
WORKSAFE, INC.

FINANCIAL STATEMENTS

June 30, 2022

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2021)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

WORKSAFE, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Worksafe, Inc.
Oakland, California

Opinion

We have audited the accompanying financial statements of Worksafe, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows and functional expenses, 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 Worksafe, Inc. as of June 30, 2022, and the changes in 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 the Organization 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 the Organization'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we: Exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 14, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Croody & Lameda CPAs LLP

Oakland, California

December 5, 2022

WORKSAFE, INC.

Statement of Financial Position
June 30, 2022
(With Comparative Totals as of June 30, 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Assets		
Cash and cash equivalents	\$ 1,057,805	\$ 864,093
Certificates of deposit	573,103	571,803
Accounts receivable	266,598	68,391
Contributions receivable	-	50,000
Prepaid expenses and deposits	37,480	29,996
Property and equipment, net (Note 3)	6,169	8,390
Total Assets	<u>\$ 1,941,155</u>	<u>\$ 1,592,673</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 141,063	\$ 45,656
Accrued paid time off (Note 6)	39,048	26,079
Deferred revenue	1,204	48,274
Total Liabilities	<u>181,315</u>	<u>120,009</u>
Net assets		
Without donor restrictions	1,729,632	1,304,959
With donor restrictions (Note 7)	30,208	167,705
Total Net Assets	<u>1,759,840</u>	<u>1,472,664</u>
Total Liabilities and Net Assets	<u>\$ 1,941,155</u>	<u>\$ 1,592,673</u>

See Notes to the Financial Statements

WORKSAFE, INC.

**Statement of Activities
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Support and Revenue				
Support				
Foundation and community grants	\$ 333,934	\$ 57,500	\$ 391,434	\$ 408,565
Cy Pres awards	182,119		182,119	437,964
Government grants	610,618		610,618	449,006
Contributions	50,247		50,247	38,902
Fundraising event, net (Note 8)	16,016		16,016	43,927
Total Support	1,192,934	57,500	1,250,434	1,378,364
Revenue				
Rental income	21,348		21,348	32,042
Earned fees	789		789	25,000
Interest and other	5,864		5,864	8,900
Total Revenue	28,001	-	28,001	65,942
Paycheck Protection Program	-		-	73,331
In-kind contributions (Note 9)	21,664		21,664	-
Support provided by expiring time and purpose restrictions	194,997	(194,997)	-	-
Total Support and Revenue	1,437,596	(137,497)	1,300,099	1,517,637
Expenses				
Program	890,666		890,666	831,444
Management and general	89,517		89,517	124,786
Fundraising	32,740		32,740	30,632
Total Expenses	1,012,923	-	1,012,923	986,862
Change in net assets	424,673	(137,497)	287,176	530,775
Net Assets, beginning of year	1,304,959	167,705	1,472,664	941,889
Net Assets, end of year	\$ 1,729,632	\$ 30,208	\$ 1,759,840	\$ 1,472,664

See Notes to the Financial Statements

WORKSAFE, INC.

Statement of Cash Flows
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 287,176	\$ 530,775
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	2,221	1,397
PPP loan forgiveness	-	(73,331)
Changes in assets and liabilities:		
Accounts receivable	(198,207)	(68,391)
Contributions receivable	50,000	(50,000)
Prepaid expenses and deposits	(7,484)	35,208
Accounts payable and accrued expenses	95,407	20,381
Accrued paid time off	12,969	1,971
Deferred revenue	(47,070)	48,274
Net cash provided (used) by operating activities	<u>195,012</u>	<u>446,284</u>
Cash flows from investing activities		
Purchases of property and equipment	-	(6,370)
Purchase and reinvestments to CDs, net	(1,300)	(451,493)
Net cash provided (used) by investing activities	<u>(1,300)</u>	<u>(457,863)</u>
Net change in cash and cash equivalents	193,712	(11,579)
Cash and cash equivalents, beginning of year	<u>864,093</u>	<u>875,672</u>
Cash and cash equivalents, end of year	<u>\$ 1,057,805</u>	<u>\$ 864,093</u>

WORKSAFE, INC.

