First Book

Financial Statements and Independent Auditor’s Report
Year Ended December 31, 2021

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Contents

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Independent Auditor's Report

Board of Directors
First Book
Washington, D.C.

Opinion

We have audited the financial statements of First Book (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the results of its operations 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 (GAAS). 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.

Emphasis of Matter

As described in Note 2 to the financial statements, the beginning balances as of January 1, 2021 of net assets without donor restrictions and inventory of donated books and other tangible goods have been restated to correct an error. Our opinion on the 2021 financial statements is not modified with respect to this matter.

Other Matters

The 2020 financial statements of the Organization were audited by other auditors, whose report dated June 3, 2021 expressed an unmodified opinion on those statements.

As part of our audit of the 2021 financial statements, we also audited the adjustments described in Note 2 that were applied to restate net assets without donor restrictions and inventory of donated books and other tangible goods as of January 1, 2021. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2020 financial statements of the Organization other than with respect to the adjustments and accordingly, we do not express an opinion or any other form of assurance on the 2020 financial statements as a whole.

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 issued or 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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.

BDO USA, P.A.

McLean, Virginia
August 16, 2023

Financial Statements

First Book

Statement of Financial Position

December 31,		**2021**
Assets		
Cash and cash equivalents	$	9,398,993
Accounts receivable, net of allowance		2,636,460
Prepaid expenses		328,051
Investments		50,821
Inventory		
Donated books and other tangible goods		39,106,074
Purchased books and other tangible goods		4,351,504
Property and equipment		
Furniture and equipment		258,611
Less: accumulated depreciation and amortization		(138,237)
Property and equipment, net		120,374
Total assets	$	55,992,277
Liabilities		
Accounts payable	$	3,473,914
Accrued expenses		545,664
Grant payable		2,317,500
Refundable advances		624,578
Bank line-of-credit		1,500,000
Total liabilities		8,461,656
Net assets		
Without donor restrictions		41,372,445
With donor restrictions		6,158,176
Total net assets		47,530,621
Total Liabilities and Net Assets	$	55,992,277

See accompanying notes to financial statements.

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Statement of Activities

Year Ended December 31,	2021 Without donor Restrictions	2021 With donor Restrictions	2021 Total
Support and Revenue			
Contributed goods and services	$ 63,275,530	$ -	$ 63,275,530
Contributions	6,850,261	16,199,104	23,049,365
Marketplace activity	14,926,239	-	14,926,239
Investment return	6,788	-	6,788
Other income	1,522,967	-	1,522,967
Net assets released from restrictions	11,845,964	(11,845,964)	-
Total support and revenue	98,427,749	4,353,140	102,780,889
Expenses			
Program services	93,814,743	-	93,814,743
Management and general	2,038,290	-	2,038,290
Fundraising	2,178,390	-	2,178,390
Total expenses	98,031,423	-	98,031,423
Change in net assets	396,326	4,353,140	4,749,466
Net assets, beginning of year, previously stated	29,222,648	1,805,036	31,027,684
Correction of error (Note 2)	11,753,471	-	11,753,471
Net assets, beginning of year, restated	40,976,119	1,805,036	42,781,155
Net assets, end of year	$ 41,372,445	$ 6,158,176	$ 47,530,621

See accompanying notes to financial statements.

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Statement of Cash Flows

Year Ended December 31,		**2021**
Cash flows from operating activities:		
Change in net assets	$	4,749,466
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		44,858
In-kind contributions of books and other tangible goods		(63,275,530)
Distribution of books and other tangible goods received in-kind		54,592,236
Write-off of books and other tangible goods received in-kind		9,241,314
Payroll Protection Program (PPP) Loan forgiveness		(1,486,900)
Net realized/unrealized loss on investments		1,985
Loss on disposal of property and equipment		14,278
Changes in assets and liabilities:		
(Increase) Decrease in assets:		
Accounts receivable		(351,723)
Prepaid expenses		93,438
Inventory		(1,877,310)
Increase (Decrease) in liabilities:		
Accounts payable		311,519
Accrued expenses		331,053
Grant payable		2,211,482
Refundable advances		(264,351)
Net cash provided by operating activities		4,335,815
Cash flows from investing activity:		
Purchases of property and equipment		(61,401)
Net cash used in investing activity		(61,401)
Cash flows from financing activity:		
Proceeds from borrowings under bank line-of-credit		1,500,000
Net cash provided by financing activity		1,500,000
Net increase in cash and cash equivalents		5,774,414
Cash and cash equivalents, beginning of year		3,624,579
Cash and cash equivalents, end of year	$	9,398,993
Supplemental cash flow information:		
Cash paid for interest	$	4,833
Supplemental disclosure of noncash financing activities:		
Noncash PPP loan forgiveness	$	1,486,900

