

---

---

# **THE IMPACT FUND**

## **FINANCIAL STATEMENTS**

**June 30, 2021**

**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020)**

---

---

**CROSBY & KANEDA**

Certified Public Accountants  
for Nonprofit Organizations

# THE IMPACT FUND

## Contents

Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-14

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
The Impact Fund  
Berkeley, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of The Impact Fund, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Impact Fund as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited The Impact Fund's June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Croody & Landa CPAs LLP*

Oakland, California

April 28, 2022

## THE IMPACT FUND

### Statement of Financial Position June 30, 2021 (With Comparative Totals as of June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Assets		
Cash and cash equivalents	\$ 472,843	\$ 1,049,501
Investments (Note 3)	1,698,268	1,430,429
Accounts receivable	64,520	-
Prepaid expenses and deposits	122,152	114,133
Property and equipment, net (Note 5)	58,189	71,362
Total Assets	<u>\$ 2,415,972</u>	<u>\$ 2,665,425</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 20,361	\$ 25,827
Grants payable	25,000	-
Accrued vacation and sabbaticals	97,205	48,114
PPP loan	-	174,615
Accrued rent	59,768	28,024
Total Liabilities	<u>202,334</u>	<u>276,580</u>
Net Assets		
Without donor restrictions	2,088,480	2,025,135
With donor restrictions (Note 9)	125,158	363,710
Total Net Assets	<u>2,213,638</u>	<u>2,388,845</u>
Total Liabilities and Net Assets	<u>\$ 2,415,972</u>	<u>\$ 2,665,425</u>

See Notes to the Financial Statements

**THE IMPACT FUND**

**Statement of Activities  
For the Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
<b>Support and Revenue</b>				
Support				
Foundation and community grants	\$ 196,295	\$	\$ 196,295	\$ 425,950
State bar grants		461,647	461,647	533,335
Cy Pres awards	83,220		83,220	38,043
Individual and firm contributions	43,028	100,000	143,028	115,321
Special event (Note 10)	103,253		103,253	3,100
Total Support	<u>425,796</u>	<u>561,647</u>	<u>987,443</u>	<u>1,115,749</u>
Revenue				
Attorneys' fees and costs	87,500		87,500	50,217
Seminars and education	116,090		116,090	203,796
Interest on grants and other	24,565		24,565	12,520
Investment activity (Note 3)	267,839		267,839	111,281
Total Revenue	<u>495,994</u>	<u>-</u>	<u>495,994</u>	<u>377,814</u>
Reimbursable grants recovery	204,854		204,854	182,943
Paycheck Protection Program (Note 6)	174,615		174,615	-
Support provided by expiring time and purpose restrictions	800,199	(800,199)	-	-
Total Support and Revenue	<u>2,101,458</u>	<u>(238,552)</u>	<u>1,862,906</u>	<u>1,676,506</u>
<b>Expenses</b>				
Program				
Legal	487,094		487,094	460,718
Education	359,358		359,358	366,153
Grantmaking	563,064		563,064	797,302
Total Program	<u>1,409,516</u>		<u>1,409,516</u>	<u>1,624,173</u>
Management and general	336,877		336,877	339,453
Fundraising	291,720		291,720	244,222
Total Expenses	<u>2,038,113</u>	<u>-</u>	<u>2,038,113</u>	<u>2,207,848</u>
Change in Net Assets	63,345	(238,552)	(175,207)	(531,342)
Net Assets, beginning of year	<u>2,025,135</u>	<u>363,710</u>	<u>2,388,845</u>	<u>2,920,187</u>
Net Assets, end of year	<u>\$ 2,088,480</u>	<u>\$ 125,158</u>	<u>\$ 2,213,638</u>	<u>\$ 2,388,845</u>

See Notes to the Financial Statements

## THE IMPACT FUND

### Statement of Cash Flows For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (175,207)	\$ (531,342)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	13,173	17,503
Investment activity	(267,839)	(111,281)
PPP loan forgiveness	(174,615)	-
Change in assets and liabilities:		
Accounts receivable	(64,520)	23,850
Prepaid expenses and deposits	(8,019)	11,029
Accounts payable and accrued expenses	(5,466)	(19,665)
Grants payable	25,000	-
Accrued vacation and sabbaticals	49,091	17,899
Accrued rent	31,744	28,024
Deferred revenue	-	(44,950)
Net cash provided (used) by operating activities	<u>(576,658)</u>	<u>(608,933)</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	-	(62,591)
Net cash provided (used) by investing activities	<u>-</u>	<u>(62,591)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from Paycheck Protection Program loan	-	174,615
Net cash provided (used) by financing activities	<u>-</u>	<u>174,615</u>
Net change in cash and cash equivalents	(576,658)	(496,909)
Cash and cash equivalents, beginning of year	<u>1,049,501</u>	<u>1,546,410</u>
Cash and cash equivalents, end of year	<u>\$ 472,843</u>	<u>\$ 1,049,501</u>

