

**CITIZENS' CLIMATE EDUCATION CORP  
FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

**CITIZENS' CLIMATE EDUCATION CORP**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Citizens' Climate Education Corp

### Opinion

We have audited the accompanying financial statements of Citizens' Climate Education Corp, a nonprofit organization, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, 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 Citizens' Climate Education Corp as of December 31, 2022 and 2021, and the results of its activities 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Citizens' Climate Education Corp 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Citizens' Climate Education Corp'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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Citizens' Climate Education Corp'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 financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate that raise substantial doubt about Citizens' Climate Education Corp'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.



CONSIDINE & CONSIDINE  
An accountancy corporation

June 6, 2023

**CITIZENS' CLIMATE EDUCATION CORP**  
**A NONPROFIT ORGANIZATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022 AND 2021**

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	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,876,723	\$ 4,978,528
Receivables	234,271	669,112
Prepaid expenses	243,769	188,651
Due from related party (note 3)	151,897	162,040
	3,506,660	5,998,331
OTHER ASSETS		
Investments (note 5)	69,782	3,619
Other receivables	1,200	5,300
	70,982	8,919
TOTAL ASSETS	3,577,642	6,007,250
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued expenses (note 6)	424,220	418,144
Deferred revenue	675	325
	424,895	418,469
NET ASSETS (note 7)		
Without donor restrictions	3,027,543	4,945,269
With donor restrictions	125,204	643,512
	3,152,747	5,588,781
TOTAL LIABILITIES AND NET ASSETS	\$ 3,577,642	\$ 6,007,250

See accompanying notes

**CITIZENS' CLIMATE EDUCATION CORP**  
**A NONPROFIT ORGANIZATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND SUPPORT			
Contributions and grants	\$ 3,308,082	\$ 388,004	\$ 3,696,086
Conference revenue	50,504	-	50,504
Other income	35,290	-	35,290
	3,393,876	388,004	3,781,880
NET ASSETS RELEASED FROM RESTRICTIONS (note 7)			
Satisfaction of program restrictions	71,312	(71,312)	-
Expiration of time restrictions	835,000	(835,000)	-
	906,312	(906,312)	-
TOTAL REVENUE AND SUPPORT	4,300,188	(518,308)	3,781,880
EXPENSES			
Program services	4,961,303	-	4,961,303
Management and general	786,927	-	786,927
Development	469,684	-	469,684
	6,217,914	-	6,217,914
CHANGE IN NET ASSETS	(1,917,726)	(518,308)	(2,436,034)
NET ASSETS, BEGINNING OF YEAR	4,945,269	643,512	5,588,781
NET ASSETS, END OF YEAR	\$ 3,027,543	\$ 125,204	\$ 3,152,747

See accompanying notes

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**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND SUPPORT			
Contributions and grants	\$ 6,049,935	\$ 260,500	\$ 6,310,435
Conference revenue	29,759	-	29,759
Other income	113,859	-	113,859
	6,193,553	260,500	6,454,053
NET ASSETS RELEASED FROM RESTRICTIONS (note 7)			
Satisfaction of program restrictions	221,788	(221,788)	-
Expiration of time restrictions	977,000	(977,000)	-
	1,198,788	(1,198,788)	-
TOTAL REVENUE AND SUPPORT	7,392,341	(938,288)	6,454,053
EXPENSES			
Program services	5,155,325	-	5,155,325
Management and general	655,201	-	655,201
Development	480,443	-	480,443
	6,290,969	-	6,290,969
CHANGE IN NET ASSETS	1,101,372	(938,288)	163,084
NET ASSETS, BEGINNING OF YEAR	3,843,897	1,581,800	5,425,697
NET ASSETS, END OF YEAR	\$ 4,945,269	\$ 643,512	\$ 5,588,781