See accompanying notes to financial statements.

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Statement of Functional Expenses

Year Ended December 31, 2021	Program Services	Management and General	Fundraising	Total Expenses
Salaries	$ 4,284,026	$ 1,326,763	$ 1,196,197	$ 6,806,986
Employee benefits and taxes	912,135	282,488	254,688	1,449,311
Books and other tangible goods, donated	63,833,550	-	-	63,833,550
Books and other tangible goods, purchased	12,417,536	-	-	12,417,536
Shipping	3,871,437	-	-	3,871,437
Subgrants	3,454,546	-	-	3,454,546
Warehouse and fulfillment	1,963,530	-	-	1,963,530
Consulting	840,403	75,323	121,804	1,037,530
Equipment and technology	479,361	37,594	256,168	773,123
Rent	421,576	117,713	130,154	669,443
Other marketplace fees	574,481	-	-	574,481
Advertising	171,452	47,873	52,933	272,258
Dues and subscriptions	87,844	24,528	27,120	139,492
Bank charges	76,209	21,279	23,528	121,016
Telephone and utilities	70,492	19,683	21,763	111,938
Professional fees	68,327	19,079	21,095	108,501
Miscellaneous	49,752	11,107	12,281	73,140
Insurance	42,183	11,778	13,023	66,984
Contract labor	39,187	10,942	12,098	62,227
Printing and publications	36,856	10,291	11,379	58,526
Depreciation and amortization	28,249	7,888	8,721	44,858
Office supplies	28,514	6,807	7,527	42,848
Travel and lodging	22,624	6,317	6,985	35,926
Program supplies	19,482	-	-	19,482
Bad debt	12,613	-	-	12,613
Interest	4,833	-	-	4,833
Meetings and conferences	2,998	837	926	4,761
Fees, licenses and permits	547	-	-	547
	$ 93,814,743	**$ 2,038,290**	**$ 2,178,390**	**$ 98,031,423**

See accompanying notes to financial statements.

1. Organization and Summary of Significant Accounting Policies

First Book (the Organization) was organized as a District of Columbia (DC) nonprofit organization in 1992. First Book believes that education is the best way out of poverty for children in need. The Organization addresses the needs of the whole child supporting their education, basic needs, and wellness – all of which are essential to educational equity. All of these resources are made either free or affordable to the Organization's member network of more than 550,000 educators who exclusively serve kids in need.

Since 1992, First Book has distributed more than 225 million books and educational resources to programs and schools serving children from low-income communities in all 50 states and provinces in Canada. First Book currently reaches an average of 5 million children every year and supports more than a third of the estimated 1.3 million classrooms and programs serving children in need.

In addition, First Book has built a research arm, First Book Research & Insights, which performs qualitative and quantitative studies regarding the challenges and needs of educators serving children in poverty across the US. To further support the needs of these educators, the organization also operates The Accelerator, a program that provides access to leading experts in critical fields relevant to the educators and the children they serve.

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes currency on hand, as well as demand deposits with banks. For financial reporting periods, the Organization considers all highly liquid financial instruments purchased with original maturities of three months or less to be cash equivalents. The carrying value of these instruments approximates fair value due to the nature of the investments and the maturity period.

Investments

Investments are carried at readily determinable fair values as determined by quoted market prices from established exchanges. Investments are classified as based upon the nature of the underlying funds and management's intent as to the length of time to remain invested before the funds are used.

