THE HONOR FOUNDATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

THE HONOR FOUNDATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Honor Foundation

Opinion

We have audited the accompanying consolidated financial statements of The Honor Foundation, a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, consolidated statements of functional expenses, and consolidated statements of cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Honor Foundation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Honor Foundation 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 consolidated 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 Honor Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

8989 RIO SAN DIEGO DRIVE, SUITE 250 • SAN DIEGO, CA 92108
TEL 619-231-1977 • FAX 619-231-8244 • www.cccpa.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 Honor Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about The Honor Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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An accountancy corporation

March 24, 2023

THE HONOR FOUNDATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	$ 2,014,055	$ 3,340,663
Contributions receivable	66,975	40,000
Prepaid expenses	37,706	36,392
Other receivables (note 11)	-	79,294
	2,118,736	3,496,349
PROPERTY AND EQUIPMENT (note 3)	15,141	29,622
OTHER ASSETS		
Investments (note 4)	2,017,340	-
TOTAL ASSETS	4,151,217	3,525,971
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	63,280	51,589
Accrued liabilities	41,343	4,623
	104,623	56,212
NET ASSETS (note 6)		
Without donor restrictions	3,521,594	3,079,759
With donor restrictions	525,000	390,000
	4,046,594	3,469,759
TOTAL LIABILITIES AND NET ASSETS	$ 4,151,217	$ 3,525,971

THE HONOR FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE			
Grants	$ 1,157,601	$ 1,285,000	$ 2,442,601
Contributions	1,417,874	-	1,417,874
Donated services and facilities (note 7)	395,268	-	395,268
Net investment income (note 4)	17,340	-	17,340
Other income	9,511	-	9,511
	2,997,594	1,285,000	4,282,594
Special events			
Special events revenue	1,514,449	-	1,514,449
Direct benefits to donors	(82,449)	-	(82,449)
	1,432,000	-	1,432,000
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by payments	1,150,000	(1,150,000)	-
TOTAL REVENUE AND SUPPORT	5,579,594	135,000	5,714,594
EXPENSES			
Program	4,561,656	-	4,561,656
Management and general	143,750	-	143,750
Development	432,353	-	432,353
TOTAL EXPENSES	5,137,759	-	5,137,759
CHANGE IN NET ASSETS	441,835	135,000	576,835
NET ASSETS, BEGINNING OF YEAR	3,079,759	390,000	3,469,759
NET ASSETS, END OF YEAR	$ 3,521,594	$ 525,000	$ 4,046,594

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

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE AND SUPPORT			
Grants	$ 805,097	$ 1,090,000	$ 1,895,097
Contributions	1,703,327	-	1,703,327
Other income (note 11)	716,370	-	716,370
Donated services and facilities (note 7)	326,867	-	326,867
	3,551,661	1,090,000	4,641,661
NET ASSETS RELEASED FROM RESTRICTIONS			
Restrictions satisfied by payments	935,000	(935,000)	-
TOTAL REVENUE AND SUPPORT	4,486,661	155,000	4,641,661
EXPENSES			
Program	2,850,785	-	2,850,785
Management and general	88,808	-	88,808
Development	495,384	-	495,384
TOTAL EXPENSES	3,434,976	-	3,434,976
CHANGE IN NET ASSETS	1,051,685	155,000	1,206,685
NET ASSETS, BEGINNING OF YEAR	2,028,074	235,000	2,263,074
NET ASSETS, END OF YEAR	$ 3,079,759	$ 390,000	$ 3,469,759

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

	PROGRAM	MANAGEMENT AND GENERAL	DEVELOPMENT	TOTAL
EXPENSES				
Personnel	$ 2,194,340	$ 106,423	$ 188,342	$ 2,489,105
Event specific	1,368,344	2,381	145,895	1,516,620
Facilities and equipment	476,072	4,809	45,219	526,100
Meetings and travel	253,904	216	27,851	281,971
Professional fees	144,959	22,506	24,994	192,459
Marketing	63,600	699	10,357	74,656
Administrative	24,760	1,682	26,845	53,287
Bank and merchant fees	-	2,835	43,567	46,402
Insurance	12,550	862	1,319	14,731
Scholarships	5,000	-	-	5,000
	4,543,529	142,413	514,389	5,200,331
Depreciation	18,127	1,337	413	19,877
TOTAL EXPENSES	4,561,656	143,750	514,802	5,220,208
Less: Direct benefits to donors at special events included in revenue	-	-	(82,449)	(82,449)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	$ 4,561,656	$ 143,750	$ 432,353	$ 5,137,759

