FIRST DESCENTS AND SUBSIDIARY

Consolidated Financial Statements
As Of December 31, 2022
(With Summarized Financial Information
As Of December 31, 2021)

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
First Descents:

Opinion

We have audited the accompanying consolidated financial statements of First Descents and Subsidiary (collectively referred to as the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 Organization as of December 31, 2022, and the changes in its net assets and 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 the Organization 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Members:
American Institute of Certified Public Accountants • Colorado Society of Certified Public Accountants
10303 E. Dry Creek Road, Suite 400 • Englewood, CO 80112 • 303 771 0123 • 303 771 0078 fax
www.jdscpagroup.com

Auditors' 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 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 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 consolidated 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 consolidated 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.

<u>Independent Auditors' Report (Continued)</u>

We are required to communicate to 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.

Reporting on Summarized Comparative Information

We have previously audited the Organization's December 31, 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 15, 2023. 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.

JDS Professional Group

June 24, 2024

FIRST DESCENTS AND SUBSIDIARY

Consolidated Statement Of Financial Position
As Of December 31, 2022
(With Summarized Financial Information As Of December 31, 2021)

	2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 7,717,461	$ 7,720,225
Investments	10,104	
Contributions and grants receivable	815,591	1,333,747
Inventory	15,904	
Prepaid expenses	405,247	445,209
Total Current Assets	8,964,307	9,499,181
Property and equipment, net of accumulated depreciation	133,594	90,464
TOTAL ASSETS	$ 9,097,901	$ 9,589,645
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 37,302	$ 33,180
Accrued liabilities	125,872	98,423
Deferred revenue	81,677	382,833
Refundable advances	186,579	237,738
Refundable advance - PPP		257,560
Lease liability	62,508	
Total Liabilities	493,938	1,009,734
Net Assets:		
Without Donor Restrictions	7,623,144	7,074,833
With Donor Restrictions	980,819	1,505,078
Total Net Assets	8,603,963	8,579,911
TOTAL LIABILITIES AND NET ASSETS	$ 9,097,901	$ 9,589,645

FIRST DESCENTS AND SUBSIDIARY

Consolidated Statement Of Activities
For The Year Ended December 31, 2022
(With Summarized Financial Information For The Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Revenue and Support:				
Contributions and grants	$ 2,542,833	$ 648,623	$ 3,191,456	$ 3,706,562
Program services revenue, net of cost of goods sold	547,133		547,133	463,441
Government grant	257,560		257,560	257,561
Special events, net of direct benefit to donor	690,965		690,965	408,227
Contributions of nonfinancial assets	394,248		394,248	138,761
Investment income	36,627		36,627	
Other income	3,715		3,715	5,371
Net assets released from restrictions - Satisfaction of purpose restriction	1,172,882	(1,172,882)		
Total Revenue And Support	5,645,963	(524,259)	5,121,704	4,979,923
Expenses:				
Program Services -				
Adventure programs	3,901,550		3,901,550	2,459,636
Supporting Services -				
General and administrative	352,199		352,199	271,225
Fundraising	843,903		843,903	602,716
Total Supporting Services	1,196,102		1,196,102	873,941
Total Expenses	5,097,652		5,097,652	3,333,577
CHANGES IN NET ASSETS FROM OPERATIONS	548,311	(524,259)	24,052	1,646,346
Net Assets, Beginning Of Year	7,074,833	1,505,078	8,579,911	6,933,565
NET ASSETS, END OF YEAR	$ 7,623,144	$ 980,819	$ 8,603,963	$ 8,579,911

FIRST DESCENTS AND SUBSIDIARY

Consolidated Statement Of Functional Expenses
For The Year Ended December 31, 2022
(With Summarized Financial Information For The Year Ended December 31, 2021)

