

EARN, INC. DBA SAVERLIFE

FINANCIAL STATEMENTS

DECEMBER 31, 2022



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Earn, Inc. DBA SaverLife

Opinion

We have audited the accompanying financial statements of Earn, Inc. DBA SaverLife (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Earn, Inc. DBA SaverLife as of December 31, 2022 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Earn, Inc. DBA SaverLife and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Earn, Inc. DBA SaverLife's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 Earn, Inc. DBA SaverLife'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 Earn, Inc. DBA SaverLife's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

The financial statements of Earn, Inc. DBA SaverLife as of December 31, 2021, were audited by other auditors whose report dated October 19, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Lotz + Carr, LLP

EARN, INC. DBA SAVERLIFE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents (Notes 1b and 10a)	\$1,040,109	\$2,369,747
Contributions receivable (Notes 1c, 4 and 10b)		
Without donor restrictions	339,669	179,780
With donor restrictions	1,932,282	952,000
Accounts and other receivables (Note 9)	457,746	477,195
Prepaid expenses and other assets	57,634	112,024
Property and equipment, at cost, net of accumulated depreciation (Notes 1d and 5)	226	7,130
Intangible assets, at cost, net of accumulated amortization (Notes 1e and 6)	490,578	568,137
	<u>490,578</u>	<u>568,137</u>
Total Assets	<u><u>\$4,318,244</u></u>	<u><u>\$4,666,013</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 257,922	\$ 718,328
Advances - due to savers (Note 1g)	226,695	86,227
Saver incentives payable	-	19,018
Deferred revenue (Note 1g)	-	68,333
Deferred rent (Notes 1h and 14)	-	5,789
Total Liabilities	<u>484,617</u>	<u>897,695</u>
Commitments (Notes 12 and 13)		
Net Assets (Note 3)		
Without Donor Restrictions		
Undesignated	11,614	310,147
Board designated operating reserve	540,000	1,675,000
Total Without Donor Restrictions	<u>551,614</u>	<u>1,985,147</u>
With Donor Restrictions	<u>3,282,013</u>	<u>1,783,171</u>
Total Net Assets	<u>3,833,627</u>	<u>3,768,318</u>
Total Liabilities and Net Assets	<u><u>\$4,318,244</u></u>	<u><u>\$4,666,013</u></u>

See notes to financial statements.

EARN, INC. DBA SAVERLIFE

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Changes in Net Assets				
Revenue and Public Support				
Contributions (Note 10b)	\$ 3,172,664	\$ 3,082,013	\$ 6,254,677	\$ 4,929,825
Inherent contribution (Note 7)	-	-	-	295,303
Federal Relief Programs				
Paycheck Protection Program (Note 8)	-	-	-	322,004
Employee Retention Tax Credit (Note 9)	-	-	-	427,412
Donated services (Note 11)	86,796	-	86,796	196,802
Program service fees	284,418	-	284,418	117,650
Other revenue	12,877	-	12,877	4,551
Net assets released from restrictions				
Satisfaction of time and program restrictions (\$2,086,592 in 2021)	1,583,171	(1,583,171)	-	-
Total Revenue and Public Support	5,139,926	1,498,842	6,638,768	6,293,547
Expenses				
Program Services	5,232,833	-	5,232,833	5,035,600
Supporting Services				
Management and general	733,144	-	733,144	638,338
Fundraising	607,482	-	607,482	549,383
Total Supporting Services	1,340,626	-	1,340,626	1,187,721
Total Expenses	6,573,459	-	6,573,459	6,223,321
Increase (decrease) in net assets	(1,433,533)	1,498,842	65,309	70,226
Net assets, beginning of year	1,985,147	1,783,171	3,768,318	3,698,092
Net Assets, End of Year	\$ 551,614	\$ 3,282,013	\$ 3,833,627	\$ 3,768,318

See notes to financial statements.

