

**AIDS Legal Referral Panel
of the
San Francisco Bay Area**

Financial Statements &
Independent Auditor's Report
for the Year Ended
December 31, 2021

**COOK &
COMPANY**

A PROFESSIONAL ACCOUNTANCY CORPORATION

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A PROFESSIONAL ACCOUNTANCY CORPORATION

Independent Auditor's Report

To the Board of Directors
AIDS Legal Referral Panel of the San Francisco Bay Area
San Francisco, California

Opinion

We have audited the financial statements of AIDS Legal Referral Panel of the San Francisco Bay Area ("ALRP" or "the Organization"), 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ALRP as of December 31, 2021, the changes in its net assets, its functional expenses, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ALRP 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.

Key Audit Matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition and Classification of Revenue and Support in the Financial Statements

We consider the recognition and classification of revenue and support, which is discussed in Note 2 of the accompanying financial statements, to be a key audit matter. This includes recording government grants, foundation grants and other contributions in the financial statements during the correct year and to the appropriate category based on the absence or existence of donor restrictions and/or conditions. This also includes reliably determining when donor conditions are met, and when restricted amounts should be released from restriction. In the context of in-kind legal services that meet the criteria for recognition under FASB ASC 958, this includes identifying, valuing, recording and ensuring the completeness of such contributions.

This matter is considered a key audit matter because the recognition and classification of support and revenue has a pervasive effect on the Organization's financial statements, including its changes in net assets, total current assets, and composition amongst *net assets without donor restrictions* and *net assets with donor restrictions*. This area of accounting also requires the Organization to exercise significant judgment in its application of accounting standards, which have undergone changes in the past few years.

This matter was addressed in the current audit through the examination of documentary evidence that supports the recognition and classification of contributed support. These procedures were instrumental in forming our opinion on the financial statements as a whole.

Allocation of Expenses to Functional Groupings in the Financial Statements

We consider the allocation of natural expense categories amongst functional groupings (i.e., *program services, management & general, and fundraising*) to be a key audit matter. This is discussed in Note 2 of the financial statements.

This matter is considered a key audit matter because certain charity rating services and some institutional funding sources have been known to evaluate nonprofit organizations according to the overall proportion of expenses allocated to program services. Furthermore, because the expense allocations are based on time-and-effort estimates rather than factual data (e.g., timesheets), they require the Organization's personnel to exercise significant judgment.

This matter was addressed during the current audit through analysis of the design and execution of the Organization's cost allocation methodology. We assessed the methodology's consistency with GAAP, reviewed the underlying employee time-and-effort estimates for reasonableness and consistency with job titles, and verified through reperformance certain allocation calculations as part of forming our opinion on the financial statements as a whole.

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 ALRP'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

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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, 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 ALRP'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 ALRP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate, and have communicated, 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.

AIDS Legal Referral Panel of the San Francisco Bay Area
Independent Auditor's Report
May 19, 2022
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Report on Summarized Comparative Information

We have previously audited ALRP's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cook & Company

A Professional Accountancy Corporation
San Francisco, California
May 19, 2022

AIDS Legal Referral Panel of the San Francisco Bay Area

Statement of Financial Position December 31, 2021 with Comparative Totals for December 31, 2020

	12/31/2021	12/31/2020 (Note 2)
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 1,098,861	\$ 981,913
Certificates of deposit, (Note 3)	350,146	644,010
Grants receivable	738,986	544,623
Prepaid expenses	19,594	21,280
Total current assets	2,207,587	2,191,826
Security deposits	9,995	9,994
Property & equipment (Note 4)	6,140	8,671
TOTAL ASSETS	\$ 2,223,722	\$ 2,210,491
 LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable & accrued expenses	\$ 59,206	\$ 35,579
Accrued compensated absences	105,422	90,746
Total current liabilities	164,628	126,325
Forgivable government loan	-	238,200
Total liabilities	164,628	364,525
Net Assets		
Without donor restrictions		
Undesignated	1,457,515	1,245,972
Board-designated operating reserve (Note 5)	250,000	215,704
Total without donor restrictions	1,707,515	1,461,676
With donor restrictions (Note 6)	351,579	384,290
Total net assets	2,059,094	1,845,966
TOTAL LIABILITIES & NET ASSETS	\$ 2,223,722	\$ 2,210,491

See accompanying notes to financial statements
and independent auditor's report.