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	2022 Total	2021 Total
Salaries and wages	$ 1,737,891	$ 111,860	$ 486,246	$ 2,335,997	$ 1,517,989
Payroll taxes and benefits	260,736	24,924	107,484	393,144	269,911
Adventure trips and related expenses	1,426,187			1,426,187	792,174
Contract services	41	20	1,249	1,310	73,936
Occupancy	47,995	9,114	19,912	77,021	120,789
Office expenses	53,300	2,419	10,026	65,745	78,166
Information technology	70,151	4,508	13,640	88,299	26,919
Travel and meals	83,003	2,560	71,237	156,800	97,256
Insurance	22,265	2,248	26,778	51,291	32,240
Legal, accounting, and consulting	77,367	47,715	22,620	147,702	155,292
Bank and merchant fees	8,437	53,068	17,012	78,517	43,805
Advertising and promotion	90,786	6	49,024	139,816	69,669
Printing, postage, and shipping	7,552	278	13,263	21,093	23,715
Other	4,969	606	2,778	8,353	14,464
Depreciation and amortization	10,870	1,206	2,634	14,710	17,252
Bad debt expense		91,667		91,667	
Total Expenses	$ 3,901,550	$ 352,199	$ 843,903	$ 5,097,652	$ 3,333,577

The accompanying notes are an integral part of the consolidated financial statements.

FIRST DESCENTS AND SUBSIDIARY

Consolidated Statement of Cash Flows
For The Year Ended December 31, 2022
(With Summarized Financial Information For The Year Ended December 31, 2021)

	2022	2021
Cash flows from operating activities:		
Changes in net assets from operations	$ 24,052	$ 1,646,346
Adjustments to reconcile changes in net assets from operations to net cash provided by operating activities:		
Depreciation and amortization	24,476	16,393
Forgiveness of PPP	(257,560)	(257,560)
Net unrealized/realized loss on investments	3,429	
Bad debt expense	91,667	
Changes in assets and liabilities -		
Decrease in contributions and grants receivable	426,489	266,819
(Increase) in inventory	(15,904)	
(Increase) decrease in prepaid expenses	39,962	(108,076)
Increase in accounts payable	4,122	9,914
Increase in accrued liabilities	27,449	51,446
(Decrease) increase in refundable advances	(301,156)	56,029
(Decrease) in deferred revenue	(51,159)	(76,853)
Net cash provided by operating activities	15,867	1,604,458
Cash flows from investing activities:		
Purchases of property and equipment	(5,098)	(76,386)
Sales of investments	77,518	
Purchases of investments	(91,051)	
Net cash (used in) investing activities	(18,631)	(76,386)
Cash flows from financing activities:		
Proceeds from refundable advance - PPP		257,561
Net cash provided by financing activities		257,561
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,764)	1,785,633
Cash And Cash Equivalents, Beginning Of Year	7,720,225	5,934,592
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,717,461	$ 7,720,225

The accompanying notes are an integral part of the consolidated financial statements

(1) Nature Of The Organization

First Descents ("FD"), is a nonprofit organization established in 2003; formed under the laws of the State of Colorado and is located in Denver, Colorado. First Descents provides life-changing outdoor adventures to young adults impacted by cancer and other serious health conditions. As a leader in adventure-based healing, the Organization uses outdoor adventure, community building, and skills development to improve health outcomes and quality of life for young adults impacted by cancer and other serious health conditions. All services are fully adaptive and free of charge. The Organization achieves diversified revenues through events, major gifts, foundation and corporate grants, and grassroots peer-to-peer fundraising.

Stoke Broker, Inc ("SB"), a wholly owned for-profit subsidiary of First Descents, was established in 2016, in the state of Montana and is located in Denver, Colorado. In April 2020, First Descents acquired ownership of Stoke Broker, Inc. via donation. Stoke Broker, Inc. creates life-defining adventures that ignite impact for private, corporate, and impact-oriented clients.

The financial statements have been consolidated to include all accounts of FD and SB, and are collectively referred to as the "Organization". All significant inter-company accounts and transactions have been eliminated.

(2) Summary Of Significant Accounting Policies

Method Of Accounting

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

Basis Of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Recently Adopted Accounting Standards

In 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which required lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the Organization recognized a right-of-use ("ROU") asset and a lease liability of $65,145, in its statement of financial position as of January 1, 2022. The adoption did not result in a significant effect on amounts reported on the statement of activities for the year ended December 31, 2022.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash And Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and demand deposit accounts. The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Investments

Investments are reflected at fair market value and as of December 31, 2022, consisted of common stock which is considered a level 1 investment.