See Notes to the Financial Statements

**THE IMPACT FUND**

**Statement of Functional Expenses  
For the Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)**

	Program	Management and General	Fundraising	Total	
				2021	2020
Salaries	\$ 639,769	\$ 154,503	\$ 141,863	\$ 936,135	\$ 810,823
Retirement contributions	13,137	3,769	3,460	20,366	16,742
Other employee benefits	101,789	29,378	32,241	163,408	109,388
Payroll taxes	49,008	12,165	10,888	72,061	63,997
Total Personnel	<u>803,703</u>	<u>199,815</u>	<u>188,452</u>	<u>1,191,970</u>	<u>1,000,950</u>
Grant making	310,000	-	-	310,000	574,233
Professional services	31,764	44,134	10,516	86,414	48,638
Advertising and promotion	5,865	140	25,741	31,746	37,750
Office supplies and expense	1,601	16,918	8,819	27,338	41,727
Information technology	14,368	2,924	3,234	20,526	13,364
Occupancy	201,351	38,338	45,229	284,918	260,570
Travel and meals	497	1,120	467	2,084	52,179
Conferences and meetings	1,454	835	197	2,486	102,965
Insurance	2,794	1,131	636	4,561	6,773
Subscriptions and research	36,119	4,328	8,429	48,876	50,311
Depreciation	-	13,173	-	13,173	17,503
Staff development and other	-	14,021	-	14,021	885
Total Expenses	<u>\$ 1,409,516</u>	<u>\$ 336,877</u>	<u>\$ 291,720</u>	<u>\$ 2,038,113</u>	<u>\$ 2,207,848</u>

See Notes to the Financial Statements



## THE IMPACT FUND

### Notes to the Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

---

#### NOTE 1: NATURE OF ACTIVITIES

The Impact Fund (the Organization) is a California nonprofit public benefit corporation founded in 1992. The Organization supports class action public interest litigation and awards grants in the areas of human and civil rights, environmental justice, and for the relief of poverty. The Organization also provides technical support, advice, counseling, training, and representation to public interest lawyers. In addition, the Organization acts as co-counsel in appropriate class action cases as well as filing amicus or "friend of the court" briefs in cases affecting impact litigation or civil rights enforcement.

#### 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 by the Organization, unless the donor provides more specific directions about the period of its use.

##### **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 IMPACT FUND

### Notes to the Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

---

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.

#### **Accounting for Revenue**

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met. 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 related to a donor specified restriction for a particular purpose or future period.

#### **Attorney Fees and Costs**

The Organization accounts for attorney fees and costs as revenue when approved by a court via either a judgement or settlement approval, and following an analysis of collectability. In co-counsel arrangements, the Organization may delay recognition for any portion of fees that depend on co-counsel agreement as to amount. As a result, recognition of attorney fees and costs may occur sometimes significantly after the related period in which work was performed.

#### **Seminars and Education**

The Organization hosts an annual class action conference in the spring of most years. In addition, it offers a variety of webinars and other trainings. Revenue is recognized as a result of these activities when the related services are performed or events occur.

#### **Reimbursable Grant Repayment**

Grants made to support public interest litigation are reimbursable to the Organization in certain circumstances. In the event the grantee recovers attorney's fees and/or costs by settlement, judgment or otherwise, the Organization requires repayment of the grant with interest. The Organization, at its sole discretion, may waive the interest charge and/or a portion of the amount to be reimbursed if management concludes that because of a limited fee and/or cost recovery, it would be appropriate to do so. The Organization records grants

## THE IMPACT FUND

### Notes to the Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

---

as an expense in the period conditions for an award are satisfied including approval by the Grants Advisory Committee. Grant repayment and related interest is recorded as revenue in the period actually received as the possibility and amount of future reimbursements is not predictable and may depend on success in litigation or other factors

#### **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, 2021 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. There were no contributed services that met the criteria for recognition 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, 2021. 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 operating cash held in banks or certificates of deposit with original maturity dates of three months or less to be cash equivalents. Cash and cash equivalents held in investment accounts for investment purposes are classified with investment balances. For purposes of the statement of cash flows the Organization treats transfers of funds to the investment account as purchases of investments, and withdrawals from the investment account into its operating account as proceeds from investments.

## THE IMPACT FUND

### Notes to the Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

---

#### 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.

#### Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$2,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

Furniture and equipment	5 years
Leasehold improvement	7 years

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 consists of funds received in advance of performance obligations, costs incurred on cost reimbursement contracts, or held to cover costs and fees arising out of litigation settlements.

#### 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 a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on estimated allocations maintained at the staff level.

Telephone and internet services, insurance, occupancy, supplies and other expenses that cannot be directly identified are allocated on the basis of such staff allocation for each program and supporting activity.

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. Depreciation is charged to management and general. 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. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

## THE IMPACT FUND

### Notes to the Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

#### Changes in Accounting Principles

The Organization *adopted ASU 2014-09 – Revenue from Contracts with Customers (Topic 606)* during the year ended June 30, 2021. This guidance requires an entity to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASU 2014-09 did not result in a material change to timing of when revenue is recognized.

