

**LAVAMAE<sup>x</sup>**  
**(A NONPROFIT PUBLIC BENEFIT CORPORATION)**  
**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

July 11, 2022

Board of Directors  
LavaMae<sup>x</sup>  
Alameda, California

**Opinion**

I have audited the accompanying financial statements of LavaMae<sup>x</sup> (a nonprofit public benefit corporation), which comprise the statement of financial position as of December 31, 2021, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LavaMae<sup>x</sup> as of December 31, 2021, and the changes in 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**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of LavaMae<sup>x</sup> and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 LavaMae<sup>x</sup>'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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, including omissions, 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, I:

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

I am 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 I identified during the audit.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

  
Healy and Associates  
Concord, California

**LAVAMAE<sup>x</sup>**  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

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ASSETS

CURRENT ASSETS

|   |               |
|---|---------------|
| Cash and cash equivalents                       | \$ 866,405    |
| Grants and contributions receivable             | 246,793       |
| Employee Retention Tax Credit (ERTC) receivable | 362,737       |
| Prepaid expenses                                | <u>44,176</u> |

TOTAL CURRENT ASSETS 1,520,111

|                              |               |
|------------------------------|---------------|
| Grants receivable, long-term | 70,000        |
| Other assets                 | 294           |
| Fixed assets, net            | <u>67,629</u> |

TOTAL ASSETS \$ 1,658,034

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

|                                       |                  |
|---------------------------------------|------------------|
| Accounts payable and accrued expenses | <u>\$ 98,583</u> |
|---------------------------------------|------------------|

TOTAL LIABILITIES 98,583

COMMITMENTS AND CONTINGENCIES

NET ASSETS

|                            |                |
|----------------------------|----------------|
| Without donor restrictions | 1,165,451      |
| With donor restrictions    | <u>394,000</u> |

TOTAL NET ASSETS 1,559,451

TOTAL LIABILITIES AND NET ASSETS \$ 1,658,034

**LAVAMAE<sup>x</sup>**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

|                                      | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|--------------------------------------|-------------------------------|----------------------------|---------------------|
| <b>REVENUE AND SUPPORT</b>           |                               |                            |                     |
| Individual contributions             | \$ 585,187                    | \$ 25,000                  | \$ 610,187          |
| Foundation grants and awards         | 285,780                       | 296,000                    | 581,780             |
| Corporate contributions              | 207,883                       | 360,000                    | 567,883             |
| PPP loan forgiveness                 | 429,500                       | -                          | 429,500             |
| In-kind revenue                      | 416,125                       | -                          | 416,125             |
| Employee Retention Tax Credit        | 362,737                       | -                          | 362,737             |
| Fiscal sponsor (On the Horizon)      | 23,201                        | -                          | 23,201              |
| Special events                       | 8,660                         | -                          | 8,660               |
| Other income                         | 5,548                         | -                          | 5,548               |
| Program service fees                 | 4,351                         | -                          | 4,351               |
| Loss on disposal of fixed assets     | (8,833)                       | -                          | (8,833)             |
|                                      | <u>2,320,139</u>              | <u>681,000</u>             | <u>3,001,139</u>    |
| Net assets released from restriction | <u>327,000</u>                | <u>(327,000)</u>           | <u>-</u>            |
| <b>TOTAL REVENUE AND SUPPORT</b>     | <u>2,647,139</u>              | <u>354,000</u>             | <u>3,001,139</u>    |
| <b>EXPENSES</b>                      |                               |                            |                     |
| Program services                     | 1,697,090                     | -                          | 1,697,090           |
| Administrative services              | 339,810                       | -                          | 339,810             |
| Fundraising expenses                 | 79,812                        | -                          | 79,812              |
| <b>TOTAL EXPENSES</b>                | <u>2,116,712</u>              | <u>-</u>                   | <u>2,116,712</u>    |
| <b>CHANGE IN NET ASSETS</b>          | 530,427                       | 354,000                    | 884,427             |
| <b>NET ASSETS, beginning of year</b> | <u>635,024</u>                | <u>40,000</u>              | <u>675,024</u>      |
| <b>NET ASSETS, end of year</b>       | <u>\$ 1,165,451</u>           | <u>\$ 394,000</u>          | <u>\$ 1,559,451</u> |