EARN, INC. DBA SAVERLIFE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

	2022			Total Expenses	2021
	Program Services	Supporting Services Management and General	Fundraising		Total Expenses
Salaries, payroll taxes and employee benefits	\$2,713,119	\$ 398,942	\$ 490,641	\$3,602,702	\$3,215,456
SaaS	368,033	31,783	27,732	427,548	502,457
Technology development	173,773	-	-	173,773	131,377
Professional fees	583,864	253,426	35,743	873,033	769,864
Donated services	86,796	-	-	86,796	196,802
Saver incentives	299,807	-	-	299,807	165,963
COVID assistance	-	-	-	-	74,800
Marketing	405,013	10,117	-	415,130	387,572
Occupancy	70,486	12,976	10,120	93,582	235,641
Travel	26,955	2,969	22,882	52,806	5,819
Office expenses	35,775	6,838	7,062	49,675	43,685
Insurance	18,270	2,291	2,950	23,511	22,362
Grant expense	-	-	-	-	50,000
Miscellaneous	73,400	11,903	7,850	93,153	96,474
Depreciation and amortization	377,542	1,899	2,502	381,943	325,049
Total Expenses, 2022	<u>\$5,232,833</u>	<u>\$ 733,144</u>	<u>\$ 607,482</u>	<u>\$6,573,459</u>	
Total Expenses, 2021	<u>\$5,035,600</u>	<u>\$ 638,338</u>	<u>\$ 549,383</u>		<u>\$6,223,321</u>

See notes to financial statements.

EARN, INC. DBA SAVERLIFE

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 65,309	\$ 70,226
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Contributed intellectual property	-	(126,750)
Depreciation and amortization	381,943	325,049
(Increase) decrease in:		
Contribution receivable	(1,140,171)	460,943
Accounts and other receivables	19,449	(462,284)
Prepaid expenses and other assets	54,390	(27,284)
Increase (decrease) in:		
Accounts payable and accrued expenses	(460,406)	268,123
Advances - due to savers	140,468	86,227
Saver incentives payable	(19,018)	(25,063)
Deferred revenue	(68,333)	40,833
Deferred rent	(5,789)	(23,156)
Net Cash Provided (Used) By Operating Activities	<u>(1,032,158)</u>	<u>586,864</u>
Cash Flows From Investing Activities		
Acquisition of intangible assets	<u>(297,480)</u>	<u>(358,132)</u>
Cash Flows From Financing Activities		
Proceeds from line of credit	750,000	-
Repayment of line of credit	<u>(750,000)</u>	<u>-</u>
Net Cash Provided (Used) By Financing Activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(1,329,638)	228,732
Cash and cash equivalents, beginning of year	<u>2,369,747</u>	<u>2,141,015</u>
Cash and Cash Equivalents, End of Year	<u><u>\$1,040,109</u></u>	<u><u>\$2,369,747</u></u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u><u>\$ 7,561</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

Earn, Inc. DBA SaverLife (the "Organization"), is a nonprofit organization incorporated in the State of California in December 2001. The Organization uses technology to improve the financial health of people living on low-to-moderate incomes.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

c - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Conditional promises to give, that is, those with a measurable performance-related or other barrier and right of return of assets transferred or release of a promisor's obligation to transfer assets in the future, are not recognized until the conditions on which they depend have been met.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

d - Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the assets. The cost of additions and major improvements over \$2,000 are capitalized, while maintenance and repairs are charged to expense as incurred.

e - Intangible Assets

Intangible assets include purchased technology for use on the Organization's SaverLife platform ("SaverLife"). Intangible assets purchased by the Organization are stated at cost. The costs for additions and major improvements associated with SaverLife after the preliminary project stage are capitalized.

Donated intangibles are recorded at fair value on the date of donation. Other costs such as maintenance and repairs and training are expensed as incurred. All major upgrades and enhancements are capitalized. SaverLife is amortized using the straight-line method over the estimated useful life of 3 years.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

f - Impairment of Long-Lived Assets

The Organization evaluates long-lived assets, such as property and equipment or intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets held and used is measured by comparison of the carrying amount of an asset or an asset group to estimated undiscounted future net cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset exceeds these estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the assets exceeds the fair value of the asset or asset group, based on discounted cash flows.

g - Revenue Recognition

The Organization has revenue streams that are accounted as exchange transactions which are evaluated under Accounting Standards Codification (“ASC”) 606 through the following five steps: (i) identification of the contract or contracts with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

The Organization enters into contracts with companies, referred to as “Program Partners”. Program service fees represent implementation fees and annual program fees.