AIDS Legal Referral Panel of the San Francisco Bay Area

Statement of Activities and Changes in Net Assets for the Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total (Note 2)
Support & Revenue:				
Government grants	\$ 1,327,689	\$ 195,400	\$ 1,523,089	\$ 1,256,269
Other grants & contributions	292,974	170,500	463,474	728,079
Net assets released from restriction:				
Satisfaction of donor restrictions	398,611	(398,611)	-	-
In-kind legal services (Notes 2,7)	763,452	-	763,452	1,073,805
Special events - contributions	151,566	-	151,566	136,350
Special events - fair value portion	-	-	-	16,715
Less: cost of direct benefits to donors	-	-	-	(11,776)
Interest	6,965	-	6,965	10,170
Realized and unrealized gains				
on investments	14,126	-	14,126	15,646
Forgiveness of debt	238,200	-	238,200	-
Miscellaneous	5,180	-	5,180	5,885
Total support & revenue	3,198,763	(32,711)	3,166,052	3,231,143
Expenses:				
Program services	2,585,249	-	2,585,249	2,633,072
Management & general	122,351	-	122,351	133,860
Development	245,324	-	245,324	222,734
Total expenses	2,952,924	-	2,952,924	2,989,666
CHANGE IN NET ASSETS	245,839	(32,711)	213,128	241,477
NET ASSETS, January 1	1,461,676	384,290	1,845,966	1,604,489
NET ASSETS, December 31	\$ 1,707,515	\$ 351,579	\$ 2,059,094	\$ 1,845,966

See accompanying notes to financial statements
and independent auditor's report.

AIDS Legal Referral Panel of the San Francisco Bay Area

Statement of Functional Expenses for the Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	Program Services	Management & General	Development	2021 Total	2020 Total (Note 2)
In-kind legal services (Notes 2,7)	\$ 763,452	\$ -	\$ -	\$ 763,452	\$ 1,073,805
Salaries	1,300,633	62,885	143,051	1,506,569	1,305,179
Payroll taxes	103,097	4,933	10,483	118,513	103,080
Employee benefits	138,850	7,209	13,703	159,762	178,461
Professional fees / contract services	68,666	30,497	37,773	136,936	110,958
Rent	94,050	4,498	9,641	108,189	89,572
Office expenses & supplies	52,095	3,671	8,672	64,438	57,401
Travel	416	460	120	996	3,089
Insurance	29,944	307	797	31,048	26,635
Dues & subscriptions	13,177	907	427	14,511	10,127
Special event production	-	-	18,422	18,422	32,611
Other	20,869	6,984	2,235	30,088	10,524
Total expenses by function	2,585,249	122,351	245,324	2,952,924	3,001,442
Less expenses included with revenues on the statement of activities					
Direct expenses of fundraising events	-	-	-	-	(11,776)
Total expenses included in the expense section on the statement of activities	\$ 2,585,249	\$ 122,351	\$ 245,324	\$ 2,952,924	\$ 2,989,666

See accompanying notes to financial statements
and independent auditor's report.

AIDS Legal Referral Panel of the San Francisco Bay Area

Statement of Cash Flows for the Year Ended December 31, 2021 with Comparative Totals for the Year Ended December 31, 2020