Accounts Receivable

Accounts receivable consist of amounts owed to the Organization for program related purchases and contributions. The Organization provides for probable losses on accounts receivable using the allowance method. The allowance is determined based on historical collection experience. Balances that remain outstanding after the Organization has used reasonable collection efforts are written off. Receivables are evaluated and written off on an ongoing basis against an allowance that is periodically adjusted to provide for estimated bad debts on outstanding receivables based on historical experience.

Inventory

Inventory primarily consists of books and other tangible goods that are both donated and purchased. As the inventory is shipped, it is released from inventory and classified as books and other tangible goods expense in the accompanying statements of activities and functional expenses.

Inventory is stated at the lower of cost or net realizable value. For the year ended December 31, 2021, the inventory has been stated at cost. The distribution of inventory is based on the weighted average cost method.

The Organization records inventory write downs based on the value of donated inventory that was determined to be obsolete. The write downs of the value of donated books and goods are included in the books and other tangible goods, donated expense in the accompanying statement of functional expenses. The Organization recorded $9,241,314 in inventory write downs for the year. Management regularly reviews its inventory and provides for write downs when items are deemed obsolete and unrealizable at their stated carrying value. The Organization makes every effort to distribute all books and resources directly to children in need in accordance with their mission.

Prepaid Expenses

Expenses paid prior to the related services being rendered are recorded as prepaid expenses. As of December 31, 2021, prepaid expenses consist of prepaid rent, insurance, and other various services.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of $1,500 per item. As of December 31, 2021, the only items that met the capitalization policy threshold are classified as furniture and equipment and are recorded at cost, while donated assets are recorded at fair value on the date of donation. The Organization depreciates furniture and equipment over five years.

Maintenance and repairs are charged and allocated to the functional expenses when incurred. When property and equipment are sold or disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in general and administrative costs.

Grants Payable

Grants payable are amounts owed to organizations for program implementation in future years in accordance with agreements signed by the Organization and the recipient. As of December 31, 2021 there were no conditional grants payable.

Refundable advances

Refundable advances represent cash received related to conditional contributions and are reported as refundable advances until the condition(s) have either been substantially met or explicitly waived by the donor.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use in general operations and are not subject to donor restrictions. Net assets without donor restrictions include board designation and those contributions whose restrictions are met in the current fiscal year.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed stipulations. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the purpose for which the resource was restricted has been fulfilled, or both. Net assets with donor restrictions are restricted for the following purposes:

December 31,	**2021**
Education equity	**$ 3,673,126**
Youth empowerment	**2,485,050**
	$ 6,158,176

Revenue Recognition

Contributed Goods and Services

Contributed goods and services includes non-cash contributions of goods and in-kind contributions of services. The Organization treats contributed goods and services as contributions without donor restrictions unless the donor imposes a restriction outside of the general mission of the Organization, resulting in the contribution being recorded as with donor restrictions. Contributed goods are recorded at a discounted percentage of the estimated retail value at the date of donation, which approximates fair value. In-kind contributions of services are recognized if the services received create or enhance nonfinancial assets or if the services require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind contributions of services are recognized at their fair value at the time the services are rendered.

Contributions of Cash and Other Financial Assets

Contributions, including unconditional promises to give, are recognized on the date received and recorded at fair value. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, as applicable. Amounts are reclassified to net assets without restrictions once restrictions expire or the donor restriction has been satisfied. Conditional promises to give are recognized when the conditions are substantially met. As of December 31, 2021, the Organization has $624,578 of conditional contributions in which the conditions have not yet been met. The Organization expects to meet the associated conditions on these contributions during 2022.

Marketplace Activity

Marketplace activity revenue relates to the eCommerce sale of books and other tangible goods. Revenue is recognized when the performance obligation of transferring the products is met through shipment of the books or other tangible goods. The Organization does not accept returns and all orders from the Marketplace are final.

Functional Expenses

Expenses are recognized by the Organization during the period in which they are incurred. Expenses paid in advance and not yet incurred are deferred to the applicable period. The costs of providing various program and supporting services have been summarized on a functional basis. Costs that can be identified with a specific program or support service are charged directly. Other costs are allocated in the proportion benefited among the program and supporting services in the statement of activities. Salary related costs are allocated between the functions based on a labor study analysis. Costs related to the office space are allocated between the functions based on square footage.