THE HONOR FOUNDATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM	MANAGEMENT AND GENERAL	DEVELOPMENT	TOTAL
EXPENSES				
Personnel	$ 1,441,787	$ 71,686	$ 214,371	$ 1,727,844
Event specific	544,367	-	164,098	708,465
Facilities and equipment	447,157	1,629	28,220	477,006
Professional fees	116,155	5,776	17,270	139,201
Meetings and travel	85,897	-	15,086	100,983
Marketing	51,610	344	11,425	63,379
Administrative	16,994	3,007	20,643	40,644
Bank and merchant fees	967	4,969	22,026	27,962
Insurance	8,394	417	1,248	10,060
	2,713,329	87,828	494,388	3,295,544
Depreciation	137,456	980	996	139,432
TOTAL EXPENSES	$ 2,850,785	$ 88,808	$ 495,384	$ 3,434,976

THE HONOR FOUNDATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	$ 576,835	$ 1,206,685
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:		
Depreciation expense	19,877	139,432
Net unrealized gain on investments	(17,038)	-
Change in operating assets and liabilities:		
Contributions receivable	(26,975)	(30,000)
Prepaid expenses	(1,314)	(7,905)
Other receivables	79,294	5,781
Accounts payable	11,691	26,800
Accrued liabilities	36,720	(84,727)
	102,255	49,381
NET CASH PROVIDED BY OPERATING ACTIVITIES	679,090	1,256,066
CASH FLOWS USED BY INVESTING ACTIVITIES		
Purchase of investments	(2,490,818)	-
Proceeds from sale of investments	490,516	-
Purchase of property and equipment	(5,396)	-
NET CASH USED BY INVESTING ACTIVITIES	(2,005,698)	-
NET INCREASE/(DECREASE) IN CASH	(1,326,608)	1,256,066
CASH, BEGINNING OF YEAR	3,340,663	2,084,597
CASH, END OF YEAR	$ 2,014,055	$ 3,340,663

NOTE 1 THE ORGANIZATION

The Honor Foundation (the "Organization") is a California non-profit organization that was incorporated in 2013. The Organization provides a career transition program for U.S. Special Operations Forces that translates their elite military service to the private sector and helps create the next generation of corporate and community leaders. The Organization provides a clear process for their professional development and offers a diverse ecosystem of world-class support and technology. Every step is dedicated to preparing these outstanding men and women to realize their maximum potential after their military service. Headquartered in San Diego, CA, the Organization has additional campuses in Virginia Beach, VA; Southern Pines, NC; Wilmington, NC; Tampa, FL; Niceville, FL; and two virtual campuses. The Organization's support comes primarily from contributions including donated services and facilities.

The Honor for Life Foundation (the "HFLF") is a California non-profit organization that was incorporated in 2018. Headquartered in San Diego, California, the HFLF's mission is to support the Organization. The HFLF is managed by a board of directors appointed by the Organization's board of directors and has no members. The HFLF's support comes primarily from contributions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of consolidation – The Organization formed Honor for Life Foundation, LLC, a non-profit organization, to operate a future endowment for the Organization. The consolidated financial statements include the accounts of the Organization and HFLF. All significant interorganization balances and transactions have been eliminated.

Estimates – The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Basis of presentation – Under accounting standards on financial statements of not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Not-for-profit accounting update – The Organization follows Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2016-14. The update addresses the complexity and understandability of new asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

Net assets without donor restrictions – Net assets without restriction amounts consist of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize for its programs and supporting services.

Net assets with donor restriction – Net assets with donor restrictions consist of contributed funds subject to donor-imposed restrictions contingent upon specific performance of a future event or a specific passage of time before the Organization may spend the funds. At December 31, 2022 and 2021 there were $525,000 and $390,000, respectively, of net assets with donor restrictions.
Cash – The Organization considers financial instruments with a fixed maturity date of less than three months from the statement of financial position date to be cash equivalents.

The Organization maintained its cash in one commercial bank as of December 31, 2022 and 2021. Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2022 and 2021, the Organization had balances in its bank of $1,481,943 and $2,694,123, respectively, that was in excess of the FDIC limit.

Contributions receivable – Contributions receivable consist of donor promises to give. It is the Organization's policy to charge off uncollectible contributions receivable when management determines the receivable will not be collected. Contributions receivable that are expected to be received in excess of one year are reported at present value and a discount is recorded. All contributions receivable are considered collectible as of December 31, 2022 and 2021.

