment**

Property, plant, and equipment consisted of the following at December 31,:

	2023				
	Beginning Balance	**Additions**	**Deletions/ Reclassifications**	**Translation Adjustment**	**Ending Balance**
Property, Plant, and Equipment					
Furniture and Fittings	**$ 3,542**	**$ 1,161**	**$ -**	**$ 9**	**$ 4,712**
Computers	**17,375**	**2,933**	**-**	**15**	**20,323**
Equipment	**20,453**	**390**	**(178)**	**(9)**	**20,656**
Vehicles	**15,000**	**-**	**-**	**48**	**15,048**
Total	**56,370**	**4,484**	**(178)**	**63**	**60,739**
Less Accumulated Depreciation	**(53,811)**	**(2,727)**	**178**	**(68)**	**(56,428)**
Property, Plant, and Equipment, Net	**$ 2,559**	**$ 1,757**	**$ -**	**$ (5)**	**$ 4,311**

	2022				
	Beginning Balance	**Additions**	**Deletions/ Reclassifications**	**Translation Adjustment**	**Ending Balance**
Property, Plant, and Equipment					
Furniture and Fittings	$ 3,604	$ -	$ -	$ (62)	$ 3,542
Computers	17,000	1,865	(1,222)	(268)	17,375
Equipment	20,755	-	-	(302)	20,453
Vehicles	15,273	-	-	(273)	15,000
Total	56,632	1,865	(1,222)	(905)	56,370
Less Accumulated Depreciation	(53,521)	(2,389)	1,222	877	(53,811)
Property, Plant, and Equipment, Net	$ 3,111	$ (524)	$ -	$ (28)	$ 2,559

Depreciation expense charged to operations was $2,727 and $2,389 for the years ended December 31, 2023 and 2022, respectively.

Translation adjustments resulting from changes in the period-end exchange rate resulted in charges to operations of $5 and $28 for the years ended December 31, 2023 and 2022, respectively.

Note 4 **Concentration of Credit Risk Arising From Cash Deposits**

The Foundation maintains, at various financial institutions, cash and cash equivalents, which may at times exceed federally insured amounts of $250,000 per institution. Cash and cash equivalents deposited at financial institutions outside of the United States are not covered by federal insurance.

Note 5 Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk arises mostly from operating transactions. In an effort to achieve liquidity and avoid the risk of currency exchange rate fluctuations, the Foundation keeps minimum reserves in USD. The cash and cash equivalents in Lempira and Quetzals are deposited in interest-bearing bank accounts in stable bank institutions.

Note 6 Leases

The Foundation leases office spaces in their local offices located in Guatemala and Honduras. The lease for the local office in Guatemala commenced in January 2021, and is renewable annually in December. The lease for the local office in Honduras commenced in January 2022, and is renewable every two years in December. The Foundation has elected to use a five-year term to develop ROU asset and lease liability calculations. The remaining term will be evaluated annually.

The components of operating lease cost for the year ended December 31, 2023 are as follows:

Operating Lease Cost	$ 22,715
Interest on Liabilities	595
Total	**$ 23,310**

Supplemental cash flow information related to leases for the year ended December 31, 2023 is as follows:

Cash paid for amounts included in measurement of lease obligations:

Cash Paid for Amounts Included in Measurement of Lease Obligations	
Cash Payments for Leases	**$ 22,715**

Future maturities of lease liabilities, as of December 31, 2023 are as follows:

Year	Amount
2024	$ 23,318
2025	8,138
Total Undiscounted Lease Obligations	$ 31,456
Less: Imputed Interest	(342)
Total	**$ 31,114**

Note 7 Net Assets With Donor Restrictions

Net Assets with Donor Restrictions of the Foundation consisted of the following at December 31,:

	2023	2022
Donations to be Executed - Honduras		
SIAFI	$ 158	$ 163
Institutional	5,819	2,556
Total Donations to be Executed - Honduras	5,977	2,719
Donations to be Executed - Guatemala		
Institutional	32,447	15,625
Sustainability Books	7,848	-
OIM	-	36,974
USAID / ASHA	1,777	-
Total Donations to be Executed - Guatemala	42,072	52,599
Total	$ 48,049	$ 55,318

Net assets released from restrictions totaled $36,979 and $25,163 for the years ended December 31, 2023 and 2022, respectively.

Note 8 Grants From the United States Government

In 2021, the Foundation was awarded a grant in the amount of $387,000 from ASHA (72ASHA20CA00005) for professional services, construction, renovation, commodities, and program support. Expenses amounted to $269,169 and $-0- for the years ended December 31, 2023 and 2022, $117,831 remains to be spent at December 31, 2023.

In 2023, the Foundation was awarded a grant in the amount of $457,800 from ASHA (720DD122GR00014) for commodities and program support. Expenses amounted to $-0- for the years ended December 31, 2023. $457,800 remains to be spent at December 31, 2023.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
The Frances and Henry Riecken Foundation, Inc.
Princeton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Frances and Henry Riecken Foundation, Inc. (the Foundation), which comprise the Statement of Financial Position as of December 31, 2023, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 1, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Insero & Co. CPAs, LLP

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
August 1, 2024