#### 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, 2020, 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.

#### NOTE 3: INVESTMENTS

Investments are stated at fair value and consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 85,602	\$ 104,421
Bond funds	115,406	114,433
Fixed income holdings	611,818	563,590
Equities	869,306	612,224
Other assets	<u>16,136</u>	<u>35,761</u>
Total	<u>\$ 1,698,268</u>	<u>\$ 1,430,429</u>

Investment activity consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Realized and unrealized gain (loss), net	\$ 239,550	\$ 99,526
Interest and dividends	<u>28,289</u>	<u>11,755</u>
Total	<u>\$ 267,839</u>	<u>\$ 111,281</u>

#### Credit Risk

The Organization's investment policy limits fixed income holdings to investment grade securities.

#### Interest Rate Risk

The prices of fixed-income securities may be sensitive to changes in interest rates. The Organization generally invests in short term securities with maturities of 3 years or less.

## THE IMPACT FUND

### Notes to the Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

#### NOTE 4: FAIR VALUE MEASUREMENTS

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.

Fair values of assets measured on recurring basis were as follows as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Cash and cash equivalents	\$ 85,602	\$ -	\$ 85,602
Stocks	869,306	-	869,306
Bond funds	115,406	-	115,406
REIT's	16,136	-	16,136
Corporate bonds	-	378,556	378,556
Government bonds	-	<u>233,262</u>	<u>233,262</u>
Total	<u>\$ 1,086,450</u>	<u>\$ 611,818</u>	<u>\$ 1,698,268</u>

The Organization uses the following methods for level 2 fair value as of June 30, 2021.

*Bond holdings* - Based on the values shown on the Organization's investment statements on the last trading day of the year. The Organization's broker may report such values based on pricing service inputs including inputs from third parties. The Organization works to avoid holdings with stale pricing indicators.

#### NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 67,620	\$ 71,444
Leasehold improvements	36,384	36,384
Less accumulated depreciation	<u>(45,815)</u>	<u>(36,466)</u>
Total	<u>\$ 58,189</u>	<u>\$ 71,362</u>

#### NOTE 6: PAYCHECK PROTECTION PROGRAM LOAN

During the year ended June 30, 2021, the Organization received notice of forgiveness for the full amount of its PPP loan totaling \$174,615.

## THE IMPACT FUND

### Notes to the Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

#### NOTE 7: COMMITMENTS

##### Operating Leases

The Organization is party to a lease for office space in Berkeley, California with terms through September 2026. Future minimum lease payments were as follows for the years ended June 30:

2022	\$ 285,615
2023	294,183
2024	303,009
2025	312,462
2026	321,099
Thereafter	<u>80,955</u>
Total	<u>\$ 1,597,323</u>

Rent expense was \$284,589 and \$264,991 for the years ended June 30, 2021 and 2020, respectively.

#### NOTE 8: CONTINGENCIES

##### Grant Awards

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.

#### NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of June 30:

	<u>2021</u>	<u>2020</u>
Clean Water	\$ 65,158	\$ 148,710
Economic & Social Justice	45,000	200,000
MCLE Training	<u>15,000</u>	<u>15,000</u>
Total	<u>\$ 125,158</u>	<u>\$ 363,710</u>

#### NOTE 10: SPECIAL EVENT

The Organization held a virtual fundraising event during the year ended June 30, 2021 with proceeds totaling \$103,253.

#### NOTE 11: RETIREMENT PLAN

The Organization has established a Simplified Employee Pension (SEP) Plan for its employees. The SEP is subject to the provisions of the Internal Revenue Code Section 408(k). The Organization makes discretionary contributions for eligible employees which totaled \$20,366 and \$16,742 for the years ended June 30, 2021 and 2020, respectively.

## THE IMPACT FUND

### Notes to the Financial Statements For the Year Ended June 30, 2021 (With Comparative Totals for the Year Ended June 30, 2020)

---

#### NOTE 12: CONCENTRATION

##### Support and Revenue

During the year ended June 30, 2021, the Organization received approximately 25% of its support and revenue from one funding source. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

#### NOTE 13: OUTREACH SUPPORT

In addition to the amounts recognized for financial statement reporting purposes, the Organization received approximately \$773,051 and \$435,650 in donated advertising services during the years ended June 30, 2021 and 2020, respectively, which assisted the Organization in engaging with a broader audience. The Organization would not have otherwise purchased such service, and such amounts are not recognized for financial statement purposes.

#### NOTE 14: 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, 2021 are:

Cash and cash equivalents	\$ 472,843
Investments	1,698,268
Accounts receivable	64,520
Less: Purpose-restricted net assets	<u>(125,158)</u>
Total	<u>\$ 2,110,473</u>

As part of the Organization's liquidity management plan, the Organization maintains funds in excess of immediate requirements in savings and investment accounts.

#### NOTE 15: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of April 28, 2022, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

##### Continuing Public Health Emergency

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 Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact on its financial condition, liquidity, operations and workforce.