The Organization recognizes revenue over time for all annual program fees and recognizes implementation fees at a point in time once implementation is complete. The disaggregation of revenue is as follows:

	<u>2022</u>	<u>2021</u>
Revenue recognized over time	\$284,418	\$ 88,236
Revenue recognized at a point in time	<u>-</u>	<u>29,414</u>
	<u>\$284,418</u>	<u>\$117,650</u>

Amounts paid in advance of services performed are classified as deferred revenue, and amounts received in advance from program partners for awards to be paid to savers are classified as Advances - due to savers on the statement of financial position.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

h - Deferred Rent

The Organization's lease agreement for their office space provides for rent escalations during the lease term. The aggregate of the total minimum lease payments is amortized on a straight-line basis over the term of the lease. The difference between the straight-line expense and the amount paid in accordance with the terms of the lease is recorded as deferred rent.

i - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

j - Donated Services

Donated services are recognized as contributions if the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services are recognized as contribution income and expenses on the statement of activities.

k - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization expenses are directly allocated to program activities. The expenses that are allocated include salaries, payroll taxes and benefits, occupancy costs, insurance, and general office expenses, which are allocated based on an estimate of employees' time and effort.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

l - Estimates

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

m - Tax Status

The Organization is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

n - Comparative Financial Information

The financial statements include certain prior period summarized comparative information in total but not by net asset classification. 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 December 31, 2021, from which the summarized information was derived.

For comparability purposes, certain 2021 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2022.

o - Subsequent Events

The Organization has evaluated subsequent events through October 27, 2023, the date that the financial statements are considered available to be issued.

p - New Accounting Standards

For 2022, the Organization adopted Accounting Standards Update ("ASU") 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 2 - Information Regarding Liquidity and Availability

Management monitors the level of available financial assets to anticipate cash requirements for general expenditures as obligations come due on a monthly basis, at a minimum. Board designated net assets of \$540,000, which are designated for operating reserves and future program development, are included in cash and cash equivalents, and per the Board designated reserve policy can be used for cash flow.

The Organization's financial assets as of December 31 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$1,040,109	\$2,369,747
Contributions receivable	2,271,951	1,131,780
Accounts and other receivable	<u>457,746</u>	<u>477,195</u>
Total Financial Assets	3,769,806	3,978,722
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(3,282,013)	(1,783,171)
Plus: Net assets with donor restrictions expected to be met in less than one year	<u>2,532,013</u>	<u>1,583,171</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$3,019,806</u>	<u>\$3,778,722</u>

Note 3 - Net Assets

a - Net Assets Without Donor Restrictions - Board Designated Operating Reserve

The Board of Directors established a board designated operating reserve (the "reserve") that can be utilized to meet cash flow needs. During the year ended December 31, 2022, the Board of Directors approved transfers of \$1,135,000 from the reserve for use in operations. During the year ended December 31, 2021, the Board of Directors designated \$200,000 from the operating net assets as an addition to the reserve. At December 31, 2022 and 2021, the balance of the reserve was \$540,000 and \$1,675,000, respectively.

EARN, INC. DBA SAVERLIFE
NOTES TO FINANCIAL STATEMENTS
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Note 3 - Net Assets (continued)

b - Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2022 and 2021 are designated for future programs and periods as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Policy and research	\$ 561,214	\$ -
Mobile application development	207,072	-
Personalized member engagement	63,727	-
Microentrepreneur campaign	-	700,000
Saver incentives	-	<u>131,171</u>
	<u>832,013</u>	<u>831,171</u>
Subject to expenditure for specified periods	<u>2,450,000</u>	<u>952,000</u>
Total Net Assets With Donor Restrictions	<u>\$3,282,013</u>	<u>\$1,783,171</u>

Note 4 - Contributions Receivable

Contributions receivable are due as follows:

	<u>2022</u>	<u>2021</u>
Due within one year	\$2,249,609	\$1,131,780
Due within two years	<u>23,327</u>	-
	<u>2,272,936</u>	<u>1,131,780</u>
Less: Discount to present value	<u>(985)</u>	-
	<u>\$2,271,951</u>	<u>\$1,131,780</u>

Contributions receivable due after one year are discounted to net present value using a discount rate of 3%. Uncollectible contributions receivable are expected to be insignificant.

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Note 5 - Property and Equipment

Property and equipment at December 31, 2022 and 2021 consists of the following:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Computer equipment	3 years	\$20,711	\$55,427
Less: Accumulated depreciation		<u>(20,485)</u>	<u>(48,297)</u>
		<u>\$ 226</u>	<u>\$ 7,130</u>

Note 6 - Intangible Assets

Intangible assets at December 31, 2022 and 2021 consists of the following:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Technology platform	3 years	\$1,316,692	\$2,584,141
Less: Accumulated amortization		<u>(826,114)</u>	<u>(2,016,004)</u>
		<u>\$ 490,578</u>	<u>\$ 568,137</u>

The following is the future estimated amortization of intangible assets:

<u>Year Ending December 31,</u>	
2023	\$282,146
2024	163,919
2025	<u>44,513</u>
	<u>\$490,578</u>

Note 7 - Asset Transfer

On May 7, 2021, the Organization entered into an asset transfer agreement (the "Agreement") with Onward Financial, Inc. ("Onward") a Delaware non-for-profit corporation. The Organization obtained certain assets and assumed certain liabilities under the terms of the Agreement.