Prepaid expenses – Prepaid expenses are stated at cost less applicable amortization and includes expenses prepaid for events that will occur in the next fiscal year and for insurance premiums, which are expensed over their useful lives using the straight-line method.

Property and equipment – Property and equipment are recorded at cost if purchased, or at fair value at date of gift if donated, less depreciation. Depreciation is computed using the straight-line method over the assets' estimated useful lives of three to thirty-nine years. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized. It is the Organization's policy to capitalize all property and equipment costs in excess of $2,000. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is recognized in the current period financial statements.

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.

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.

Revenue recognition – Contributions received are recorded as without donor restrictions or with donor restrictions support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in with donor restricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), with donor restricted net assets are reclassified to without donor restricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

The Organization follows 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 or 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.

Contributions received and contributions made – The Organization follows accounting standards consistent with the FASB ASC Topic 958 ("ASC 958") *Not-for-Profit* Entities, *Clarifying the Scope* and the *Accounting Guidance for Contributions Received* and *Contributions Made*. This ASC's core principle includes clarification regarding the accounting for contracts and agreements as exchange transactions or contributions and provides improved guidance to better distinguish between conditional and unconditional contributions.

Functional allocation of expenses – The Organization allocates its expenses on a functional basis among its various programs and support services. Expenditures which can be identified with specific program or support service are allocated directly, according to their natural expenditure. Costs that are common to several functions are allocated among the program and supporting services on the basis of time records, space utilized, and estimates made by the Organization's management. The costs include:

- Depreciation – which is allocated based on an estimated percentage determined by the Organization's management.
- Personnel expenses – which are allocated based on time spent.
- Professional services – which are allocated based on the number of fellows participating in each cohort.
- Rent, utilities, and janitorial services – which are allocated based on square footage and class days.

Donor-imposed restrictions – All contributions are considered to be unrestricted unless specifically restricted by the donor. Amounts received designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions, increasing that net asset class. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as with donor restrictions and then released from restriction in the same period.

Donated services and facilities – The Organization follows standards relating to contributions received and contributions made as consistent with FASB codification. These standards require recording the value of donated services and facilities that create or enhance non-financial assets or require specialized skills. The fair value donated services and facilities has been measured on a nonrecurring basis using quoted prices for similar financial statement elements in inactive market (level 2 inputs).

Marketing – Marketing expenses are charged to expense as incurred.

Income taxes – As a nonprofit organization, the Organization has obtained exempt status. Under Internal Revenue Section 501(c)(3) and Section 23701(d) of the California Franchise Tax Code, the Organization is not subject to income taxes for operations related to its exempt purpose.

Management has considered its tax positions taken in its exempt Organization tax returns are more than likely than not to be sustained upon examination. As of December 31, 2022 and 2021, the Organization believes it does not have any taxable unrelated business income, and accordingly, 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 pronouncement

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. ASU 2016-02 requires recognition of operating leases with lease terms of more than twelve months on the balance sheet as both assets and liabilities for the obligations created by the leases. 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, the Organization has made a determination that there is no material impact to recognition of operating leases upon adoption of the new standard. The Organization adopted Topic 842 as of January 1, 2022.

In September 2020, the FASB issued ASU 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 2022 financial statements. The Organization adopted Topic 958 as of January 1, 2022.

NOTE 3 PROPERTY AND EQUIPMENT

Major categories of property and equipment are summarized as follows:

	2022	2021
Software	$ 583,495	$ 583,495
Website	72,010	72,010
Furniture and fixtures	41,794	41,794
Equipment	40,674	35,278
	737,973	732,577
Accumulated depreciation	(722,832)	(702,955)
	$ 15,141	$ 29,622

Depreciation expense was $19,877 and $139,432 for the years ended December 31, 2022 and 2021, respectively.

NOTE 4 INVESTMENTS

Investments are stated at fair value and consist of the following as of December 31, 2022:

	Cost	Fair Value
U.S. Treasury Bills	$ 1,972,224	$ 1,989,262
Mutual funds	28,078	28,078
	$ 2,000,302	$ 2,017,340

The following schedule summarizes the Organization's return on long-term investments and its classification in the statement of activities and changes in net assets for the year ended December 31, 2022:

	Without donor restrictions	With donor restrictions	Total
Interest and dividends	$ 302	$ -	$ 302
Unrealized gain	17,038	-	17,038
Total investment return	$ 17,340	$ -	$ 17,340

NOTE 5 FAIR VALUE MEASURMENT

The Organization follows the method 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 highest priority to Level 1 inputs.