See Notes to Financial Statements

**LAVAMAE<sup>x</sup>**

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

|                                     | <u>Program<br/>Services</u> | <u>Administrative<br/>Services</u> | <u>Fundraising<br/>Expenses</u> | <u>Total</u>        |
|-------------------------------------|-----------------------------|------------------------------------|---------------------------------|---------------------|
| Wages                               | \$ 791,758                  | \$ 202,908                         | \$ 32,479                       | \$ 1,027,145        |
| Payroll taxes                       | 64,733                      | 12,508                             | 6,737                           | 83,978              |
| Employee benefits                   | 105,527                     | 12,317                             | 6,551                           | 124,395             |
| Total Personnel Expenses            | 962,018                     | 227,733                            | 45,767                          | 1,235,518           |
| In-kind expenses                    | 416,125                     | -                                  | -                               | 416,125             |
| Professional services               | 78,780                      | 55,041                             | 20,000                          | 153,821             |
| Depreciation                        | 43,990                      | -                                  | -                               | 43,990              |
| Grants paid to others               | 43,500                      | -                                  | -                               | 43,500              |
| Meetings                            | 29,699                      | 1,834                              | 8,592                           | 40,125              |
| Fiscal sponsorship (On the Horizon) | 29,411                      | -                                  | -                               | 29,411              |
| Insurance                           | 14,014                      | 15,184                             | -                               | 29,198              |
| IT services                         | 14,766                      | 7,185                              | 4,316                           | 26,267              |
| Program supplies and expenses       | 20,644                      | -                                  | -                               | 20,644              |
| Rent                                | 20,600                      | -                                  | -                               | 20,600              |
| Taxes and fees                      | -                           | 19,309                             | -                               | 19,309              |
| Utilities and building services     | 9,654                       | 1,704                              | -                               | 11,358              |
| Building maintenance                | 8,053                       | 1,421                              | -                               | 9,474               |
| Recruiting                          | -                           | 5,000                              | -                               | 5,000               |
| Program vehicle expenses            | 3,801                       | -                                  | -                               | 3,801               |
| Office supplies                     | 877                         | 2,189                              | -                               | 3,066               |
| Miscellaneous expenses              | 968                         | 1,072                              | 968                             | 3,008               |
| Dues and memberships                | -                           | 1,441                              | 169                             | 1,610               |
| Printing, shipping, and postage     | -                           | 697                                | -                               | 697                 |
| Travel                              | 190                         | -                                  | -                               | 190                 |
| Total Expenses                      | <u>\$ 1,697,090</u>         | <u>\$ 339,810</u>                  | <u>\$ 79,812</u>                | <u>\$ 2,116,712</u> |

See Notes to Financial Statements

**LAVAMAE<sup>x</sup>**  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2021

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|  |                          |
|--|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES:  |                          |
| Change in net assets   | \$ 884,427               |
| Adjustments to reconcile change in net assets to<br>cash used by operating activities: |                          |
| Depreciation   | 43,990                   |
| Gain on forgiveness of PPP loans   | (429,500)                |
| Loss on disposal of fixed assets   | 8,833                    |
| CHANGES IN ASSETS AND LIABILITIES:   |                          |
| Grants and contributions receivable  | (240,693)                |
| ERTC receivable  | (362,737)                |
| Prepaid expenses   | (8,147)                  |
| Accounts payable and accrued expenses  | <u>44,642</u>            |
| NET CASH USED BY OPERATING ACTIVITIES  | <u>(59,185)</u>          |
| CASH FLOWS FROM FINANCING ACTIVITIES:  |                          |
| PPP2 grant proceeds  | <u>213,500</u>           |
| NET CASH PROVIDED BY FINANCING ACTIVITIES  | <u>213,500</u>           |
| NET CHANGE IN CASH AND CASH EQUIVALENTS  | 154,315                  |
| CASH AND CASH EQUIVALENTS, beginning of year   | <u>712,090</u>           |
| CASH AND CASH EQUIVALENTS, end of year   | <u><u>\$ 866,405</u></u> |



**NOTE A – NATURE OF ACTIVITIES**

LavaMae<sup>x</sup> (Organization) is a California nonprofit public benefit corporation, founded in 2015 with its principal office in Alameda. The Organization's mission is to raise awareness of, and both provide and support the delivery of, health, hygiene, and other charitable services for those experiencing or at risk for, homelessness. In November 2019, the Organization shifted from providing direct service to helping others replicate its programs and approach around the world.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accounting Method and Basis of Presentation**