**Statement of Functional Expenses
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

	Program	Management and General	Fundraising	Total	
				2022	2021
Salaries	\$ 586,719	\$ 27,333	\$ 6,203	\$ 620,255	\$ 613,977
Retirement plan	21,560	1,004	228	22,792	22,846
Employee benefits	57,669	4,497	628	62,794	56,422
Payroll taxes	43,559	3,045	471	47,075	48,738
Total Personnel	<u>709,507</u>	<u>35,879</u>	<u>7,530</u>	<u>752,916</u>	<u>741,983</u>
Grants	-	-	-	-	37,500
Contract services	22,166	18,999	12,500	53,665	28,790
Advertising and promotion	490	1,061	-	1,551	600
Supplies and office expenses	30,433	3,050	934	34,417	36,406
Travel	2,168	156	224	2,548	7,697
Occupancy	88,464	22,722	559	111,745	114,338
Conferences, events, meetings	206	3,649	10,993	14,848	2,568
Insurance	8,105	22	-	8,127	7,084
Depreciation	-	2,221	-	2,221	1,397
In-kind expenses	20,000	1,664	-	21,664	-
Miscellaneous	9,127	94	-	9,221	8,499
Expenses by Function	<u>\$ 890,666</u>	<u>\$ 89,517</u>	<u>\$ 32,740</u>	<u>\$1,012,923</u>	<u>\$ 986,862</u>
Expenses reported on a net basis on Statement of Activities					
Event direct expense	-	-	38,145	38,145	16,523
Total Expenses	<u>\$ 890,666</u>	<u>\$ 89,517</u>	<u>\$ 70,885</u>	<u>\$1,051,068</u>	<u>\$1,003,385</u>

See Notes to the Financial Statements

WORKSAFE, INC.

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

NOTE 1: NATURE OF ACTIVITIES

Worksafe, Inc. (the Organization) is a California nonprofit public benefit corporation founded in 1982 to promote occupational safety and health through education, training and advocacy. It focuses on eliminating all types of workplace hazards and also on workplace-created toxic hazards that impact at-risk communities in California.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service, unless the donor provides more specific directions about the period of its use.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time when any of the following conditions are met: The customer receives and consumes the benefits provided by the Organization's performance as the Organization performs; the Organization's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or the work does not create

WORKSAFE, INC.

Notes to the Financial Statements For the Year Ended June 30, 2022 (With Comparative Totals for the Year Ended June 30, 2021)

an asset with an alternative use to the Organization and the entity has a right to payment for performance completed to date.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as of June 30, 2022 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Certificates of Deposit

The Organization accounts for contractual certificates of deposit at cost plus accrued interest. Brokered certificates of deposit are classified with investment holdings and valued at fair value.

WORKSAFE, INC.

Notes to the Financial Statements For the Year Ended June 30, 2022 (With Comparative Totals for the Year Ended June 30, 2021)

Accounts Receivable

Accounts receivable are primarily unsecured non-interest-bearing amounts due from grantors on a cost reimbursement or performance grants. The Organization considers all accounts receivable to be fully collectible at June 30, 2022. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Contributions Receivable

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at June 30, 2022. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

Estimates

The preparation of financial statements in conformity with GAAP requires management 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.

Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

WORKSAFE, INC.

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment.

Furniture and equipment	5 years
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Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable.

Deferred Revenue

Deferred revenue represents earned funds received in advance of related performance obligations or prior to the satisfaction of a grant condition on funding from government or other agencies.

Defined Contribution Retirement Plan

The Organization offers a defined contribution plan (the Plan) to eligible employees. Upon successful completion of 90 days of employment, full-time and part-time employees are eligible to enroll in the salary deferral portion of the Plan. Upon completion of one year of service, employees are eligible for employer discretionary profit-sharing contributions of up to 4% of wages. For each Plan year, the Board of Directors of the Organization determines the amount, if any, to be contributed to the Plan by the Organization.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using the percentage of direct salary cost to each program.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgments contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

WORKSAFE, INC.

Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

All expenses and net losses are reported as decreases in net assets without donor restrictions.

Recent Accounting Pronouncements

In September 2020, the FASB issued *ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This update was designed to increase the transparency of contribution nonfinancial assets through enhancements to presentation and disclosure. The update requires that in-kind contributions be presented as a separate line on the statement of activities, disaggregate in-kind contributions by category, describe whether contributed nonfinancial assets were monetized or utilized, disclose policies for monetization rather than utilization (if any), donor-imposed restrictions related to in-kind contributions and describe the valuation techniques used to arrive at a fair value measure of value of donated items. The Organization's adoption of this update did not have a material impact on the Organization's financial statements.

Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of December 5, 2022, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$ 12,731	\$ 12,731
Less accumulated depreciation	<u>(6,562)</u>	<u>(4,341)</u>
Total	<u>\$ 6,169</u>	<u>\$ 8,390</u>

NOTE 4: COMMITMENTS

Operating Leases

The Organization is party to a lease for office space in Oakland, California which expires in December 2023. Future minimum operating lease payments are as follows for the years ending June 30:

WORKSAFE, INC.

Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

2023	\$ 107,069
2024	<u>54,351</u>
Total	<u>\$ 161,420</u>

Rent expense for the years ended June 30, 2022 and 2021 was \$103,085 and \$100,927, respectively.

Rental Income

The Organization leased a portion of its Oakland location to a nonprofit public benefit corporation under a sublease that expired February 2022. Rental income was \$21,348 for the year ended June 30, 2022.

NOTE 5: CONTINGENCIES AND UNCERTAINTIES

Grant Awards and Government Funding

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

Paycheck Protection Program

Guidance related to this program is evolving. The SBA reserves the right to audit any forgiveness granted, and such audit activity, if any, may result in changes to amounts forgiven or a requirement to return funds received.

Coronavirus

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the effect that the pandemic will have on the School's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact on its financial condition, liquidity, operations and workforce.

NOTE 6: ACCRUED PAID TIME OFF

Accrued time off consisted of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Accrued vacation	\$ 30,184	\$ 26,079
Accrued sabbatical	<u>8,864</u>	<u>-</u>
Total	<u>\$ 39,048</u>	<u>\$ 26,079</u>

Sabbatical

During the year ending June 30, 2022, the Organization adopted a policy offering eligible employees a four-week paid sabbatical leave after six years of service. Sabbatical benefits

WORKSAFE, INC.

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

do not vest and must be approved by management. The amount of accrued sabbatical is an estimate which depends on likelihood of staff reaching a six-year service period and other factors.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$30,208 and \$167,705 were available for future use as of June 30, 2022 and 2021, respectively.

NOTE 8: FUNDRAISING EVENT

The Organization held its annual fundraising event virtually during the year. Income from the event consisted of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Admissions, donations and sponsorships	\$ 54,161	\$ 60,450
Less cost of direct donor benefits	<u>(38,145)</u>	<u>(16,523)</u>
Total	<u>\$ 16,016</u>	<u>\$ 43,927</u>

NOTE 9: IN-KIND CONTRIBUTIONS

The Organization received the following in-kind contributions, which it utilized in its Organizational activities, during the year ended June 30, 2022:

<u>Donor Restriction</u>	<u>Goods or services</u>	<u>Valuation method</u>	<u>Value</u>
No further donor restriction	Tuition for training program	Cost of program enrollment	\$ 20,000
No further donor restriction	In-kind goods	Estimated FMV	<u>1,664</u>
Total			<u>\$ 21,664</u>

NOTE 10: CONCENTRATIONS

Revenue Concentrations

During the year ended June 30, 2022, approximately 48% of the Organization's support and revenue was from two government funders. A significant reduction in the level of this support, if this were to occur, may have an effect of the Organization's program and activities.

Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

WORKSAFE, INC.

**Notes to the Financial Statements
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)**

NOTE 11: PASS-THROUGH ACTIVITY AND PARTNER PAYABLES

The Organization serves as the lead fiscal agent for a collaboration of a number of nonprofit organizations. In addition to the activity reflected on the Organization's financials, an additional \$121,410 and \$0 was accounted for on a pass-through basis reflecting the activity of the collaborative partners for the years ended June 30, 2022 and 2021, respectively. Funds payable to collaborative partners are contingent on payment by the collaborative funder. As of June 30, 2022 and 2021, \$123,770 and \$0 remained payable to collaborative partners, respectively.

NOTE 12: CONDITIONAL PROMISES TO GIVE

In addition to the activity reported on the financial statements, the Organization may receive grants with future payments subject to certain conditions, performance barriers or rights of revocation. It is the Organization's policy to defer revenue recognition of conditional amounts until such conditions have been satisfied. As of June 30, 2022, conditional grants consisted of the following.

<u>Grant</u>	<u>Award</u>	<u>Recognized</u>	<u>Remaining</u>
Grant I	\$165,734	\$142,474	\$23,260
Grant II	\$396,459	\$198,230	\$198,229
Grant III	\$241,963	\$120,982	\$120,981
Grant IV	\$293,673	\$203,466	\$90,207
Grant VI	\$38,000	\$20,000	\$18,000

NOTE 13: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 are:

Cash and cash equivalents	\$ 1,057,805
Certificates of deposit	573,103
Accounts receivable	<u>266,598</u>
Total	<u>\$ 1,897,506</u>

As part of the Organization's liquidity management plan, the Organization invests funds in excess of daily requirements in cash and certificates of deposit.