See accompanying notes

**CITIZENS' CLIMATE EDUCATION CORP**  
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**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Advertising and marketing	\$ 206,863	\$ 25	\$ 48,900	\$ 255,788
Bank and other fees	3,689	862	24,642	29,193
Charitable donations	87,166	500	-	87,666
Communications	58,848	-	-	58,848
Conference and meetings	261,318	-	-	261,318
Employee benefits	264,881	56,340	27,353	348,574
Insurance	9,660	1,742	979	12,381
International outreach	87,288	-	-	87,288
Office	4,182	47,065	5,071	56,318
Outreach and education	185,795	-	-	185,795
Payroll taxes	250,712	45,096	25,945	321,753
Professional services	-	27,197	-	27,197
Rent	46,954	8,561	4,908	60,423
Salaries and wages	3,191,765	596,042	328,928	4,116,735
Strategic imperatives	26,778	-	-	26,778
Technology	229,603	-	-	229,603
Travel	45,801	3,497	2,958	52,256
TOTAL EXPENSES	<u>\$ 4,961,303</u>	<u>\$ 786,927</u>	<u>\$ 469,684</u>	<u>\$ 6,217,914</u>

See accompanying notes



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**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>DEVELOPMENT</u>	<u>TOTAL</u>
EXPENSES				
Advertising and marketing	\$ 584,744	\$ -	\$ 53,165	\$ 637,909
Bank and other fees	1,323	2,427	34,086	37,836
Charitable donations	28,474	-	-	28,474
Communications	393,917	-	-	393,917
Conference and meetings	99,068	-	-	99,068
Employee benefits	131,629	23,105	14,765	169,499
Insurance	24,879	4,430	2,922	32,231
International outreach	74,268	-	-	74,268
Office	2,644	34,476	3,134	40,254
Outreach and education	240,164	-	-	240,164
Payroll taxes	236,335	40,657	26,777	303,769
Professional services	-	25,992	-	25,992
Rent	55,190	9,452	6,326	70,968
Salaries and wages	3,050,393	514,639	338,931	3,903,963
Strategic imperatives	2,717	-	-	2,717
Technology	228,450	-	-	228,450
Travel	1,130	23	337	1,490
TOTAL EXPENSES	<u>\$ 5,155,325</u>	<u>\$ 655,201</u>	<u>\$ 480,443</u>	<u>\$ 6,290,969</u>

See accompanying notes

**CITIZENS' CLIMATE EDUCATION CORP**  
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**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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	2022	2021
CASH FLOWS USED BY OPERATING ACTIVITIES		
Change in net assets	\$ (2,436,034)	\$ 163,084
ADJUSTMENTS TO RECONCILE THE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Donated investments	(263,023)	(1,212,202)
Change in operating assets and liabilities:		
Receivables	434,841	894,891
Prepaid expenses	(55,118)	(15,418)
Due from related party	10,143	(120,804)
Other receivables	4,100	7,900
Accounts payable	-	(25,796)
Accrued expenses	6,077	110,128
Deferred revenue	350	(79,112)
	<u>137,370</u>	<u>(440,413)</u>
CASH FLOWS USED BY OPERATING ACTIVITIES	(2,298,664)	(277,329)
NET CASH PROVIDED BY INVESTING ACTIVITIES		
Proceeds on sale of investments	1,194,918	1,711,859
Purchase of investments	(998,059)	-
	<u>196,859</u>	<u>1,711,859</u>
NET INCREASE/(DECREASE) IN CASH	(2,101,805)	1,434,530
CASH, BEGINNING OF YEAR	<u>4,978,528</u>	<u>3,543,998</u>
CASH, END OF YEAR	<u>\$ 2,876,723</u>	<u>\$ 4,978,528</u>

See accompanying notes

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**NOTE 1 THE ORGANIZATION**

Citizens' Climate Education Corp (the "Organization") trains individuals to educate political leaders, the media, and the general public about climate change solutions. The Organization's programs explain the many benefits of fair, effective, and transparent climate action. The Organization is nonpartisan and empowers ordinary citizens to become active and effective participants in their democracy. Substantially all of the Organization's support is received as contributions from individuals and foundations.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting** – The accompanying financial statements are prepared using the accrual method in conformity with generally accepted accounting principles (GAAP) in the United States.