The accounting records of the Organization are maintained on the accrual basis of accounting. The financial statements of the Organization have been prepared in accordance with ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*, 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's management and the 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 by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Organization 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 reporting period. Actual results could differ from those estimates, and those differences could be material.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months, which are neither held for nor restricted by donors for long term purposes. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Grants and Contributions Receivable

Grants and contributions receivable are comprised of pledges, promises to give, and contributions recorded at net realizable value. An allowance for doubtful accounts is established based on factors such as historical experience, economic conditions, credit quality, age of the account balances, and a review of subsequent collections. Management determined no allowance for doubtful accounts was necessary as of December 31, 2021.

Fair Value Measurements

The Organization's financial instruments include cash and cash equivalents measured using Level 1 inputs. The carrying amount of these financial instruments has been estimated by management to approximate fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. When determining the inputs used to measure fair value, the highest priority is given to observable inputs and lowest priority is given to unobservable inputs. Accounting Standards Codification (ASC) 820-10, *Fair Value Measurement*, establishes a fair value hierarchy to prioritize the inputs used in measuring fair value. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1**— Quoted prices for identical assets in active markets.

**Level 2**—Observable inputs other than Level 1, which include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.

**Level 3**—Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets.

Fixed Assets

Fixed asset additions in excess of \$5,000 are recorded at cost, or if donated, at fair value on the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Maintenance and repairs that do not extend the useful lives of the respective assets are expensed as incurred.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Exemption Status

The Organization has received exempt status under section 501(c)(3) of the Internal Revenue Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS along with related state filings. The related tax returns are subject to examination by federal and state taxing authorities generally for three years after they are filed. The Organization has no unrelated business income, and management has analyzed tax positions taken and has concluded that there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Revenue Recognition

The Organization is supported primarily through contributions from foundations, individuals, corporations, and in-kind contributions.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Revenue is recognized from program service fees when services are provided.

In-kind Contributions

Donated professional services, use of facilities, or goods are recorded at the respective fair values. For the year ended December 31, 2021, the Organization received \$416,125 in in-kind contributions. In addition, volunteers contribute significant amounts of time to the program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by U.S. GAAP.

Functional Allocation of Expenses

The costs of program activities and supporting services have been summarized on a functional basis in the statements of functional expenses. The statement presents the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs such as general and administrative expenses include costs that are not directly identifiable with any specific program, but which provide the overall support and direction of the Organization. Such expenses which are common to multiple functions have been allocated among the various functions benefited based on time spent in the functional area.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Relevant Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The new standard establishes a comprehensive new lease accounting model. It clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. It is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. The Organization is currently evaluating the impact of adopting this new guidance on its financial statements.

NOTE C – RECEIVABLES

At December 31, 2021, accounts and contributions receivable are expected to be received as follows:

|                             |                   |
|-----------------------------|-------------------|
| <u>Due within one year</u>  |                   |
| Contributions receivable    | \$ 246,793        |
| <u>Due within two years</u> |                   |
| Contributions               | 70,000            |
| Total receivables           | <u>\$ 316,793</u> |

NOTE D – CONCENTRATIONS

At December 31, 2021, the Organization has \$210,826 in cash held in a financial institution exceeding insured limits and \$1,547 held in PayPal which provides no insurance. To date, the Organization has not experienced, nor does it anticipate, any losses with respect to such accounts. Management monitors the creditworthiness of the financial institutions on an on-going basis.

At December 31, 2021, 70% of grants receivable are due from two funders (38% and 32%).

**LAVAMAE<sup>x</sup>**  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

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**NOTE E – FIXED ASSETS**

At December 31, 2021, fixed assets consisted of:

|                                |                   |
|--------------------------------|-------------------|
| Vehicles and mobile trailers   | \$ 219,950        |
| Computers and IT               | 26,080            |
| Total fixed assets             | <u>\$ 246,030</u> |
| Less: Accumulated depreciation | <u>(178,401)</u>  |
| Total fixed assets, net        | <u>\$ 67,629</u>  |

For the year ended December 31, 2021, depreciation expense was \$43,990.