Fair Value Measurements

The Organization follows *Fair Value Measurements*, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common Stock: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The carrying amount reported in the statement of financial position for cash and cash equivalents, contributions and grants receivable, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

Property and Equipment

Property and equipment are recorded at acquisition cost, or fair market value at the date of donation. Expenditures for maintenance, repairs and minor replacements are charged to operations, and expenditures for major replacements and betterments in excess of $500 are capitalized. Depreciation is provided using the straight-line method using estimated useful service lives ranging from 3 to 7 years.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in property and equipment and lease liability on the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Compensated Absences

The Organization accrues for the costs of compensated absences to the extent that the employee's right to receive payment relates to service already rendered, the obligation vests or accumulates, payment is probable, and the amount can be reasonably estimated.

Measure Of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consists of those items attributable to the Organization's ongoing program services and investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

The Organization recognizes revenue from contributions when cash, securities, other assets, or unconditional promises to give are received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year.

Conditional promises to give with a measurable performance or other barrier and a right of return/right or release are not recognized until the conditions on which they depend have been met. As of December 31, 2022, the Organization had refundable advances of $186,579.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

Certain donated services, goods, and facilities that meet the criteria for recognition, are reflected in the financial statements at their estimated fair market value at the time of the donation. Donated services are recognized as contributions 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.

Program services revenue consists of net revenue from adventure trips sold to customers which are recognized at a point in time, which is when the trip takes place. During the year ended December 31, 2022, the Organization had $81,677 in advanced program services which is reflected in deferred revenue.

Advertising

Advertising costs are expensed as incurred. Advertising expenses totaled $139,816 for the year ended December 31, 2022.

Methods Used For Allocation Of Expenses From Management And General Activities

Program expenses consist of all expenses paid for operating both of the youth centers. Management and general expenses include oversight, business management, general record keeping, budgeting and other such management and administrative activities that support the youth centers and overall organization. Fundraising expenses include the cost of publicizing and conducting fundraising events, writing grant applications and conducting other activities to solicit contributions from individuals and other organizations.

The cost of providing program and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and wages	Time and effort
Payroll taxes and benefits	Time and effort
Travel and meals	Time and effort
Occupancy	Square footage
Office expenses	Square footage
Information technology	Square footage
Insurance	Square footage
Printing, postage, and shipping	Square footage
Depreciation and amortization	Square footage

Comparative Financial 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 generally accepted accounting principles. 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.

Evaluation of Subsequent Events

The Organization has performed an evaluation of subsequent events through June 24, 2024, which is the date the consolidated financial statements were available to be issued, and has considered any relevant matters in the preparation of the consolidated financial statements and footnotes.

(3) Tax Exempt Status

FD is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code. As such, donors are entitled to a charitable deduction for their contribution to FD. Income from activities not directly related to FD's tax-exempt purpose is subject to taxation as unrelated business income. During the year ended December 31, 2022, FD did not incur any income tax expense.

SB is a single member C-Corp owned and controlled by FD. As of December 31, 2022, SB has a net operating loss carry forward of $958,318. The resulting deferred tax asset as of December 31, 2022 amounted to $157,643. The deferred tax asset has been fully allowed for as SB does not expect to utilize and has not been recorded for the tax benefits of the net operating loss carry forwards due to the uncertainty of the realization. Accordingly, this has not been reflected in the financial statements.

During the year ended December 31, 2022, the deferred tax asset allowance increased by $66,884. For the year ended December 31, 2022, SB did not incur any income tax expense.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

FD is no longer subject to U.S. federal audits on its Form 990 and Form 990-T by taxing authorities for years ending prior to December 31, 2020. The Organization is no longer subject to state audits on its Form CO 112 state tax return by taxing authorities for the year ending prior to December 31, 2019. FD acquired SB in 2020. Accordingly, all tax returns are subject to U.S. federal and state tax audits on its Form 1120 and Form CO 112. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Organization believes no issues would arise.

(4) Concentration Of Credit Risk

The Organization's cash demand deposits are held at a financial institution at which deposits are insured up to $250,000 by the FDIC. As of December 31, 2023, the Organization exceeded the FDIC limit by $6,836,918.