**Basis of presentation** – The Organization follows the recommendation of Financial Accounting Standards Board's (FASB) Financial Statements of Not-For-Profit Organizations for presentation of its financial statements which require that net assets, support, revenue and gains, expenses and losses be classified as with donor restrictions and without donor restrictions.

**Estimates** – The preparation of financial statements in conformity with GAAP requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Fair value measurement** – The Organization follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial assets and liabilities.

**Net assets without donor restriction** – Net assets without donor restriction represent expendable funds available for operations that are not otherwise limited by donor restrictions. Net assets without donor restriction also include amounts designated for certain purposes by the Board of Directors. At December 31, 2022 and 2021, the Organization had approximately \$3,027,500 and \$4,945,000 of net assets without donor restriction, respectively.

**Net assets with donor restriction** – Net assets with donor restrictions consist of contributed funds subject to specific donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may recognize the funds or recognize the support. At December 31, 2022 and 2021, the Organization had donor restricted net assets of approximately \$125,000 and \$643,500, respectively.

**Cash** – The Organization considers financial instruments with a fixed maturity of less than three months to be cash equivalents. The Organization maintains its cash in bank deposit accounts which at times exceed the federally insured deposit limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash. The Organization had approximately \$2,020,500 and \$3,991,000 in excess of the federally insured deposit limits at December 31, 2022 and 2021, respectively.

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Investments – Investments are carried at fair market value. Income on investments are recognized as revenue in the period it is earned, and realized and unrealized gains and losses are recognized as changes in net assets in the accounting period in which they occur. The Organization receives investments from donors and converts them into cash immediately.

Receivables – For the years ended December 31, 2022 and 2021, receivables consist of pledges, approximately \$150,500 and \$600,000, respectively; credit card receivables of approximately \$83,500 and \$67,000, respectively; and accounts receivables of approximately \$0 and \$2,100, respectively. These are stated at the outstanding balances, less an allowance for doubtful accounts. The Organization provides for losses on receivables using the allowance method. The allowance is based on experience. It is the Organization's policy to charge off uncollectible receivables when management determines the receivable will not be collected. For the years ended December 31, 2022 and 2021, management did not write off any amount of its receivables.

Contributions – Contributions received are considered to be unrestricted and available for general use unless designated by the donor for a specific purpose. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the statement of activities and changes in net assets as net assets released from restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as net assets with donor restrictions and then released from restriction in the same period.

Leases – The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Organization to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are recorded in property and equipment. All other leases are categorized as operating leases. The Organization had no finance or operating leases at December 31, 2022.

Revenue recognition – The Organization follows Financial Accounting Standard Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606 (“ASC 606”) Revenue from Contracts with Customers, which provides guidance for revenue recognition. This ASC’s core principle requires an organization to recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods and services. The standard also clarifies the principal versus agent considerations, providing the evaluation must focus on whether the entity has control of the goods or services before they are transferred to the customer.

Conditional grants – During 2022 and 2021, the Organization received grants of approximately \$325,000 and \$421,000, respectively, that contained donor conditions (primarily matching fund requirements). Since these grants represent conditional promises to give, they are not recorded as contribution revenue until the donor conditions are met. During 2022 and 2021, approximately \$325,000 and \$500,000 in conditions were fulfilled and recognized as contribution revenue.

Functional expense allocation – The Organization allocates its expenses on a functional basis among its program and support services. Directly identifiable expenses are charged to program and supporting

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services. There are certain categories of expenses that are attributable to more than one program or supporting function and require allocation on a reasonable basis. Expenses such as compensation and benefits, utilities, advertising and marketing and rent are allocated on the basis of estimates of time and effort. Other expenses related to more than one function are charged to program and supporting services on the basis of periodic and expense studies.