**NOTE F – PPP LOAN PAYABLE**

In April 2020, the Organization received a loan in the amount of \$216,000 from the Payroll Protection Program (PPP), offered through the Small Business Administration, in response to COVID-19. The PPP carries an interest rate of 1% and becomes payable two years after issuance. In March 2021, the Organization received forgiveness of the \$216,000 on the first draw from the PPP grant funding offered through the Small Business Administration.

In February 2021, the Organization received a second draw of \$213,500 from the PPP grant funding offered through the Small Business Administration. The PPP carries an interest rate of 1% and becomes payable five years after issuance. In August 2021, the Organization received forgiveness of the \$213,500 on the second draw from the PPP grant funding offered through the Small Business Administration.

The gain on forgiveness of these loans are reflected in the accompanying statement of activities.

**NOTE G – COMMITMENTS**

The Organization leases an office in Los Angeles in a noncancellable lease which runs from May 2021 through November 2022. Rental expense for the year ended December 31, 2021 was \$20,600. The future commitments for the lease are \$11,000 for the year ended December 31, 2022.

**LAVAMAE<sup>x</sup>**  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2021

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**NOTE H – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

|  |                     |
|--|---------------------|
| Cash   | \$ 866,405          |
| Grants and contributions receivable  | 316,793             |
| ERTC receivable  | <u>362,737</u>      |
| Total Financial Assets   | 1,545,935           |
| Less amounts not available to be used within one year:                                 |                     |
| Net assets with purpose restrictions to be met in one year                             | <u>(394,000)</u>    |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 1,151,935</u> |

The Organization has \$1,151,935 in financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**NOTE I – CONTINGENCIES**

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 believes the Organization has complied with the terms of all grants.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of non-essential businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter could negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

**NOTE J – EMPLOYEE BENEFITS**

The Organization's employees are entitled to paid time off based upon length of service and other factors. As of December 31, 2021, the respective accrued vacation liability was \$59,556. This amount is reflected as accrued expenses in the statement of financial position.

**LAVAMAE<sup>x</sup>**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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**NOTE K – FISCAL SPONSORSHIPS**

For the year ended December 31, 2021, the Organization served as fiscal sponsor for On the Horizon. In this capacity, the Organization is responsible for ensuring funds are properly spent to achieve the project’s goals. As a condition of this arrangement, such goals must align with and further the Organization’s mission. The Organization anticipates continuing this fiscal sponsorship until the project’s completion. During the year ended December 31, 2021, the Organization received \$23,201 for the fiscally sponsored project and disbursed \$29,411, while earning an administrative fee of \$0.

**NOTE L – IN-KIND CONTRIBUTIONS**

For the year ended December 31, 2021, in-kind contributions were comprised of the following:

| <u>Type of Donation</u>  | <u>Usage in Program or Activities</u>                               | <u>Valuation techniques and inputs</u> | <u>Total value of in-kind contributions</u> |
|--|---|--|---|
| Guest and Hygiene Supplies for Programming (face masks, hygiene kits, feminine hygiene products, clothing, snacks and granola bars, etc) | Provided to clients at events and weekly shower service programming | LMX Fair Value Guide                   | \$ 131,076                                  |
| Storage facility – 24,978 sq ft for 12 months  | Programming   | ≈\$0.95/sq ft                          | 284,749                                     |
| Gift cards   | Various   | Value of card                          | 300   |
| Total  |   |  | <u>\$ 416,125</u>                           |

**NOTE M – NET ASSETS WITH DONOR RESTRICTIONS**

For the year ended December 31, 2021, net assets with donor restriction activity consisted of the following:

| <u>Nature of Restriction</u> | <u>Beginning Balance</u> | <u>Income and Contributions</u> | <u>Released from Restriction</u> | <u>Ending Balance</u> |
|------------------------------|--------------------------|---------------------------------|----------------------------------|-----------------------|
| Specific purpose             | \$ 40,000                | \$ 220,000                      | (\$ 140,000)                     | \$ 120,000            |
| Time restriction             | -                        | 461,000                         | (187,000)                        | 274,000               |
| Total                        | <u>\$ 40,000</u>         | <u>\$ 681,000</u>               | <u>(\$327,000)</u>               | <u>\$ 394,000</u>     |

**NOTE N – SUBSEQUENT EVENTS**

Management has evaluated subsequent events for recognition and disclosure through July 11, 2022, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2021, that required recognition or disclosure in the financial statements.