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

Financial assets carried at fair value and measured on a recurring basis as of December 31, 2022 are classified below in one of the three levels described above.

	Level 1	Level 2	Level 3	Total
U.S. Treasury Bills	$ -	$ 1,989,262	$ -	$ 1,989,262
Mutual funds	28,078	-	-	28,078
Total	$ 28,078	$ -	$ -	$ 2,017,340

Investments in mutual funds are valued at market prices in active markets and are classified as level 1.

Investments in U.S. Treasury Bills are measured using quoted market prices for similar assets in active markets and are classified as level 2.

NOTE 6 NET ASSETS

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

	2022	2021
Without donor restrictions:		
Unrestricted and undesignated	$ 2,173,094	$ 2,085,259
Board designated - operations and general reserves	1,348,500	994,500
	3,521,594	3,079,759
With donor restrictions:		
Subject to expenditure for specific purpose:		
Program support	525,000	390,000
Total net assets	$ 4,046,594	$ 3,469,759

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

	2022	2021
Purpose restrictions accomplished		
Program - Honor Institute	$ 400,000	$ 235,000
Program - General	50,000	-
	450,000	235,000
Expiration of time restrictions		
Navy SEAL Foundation grant	700,000	700,000
	$ 1,150,000	$ 935,000

NOTE 7 DONATED SERVICES AND FACILITIES

The following summarizes donated services and facilities as of December 31:

	2022	2021
Space usage	$ 277,508	$ 246,995
Training faculty services	113,500	79,872
Legal services	2,890	-
Catering	1,370	-
	$ 395,268	$ 326,867

NOTE 8 COMMITMENTS

On July 20, 2017, the Organization entered into a lease agreement with a third party. The sixty month lease commenced on February 12, 2018. Monthly rent expense includes base rent and general operating costs. The base rent portion of monthly rent expense begins in year three and cannot exceed $2,500, $2,575, and $2,652 per month for the years three, four, and five, respectively. General operating costs are paid monthly by the Organization for the entirety of the lease.

Minimum future lease payments for base rent for the year ended December 31 are as follows:

2023	$ 2,652

On February 17, 2022, the Organization extended the lease agreement for an additional 5 years through February 11, 2028. During the extension term, the Organization is not required to pay base rent but is required to pay general operating costs, which shall not exceed 50% of landlord's general operating costs. The percentage will increase by 5% on January 1, 2023 and on January 1 of each subsequent year.

NOTE 9 RETIREMENT PLAN

The Organization sponsors a 401(k) plan for its employees. The 401(k) plan provides for discretionary matching contributions. The total matching contribution for the years ended December 31, 2022 and 2021 was $0. All contributions to the plan are 100% vested.

NOTE 10 LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Although the Organization does not intend to spend from its board designated endowment fund other than the amounts appropriated for general expenditures as part of its annual budget and approval process, amounts from the fund could be made available in the event of an unanticipated liquidity need.

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

Financial assets, at year-end:	
Cash	$ 2,014,055
Contributions receivable	66,975
Investments	2,017,340
	4,098,370
Less those unavailable for general expenditures within one year due to contractual or donor imposed restrictions:	
Board designated reserves	(1,348,500)
Donor-restricted to specified programs	(525,000)
	(1,873,500)
Financial assets available to meet cash needs for general expenditures within one year	$ 2,224,870

NOTE 11 GOVERNMENT GRANTS

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided an employee retention credit ("Employee Retention Credit"), which is a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to the employees during a quarter, capped at $10,000 of qualified wages per employee throughout the year. The Organization qualified for the tax credit in the first, second and fourth quarters of 2020 and accrued a benefit of $85,000 related to the ERC, in other income on the Organization's consolidated statement of activities and changes in net assets, and in other receivables on the consolidated statements of financial position for the year ended December 31, 2020. In February 2022, the organization received $79,294 out of the $85,000 requested, which is reflected in the other receivables section of the consolidated statement of financial position for the year ended December 31, 2021. The Organization qualified for the tax credit in the first, second and third quarters of 2021, totaling $391,024 in ERC for 2021. This amount was received in 2021 and is in other income, in the consolidated statement of activities and changes in net assets, for the year ended December 31, 2021.

NOTE 12 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 24, 2023, the date the consolidated financial statements were ready to be issued. There were not material subsequent events which affected the amounts or disclosures in the consolidated financial statements.