Income taxes – The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and contributions to it are tax deductible within limitations prescribed by the Code.

The Organization follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or expected to be taken in a tax return. As of December 31, 2022, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California.

Recent accounting pronouncements

In February 2016, FASB issued ASU 2016-02 Leases (Topic 842). In July 2018, FASB issued two updates to ASU 2016-02, ASU 2018-10, Codification Improvements to Topic 842 Leases, and ASU 2018-11, Leases (Topic 842): Targeted Improvements. The new standard is effective for fiscal years beginning after December 15, 2021. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-to-use assets and lease liabilities on the balance sheet for operating leases with terms of more than twelve months. Topic 842 also requires disclosures that provide qualitative and quantitative information for the lease assets and liabilities recorded in the financial statements. Upon completion of its review of relevant contracts, adoption of Topic 842 did not result in any material adjustments to balance sheet accounts related to lessor or lessee accounting. The Organization adopted Topic 842 as of January 1, 2022.

As of January 1, 2022, the Organization adopted ASU No. 2020-07, *"Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets (Topic 958)."* ASU 2020-07 improves transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit entities. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. This standard is applied on a retrospective basis. The adoption had no effect on the financial statements as of December 31, 2022.

**NOTE 3 RELATED PARTY**

The Organization has two sister organizations, Citizens' Climate Lobby ("CCL"), a 501(c)(4) organized to lobby for specific climate change solutions, and Citizens' Climate International ("CCI"), a 501(c)(3) that is organized to provide climate-related education and capacity building to the general public, media, and policy-makers internationally. During the years ended December 31, 2022 and 2021, CCL reimbursed the Organization a total of approximately \$1,887,000 and \$1,413,000, respectively, for expenses incurred by

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the Organization on CCL's behalf. During the years ended December 31, 2022 and 2021, the Organization had \$50,504 and \$29,759, respectively, of shared conference revenue with CCL. As of December 31, 2022 and 2021, \$151,897 and \$162,040, respectively, was owed by CCL.

**NOTE 4 FAIR VALUE MEASUREMENT**

The Organization follows the methods of fair value to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the higher priority to level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quotes prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

The investments in equities and exchange traded funds are valued at market prices in active markets and have readily determined fair values. These assets are classified as level 1 investments.

Financial assets carried at fair value at December 31, 2022 are classified in the following schedules in one of three categories described above. The table below presents the balances of assets measured at fair values as of December 31, 2022 on a recurring basis:

Assets	Level 1	Level 2	Level 3	Total
Equities	\$ 64,428	\$ -	\$ -	\$ 64,428
Exchange traded funds	5,354	-	-	5,354
	<u>\$ 69,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,782</u>

Financial assets carried at fair value at December 31, 2021 are classified in the following schedules in one of three categories described above. The table below presents the balances of assets measured at fair values as of December 31, 2021 on a recurring basis:

Assets	Level 1	Level 2	Level 3	Total
Equities	\$ 3,619	\$ -	\$ -	\$ 3,619

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**NOTE 5 INVESTMENTS**

Investments are held at fair market value and consist of the following at December 31, 2022:

	<u>Cost</u>	<u>Fair value</u>
Equities	\$ 64,428	\$ 64,428
Exchange traded funds	5,354	5,354
	<u>\$ 69,782</u>	<u>\$ 69,782</u>

Investments are held at fair market value and consist of the following at December 31, 2021:

	<u>Cost</u>	<u>Fair value</u>
Equities	\$ 3,619	\$ 3,619

The Organization's investment gains included with other income on the statements of activities and changes in net assets, for the years ended December 31, 2022 and 2021 was \$3,033 and (\$3,184), respectively.