Following is a description of the Organization's program and support services:

Program Services

The Organization provides access to new books and educational resources for disadvantaged children through programs and schools throughout the United States.

Administrative and General Services

Administrative and general service expenditures include expenses necessary to provide for the management of staff, facilities, and the financial controls of the Organization.

Fundraising

Provides the structure necessary to encourage and secure financial support from individuals, foundations, corporations, and other grant makers.

Income Taxes

The Organization has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization is classified as a public charity and not a private foundation, therefore, contributions made to the Organization are tax deductible by the donors.

Management has evaluated the Organization's tax positions for open tax years (tax years subsequent to 2018) and concluded that a provision for uncertain tax positions is not required. The Organization has taken no uncertain tax positions nor are there any unrelated penalties or interest that require adjustment to the accompanying financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842*). ASU 2016-02 requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. The guidance is effective for the Organization for the fiscal year ending December 31, 2022. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. Management is evaluating the effect that adoption of this new standard will have on the Organization's financial statements.

In September 2020, the FASB issued ASU 2020-07 *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires disclosure of contributed nonfinancial assets in a separate line item within the statement of activities, disclosure of the policy about monetizing rather than utilizing contributed nonfinancial assets and qualitative information about those monetized or utilized during the fiscal year, and a description of any donor-imposed restrictions on the contributed nonfinancial assets. This guidance must be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021. The guidance is effective for the Organization for the fiscal year ending December 31, 2022. Management is currently evaluating the impact this ASU will have on disclosures in the financial statements.

2. Correction of Error – Beginning of Year Balances

During the preparation of the 2021 financial statements, management determined that specific quantities of donated books were omitted from ending inventory in the financial statements as of December 31, 2020. As such, the Organization's beginning net assets without donor restrictions and inventory of donated books and other tangible goods in the statement of financial position have been restated to correct this error.

The effect on the restatement on the statement of financial position as of January 1, 2021 was as follows:

	As Previously Stated	Correction	As Restated
Inventory of donated books and other tangible goods	$ 27,910,625	$ 11,753,471	$ 39,664,096
Total assets	36,886,545	11,753,471	48,640,016
Net assets without donor restrictions	29,222,648	11,753,471	40,976,119
Total net assets	31,027,684	11,753,471	42,781,155
Total liabilities and net assets	36,886,545	11,753,471	48,640,016

3. Concentrations and Credit Risks

Credit Risks

The Organization maintains demand deposits and money market funds at financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. Government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. The failure of an underlying institution could result in financial loss to the Organization, however, the Organization has not experienced losses on these accounts in the past, and management believes the risk of loss, if any, to be minimal.

Concentrations

One corporate donor contributed 53% of the Organization's contributed goods in 2021. This donor has a long- term relationship with the Organization and management does not anticipate a change in this relationship.

4. Fair Value Measurements and Investments

The Organization uses three levels to measure fair value. The definition of each input is described below:

Level 1 - Inputs are valued at quoted prices in active markets that are accessible by the Organization at the measurement date for identical assets and liabilities.

Level 2 - Inputs that are observable are valued, either directly or indirectly with prices that may be based upon quoted prices for identical or comparable securities in active markets or inputs not quoted on active markets but corroborated by market data.

Level 3 - Inputs that are unobservable are valued using comparable securities when little or no market data is available.

Mutual funds are valued at daily closing prices as reported by the fund. All funds are open-ended funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds are deemed actively traded.

Corporate stocks are valued at closing prices reported on the active market on which the individual securities are traded.

The following is a summary of the fair values of investments, which are measured on a recurring basis on December 31, 2021:

	Level 1	Level 2	Level 3	Total
Equities	$ 26,403	$ -	$ -	$ 26,403
Mutual Funds	23,418	-	-	23,418
Cash	1,000	-	-	1,000
	$ 50,821	$ -	$ -	$ 50,821

5. Accounts Receivable

Accounts receivable consisted of the following:

December 31,	2021
Contribution receivables	$ 1,564,760
Marketplace receivables	584,649
Related party receivable	500,253
	2,649,662
Less: allowance for doubtful accounts	(13,202)
	$ 2,636,460

6. Long-Term Debt

On April 20, 2020 the Organization received a $1,486,900 loan related to the Paycheck Protection Program (PPP), which was issued pursuant to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The note contains a fixed 1.00% interest rate per annum and was recorded as long-term debt at December 31, 2020. In accordance with the PPP requirements, the Organization applied for forgiveness of the loan and received notification of forgiveness on July 9, 2021. The forgiveness of $1,486,900 was recognized as contributions revenue in the accompanying statement of activities during the year ended December 31, 2021.