(5) Property And Equipment

Property and equipment consisted of the following as of December 31, 2022:

Equipment and furniture	$ 155,186
Intangible assets	9,945
Software	5,000
Leasehold improvements	7,291
Operating lease right-of-use asset	65,145
	242,567
Less: accumulated depreciation and amortization	(108,973)
	$ 133,594

(6) Deferred Revenue

The following table provides information about significant changes in deferred revenue due on program services for the year ended December 31, 2022:

Deferred revenue, beginning of year	$ 382,833
Revenue recognized that was included in deferred revenue at the beginning of the year	(382,833)
Revenue recognized during the year	(2,028,638)
Increase in deferred revenue due to cash received during the year	2,110,315
	$ 81,677

(7) Refundable Advance - Paycheck Protection Program

On March 24, 2021, the Organization qualified for and received a refundable advance pursuant to the Paycheck Protection Program ("PPP"), a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender, for an aggregate principal amount of $257,560. The advance was forgiven during the year ended December 31, 2022, and is reflected in government grant on the statement of activities.

(8) Lease Liability

The Organization evaluated current contracts to determine which met the criteria of a lease. The ROU asset represents the Organization's right to use the underlying asset for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from the lease. The ROU asset and lease liability, all of which arise from an operating lease, were calculated based on the present value of the future minimum lease payments over the lease term. The Organization made an accounting policy election to use a risk-free rate in lieu of its current incremental borrowing rate to discount future lease payments. The weighted average discount rate applied to calculate lease liabilities as of December 31, 2022, was 3%.

The Organization's operating lease is a noncancellable lease for office space commencing December 2022 through November 2024. Total operating lease cost was $2,800 during the year ended December 31, 2022. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2. As of December 31, 2022, the weighted-average remaining lease term for the Organization's operating lease was 1.86 years.

Total minimum lease payments as of December 31, 2022, are as follows:

December 31,	
2023	$ 33,600
2024	30,800
Total lease payments	$ 64,400
Less present value discount	(1,892)
	$ 62,508

The Organization leased self storage space under a month to month lease agreement. During the year ended December 31, 2022, short term lease expense amounted to $7,749.

(9) Net Asset With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31, 2022:

Subject to The Passage of Time:	
Time restricted	$ 852,789
Subject to Expenditure for Specified Purpose:	
Travel assistance	78,030
Healthcare worker programs	50,000
Total	$ 980,819

(10) Contributed Nonfinancial Assets

Gifts-In-Kind

The Organization received gifts-in-kind for the year ended December 31, 2022:

Office space	$ 66,037
Supplies	167,541
Professional fees	160,670
	$ 394,248

During the year ended December 31, 2022, all gifts-in-kind were utilized to carry out the mission of the Organization. Donations were received for event supplies which was valued using U.S. wholesale prices (principal market) of identical items. Donated office space was valued based on a recent comparable rental price in the city's real estate market. Professional fees were valued and reported at the estimated fair value in the financial statements based on current rates for similar services. Of the professional fees, $56,741 is reflected in fundraising and $103,929 in program services.

All gifts-in-kind received by the Organization for the year ended December 31, 2022, were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

(11) Employee Benefit Plans

The Organization has adopted a defined contribution plan under Internal Revenue Code Section 403(b). Under this plan employees are allowed to contribute and defer up to $19,500 of their annual compensation. As the employer, the Organization is required to contribute an amount not to exceed four-percent (4%) of the employee's annual compensation. The employer contribution totaled $53,725 for the year ended December 31, 2022.

(12) Liquidity And Availability Of Financial Assets

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Financial assets at year end	
Cash and cash equivalents	$ 7,717,461
Investments	10,104
Contributions and grants receivable	815,591
Financial assets available to meet cash needs for general expenditures within one year	$ 8,543,156

(13) Expenses

Total expenses incurred for the year ended December 31, 2022, were the following:

	Total Expenses	Less Direct Costs	Total Expenses Reported By Function
Program services	$ 3,901,550	$	$ 3,901,550
Fundraising	843,903		843,903
Direct benefit to donor	689,305	(689,305)	
Costs of goods sold	1,861,874	(1,861,874)	
General administration	352,199		352,199
	$ 7,648,831	$ (2,551,179)	$ 5,097,652