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Note 7 - Asset Transfer (continued)

In accordance with the accounting standards for business combinations, the Organization recorded the acquisition under the acquisition method of accounting which require recording the assets obtained and liabilities assumed at their respective fair values on the date of acquisition. Management used estimates and assumptions to determine the fair value of the assets and liabilities.

There was no consideration paid by the Organization to Onward. Accordingly, the Organization recorded an inherent contribution of \$295,303 for the amount of the fair value of the assets obtained exceeding the liabilities assumed.

The fair value of the assets acquired, and the liabilities assumed at the date of acquisition are as follows:

Cash	\$159,264
Intellectual property	126,750
Other assets	10,806
Onward credit cards	<u>(1,517)</u>
	<u>\$295,303</u>

Note 8 - Paycheck Protection Program

On March 18, 2021, the Organization was granted a second loan totaling \$322,004 under the Paycheck Protection Program administered by a Small Business Administration ("SBA") approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization recognized \$322,004 as grant revenue for the year ended December 31, 2021. The full amount of this loan was forgiven on September 27, 2021.

Note 9 - Employee Retention Tax Credit

The Coronavirus Aid, Relief and Economic Security ("CARES") Act enacted in 2020 allowed eligible employers to claim employee retention tax credits for qualified wages paid after March 12, 2020 and before September 30, 2021. The Organization qualified for the credit during this period based on a decrease in gross receipts. The Organization claimed credits for the year ended December 31, 2021 of \$427,412 which are included as income in the Statement of Activities for the year ended December 31, 2021. As of December 31, 2022 and 2021, the Organization had a receivable of \$427,412.

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Note 10 - Concentrations

- a - The Organization maintains its cash and cash equivalents in financial institutions located in the United States of America. The balances are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per depositor. From time to time, the Organization's balances may exceed federally insured limits.
- b - The Organization received approximately 61% and 55% of its total contribution income from two donors in 2022 and three donors in 2021, respectively. Amounts due from one donor represented 66% of contributions receivable as of December 31, 2022, and amounts due from three donors represented 84% total contributions receivable as of December 31, 2021.

Note 11 - Donated Services

During the years ended December 31, 2022 and 2021, the Organization received donated legal services in connection with its program and administrative supporting services in the amount of \$86,796 and \$196,802, respectively.

Legal services were valued by the service provider based on rates charged for similar services.

Note 12 - Line of Credit

The Organization had a \$1,000,000 line of credit with Signature Bank that expired on March 3, 2023. The line of credit was extended with Flagstar Bank through March 2, 2024. Borrowings bear interest at the greater of 3% per annum or a fluctuating rate per annum equal to the bank's prime rate less 0.5%. During 2022, \$750,000 was borrowed from the line of credit and fully repaid by December 31, 2022.

The Organization incurred interest of \$7,561 during the year ended December 31, 2022.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 13 - Retirement Plan

The Organization maintains a 401(k) plan for qualifying eligible employees. Employees are eligible to contribute to the plan on their dates of hire. A matching contribution is made to match 100% of the employee's contribution up to \$6,000 for employees that have completed three months of service. Contributions are fully vested at all times. Total expense under this plan for the years ended December 31, 2022 and 2021 was \$121,343 and \$141,301, respectively.

Note 14 - Operating Lease

The Organization occupied office space under a lease agreement which expired on March 31, 2022. The lease was not renewed upon its expiration and the Organization's operations are now fully remote.

Note 15 - Subsequent Event

On March 12, 2023, Signature Bank ("Signature") was closed by the state chartering authority. The Organization maintains its cash and cash equivalents accounts with Signature. Through a joint statement issued by the Department of the Treasury, Federal Reserve, and the Federal Deposit Insurance Corporation, all depositors of Signature will be made whole.

The Organization was able to transfer the majority of its cash and cash equivalents from Signature to another financial institution. The Organization's line of credit was extended with Flagstar Bank, N.A. No losses were incurred in relation to the transition.