The Organization entered into a line-of-credit agreement with a bank for $1,500,000 on July 30, 2021 for use in operations with an interest rate at the London Interbank Offering Rate (LIBOR) plus 1.50% paid monthly. As of December 31, 2021, the Organization had outstanding borrowings under the bank line-of-credit of $1,500,000. The line-of-credit initially matured on July 31, 2022 but was temporarily extended to October 29, 2022. The outstanding amount was repaid on September 26, 2022. Management did not renew the line-of-credit.

7. Retirement Plans

The Organization sponsors a defined contribution 40l(k) plan with an annual employer option profit share benefit. The plan covers all full-time employees, not considered leased employees, who have completed one year of service, are employed on the last day of the year, and have completed 1,000 hours of service. When applicable, the Organization, on behalf of each eligible participant, according to employee class, makes contributions to the plan. Pension expense for the year ended December 31, 2021, was $360,788 and is included in payroll taxes and employee benefits. Participants become 50% vested in employer contributions after the completion of two years of employment and 100% vested after the completion of the third year of employment.

8. Related Parties

The Organization lends support to a Canadian affiliate, First Book/Le Premiere Livre (LPL), which provides books to children in need throughout Canada. LPL is a registered charity under paragraph 149(1)(f) of the Income Tax Act in Canada and operates as a separate entity to undertake activities that may or may not be consistent with all the requirements of Section 501(c)(3) of the United States Internal Revenue Code governing certain tax-exempt entities in the United States. LPL maintains a separate Board of Directors, reflecting majority representation by independent, Canadian-based board members, with two of the Organization's board members on the LPL board.

As of December 31, 2021 LLP owed the Organization a balance of $500,253. In 2023 the board of directors of the Organization approved a payment plan from LPL to reduce the balance owed in quarterly payments through the second quarter of 2026.

In 2021, First Book received a sponsorship with a focus on youth empowerment. Using the funding from this sponsorship, First Book entered into a subgrant agreement to collaborate with a leading nonprofit partner in this area. An officer of First Book serves on the board of the partner. In 2021, First Book has paid $1,066,500 to this partner related to the agreement. At 12/31/2021, First Book has future payments of $2,308,500 due to the partner. These amounts are included in the grant payable account in the accompanying statement of financial position and will be paid in years through 2025.

9. Commitments and Contingencies

Office Lease

On November 30, 2000, the Organization entered into a lease for office space which was amended in 2018 to extend the lease term to July 31, 2022. The lease was amended again on August 9, 2021 to extend the lease term to July 31, 2024.

Minimum future rental payments under non-cancellable operating leases having remaining terms exceeding one year as of December 31, 2021 for each of the next three years are:

Years Ending December 31,	**Amount**
2022	**$ 552,708**
2023	**518,094**
2024	**316,386**
Total minimum future rental payments	**$ 1,387,188**

10. Liquidity and Availability

The following reflects management's financial assets as of the statement of financial position date, reduced by the amounts not available for general use because of restrictions:

December 31,	**2021**
Cash and cash equivalents	**$ 9,398,993**
Investments	**50,821**
Accounts receivable	**2,636,460**
Financial assets at year-end	**12,086,274**
Less:	
Assets restricted by donor for time or purpose	**(6,158,176)**
Financial assets available to meet cash needs for general expenditures within one year	**$ 5,928,098**

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due. For purposes of analyzing resources available to meet general expenditures within one year, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, and general and administrative expenses, to be general expenditures.

11. Subsequent Events

The Organization has evaluated subsequent events through August 16, 2023, the date the financial statements are available to be issued. Other than the payment of the bank line-of-credit and establishment of a payment plan on the related party receivable, there were no other events that would require recognition or disclosure in the financial statements.