**NOTE 6 ACCRUED EXPENSES**

Accrued expenses consists of the following:

	<u>2022</u>	<u>2021</u>
Accrued vacation	\$ 206,955	\$ 194,100
Accrued payroll	187,734	192,261
Credit cards payable	16,988	28,766
Accrued expenses	12,543	3,017
	<u>\$ 424,220</u>	<u>\$ 418,144</u>

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**NOTE 7 NET ASSETS**

Net assets were available for the following purposes as of December 31:

Without donor restrictions		
Unrestricted and undesignated	\$ 3,027,543	\$ 4,945,269
With donor restrictions:		
Subject to expenditure for specific purpose:		
General program restrictions	125,204	43,512
Time restrictions	-	600,000
Total net assets with donor restrictions	<u>125,204</u>	<u>643,512</u>
Total net assets	<u>\$ 3,152,747</u>	<u>\$ 5,588,781</u>

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors during the years ended December 31 are as follows:

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
Conservative fellowship	\$ 37,800	\$ 144,088
Diversity fellowship / scholarships	11,012	25,988
Business outreach	10,000	-
International outreach	10,000	-
Chapter support	2,500	-
State initiatives	-	51,712
	<u>71,312</u>	<u>221,788</u>
Expiration of time restrictions:		
General support	835,000	977,000
	<u>\$ 906,312</u>	<u>\$ 1,198,788</u>

**NOTE 8 COMMITMENTS**

The Organization subleases office space in the District of Columbia on a month to month basis. The monthly rent is \$4,068.



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Additionally, the Organization leases office space in San Diego County. The base rent is \$378 payable every month. This lease expires over the next two years. Minimum future rental payments under the non-cancelable lease terms for the years ended December 31 are as follows:

	2023	\$	4,757	
	2024		<u>1,982</u>	
			<u>\$ 6,739</u>	

The total rent expense was \$60,423 and \$70,968 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 9 LIQUIDITY AND AVAILABILITY**

The Organization is substantially supported by contributions with and without restrictions. Contributions and expenses are monitored on a monthly basis by the management and on a quarterly basis by the Organization's leadership and board. The level of assets are monitored on an annual basis. Since 2014, the Organization has had an average of approximately \$1,878,000 in net assets without restrictions every year.

The goal is to be able to function within the boundaries of the income received throughout the year. Occasionally, the Organization receives contributions with restrictions. As of December 31, 2022 and 2021, the Organization has approximately \$125,000 and \$643,500, respectively, of net assets with donor restrictions.

These funds can be used for expenditures within the guidelines established by the donor with time or purpose restrictions. Net assets without restrictions total approximately \$3,027,500 and \$4,945,000 as of December 31, 2022 and 2021, respectively. Upon board approval, excess funds may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical course of business.

As part of the Organization's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization manages its liquidity following these guiding principles: operating within a prudent range of financial stewardship and stability and maintaining adequate liquid assets to fund near-term needs, to provide reasonable assurance that long-term obligations will be discharged.

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The following reflect the Organization's financial assets as of December 31, 2022 and 2021, reduced by the amounts not available for general use because of donor-imposed restrictions within one year of the statements of financial position date:

Financial assets, at year-end:	<u>2022</u>	<u>2021</u>
Cash	\$ 2,876,723	\$ 4,978,528
Receivables	234,271	669,112
Investments	<u>69,782</u>	<u>3,619</u>
	3,180,776	5,651,259
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions		
Donor-restricted to specific programs	(125,204)	(43,512)
Donor-restricted to time restrictions	<u>-</u>	<u>(600,000)</u>
	<u>(125,204)</u>	<u>(643,512)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,055,572</u>	<u>\$ 5,007,747</u>

**NOTE 10 SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 6, 2023, the date the financial statements were available to be issued. There were no material subsequent events which affected the amounts or disclosures in the financial statements, except as noted below.

Subsequent to year end, the Organization was made aware of a potential complaint by a former employee. The Organization is reviewing the circumstances with their legal team and at this time, no amounts have been recorded in the financials for the year ended December 31, 2022.