	2021	2020 (Note 2)
<i>Cash flows from operating activities:</i>		
Change in net assets	\$ 213,128	\$ 241,477
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Realized and unrealized gains on investments	(14,126)	(15,646)
Depreciation expense	2,531	2,531
Forgiveness of debt	(238,200)	-
Changes in assets and liabilities:		
(Increase) decrease in grants receivable	(194,363)	(329,550)
(Increase) decrease in prepaid expenses and deposits	1,685	9,162
Increase (decrease) in accounts payable	23,627	19,547
Increase (decrease) in accrued vacation	14,676	10,191
	(191,042)	(62,288)
<i>Cash provided (used) by operating activities:</i>	(191,042)	(62,288)
<i>Cash flows from investing activities:</i>		
Redemptions of certificates of deposit	307,990	96,099
	307,990	96,099
<i>Cash provided (used) by investing activities:</i>	307,990	96,099
<i>Cash flows from financing activities:</i>		
Cash from forgivable government loan	-	238,200
	-	238,200
<i>Cash provided (used) by financing activities:</i>	-	238,200
Cash provided (used) during year	116,948	272,011
Cash & cash equivalents:		
Beginning of year, January 1	981,913	709,902
End of year, December 31	\$ 1,098,861	\$ 981,913

See accompanying notes to financial statements
and independent auditor's report.

AIDS Legal Referral Panel of the San Francisco Bay Area

Notes to Financial Statements December 31, 2021

1. The Organization

Nature of activities

The AIDS Legal Referral Panel of the San Francisco Bay Area (ALRP or the Organization) is a nonprofit organization that was founded in 1983 to help people with HIV/AIDS maintain or improve their health by resolving their legal issues. ALRP accomplishes this by providing free and low-cost legal services to people with HIV/AIDS in the San Francisco Bay Area.

ALRP is the only institution in the San Francisco Bay Area solely dedicated to providing free and low-cost legal assistance and education on virtually any civil matter to persons living with HIV/AIDS. This includes such widely disparate areas as housing, bankruptcy/credit, immigration, employment, insurance, confidentiality matters, family law, government benefits, and public accommodations. This is accomplished through either direct representation of clients by one of ALRP's staff attorneys or by careful placement of clients with one of ALRP's Panel attorneys.

The Organization aims to provide legal counsel and representation on often-complex legal matters with respect to HIV/AIDS for a community of individuals often least able to afford it, and to leverage the resources of the private bar for the public good. In the process, ALRP increases resources dedicated to the public interest through the private market, and increases the skill and capacity of the legal community to handle the intricacies of HIV/AIDS-related law and representation.

ALRP is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and is governed by a board of directors.

Major Funding

The Organization's largest source of support is in the form of grants from local government agencies, as well as in-kind legal services provided by attorneys from the community. A significant amount of support is also received through foundation grants and private contributions.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned and expenses are recognized when they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds held in bank checking, savings and money market accounts.

Investments

Investments consist of certificates of deposit with an initial maturity period greater than three months. Some certificates mature within one year of the balance sheet date, while others have remaining maturities of one to five years. Because these certificates may be redeemed at any time, however, they are classified as current on the statement of financial position.

AIDS Legal Referral Panel of the San Francisco Bay Area

Notes to Financial Statements December 31, 2021

Grants Receivable

Grants receivable are recorded based on formal promises received from contributors. Amounts due as of December 31, 2021, are reported at the amount management expects to collect from government agencies. All amounts are deemed fully collectible within one year of the balance sheet date.

Property & Equipment

Office furnishings and equipment with an initial cost of at least \$5,000 are capitalized and stated at cost. Donated fixed assets are stated at their fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which is 5 years for fixed assets currently on the books.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, and accounts payable approximate fair value because of the short maturity of these instruments.

Compensated Absences

Accrued compensated absences include employee vacation time and compensatory time that have been earned but not used. At the discretion of management, employees may also qualify for up to three weeks of paid sabbatical leave after each period of seven years of service. Decisions regarding whether employees will be allowed a sabbatical leave are made by senior management on a case by case basis. Since employees *qualify* for sabbatical leave but are not *entitled* to it, it does not represent an obligation of the Organization and therefore it is not reflected in the compensated absences liability. The unrecorded amount of total possible unused sabbatical benefits attributable to employees' service through December 31, 2021 is estimated to be approximately \$35,000.

Net Assets

Net assets, revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions, which includes resources not subject to, or no longer subject to, donor-imposed stipulations.

Net assets with donor restrictions, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions.

Revenue Recognition

The Organization recognizes contributions when it receives cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest.

Contributions are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in *net assets without donor restrictions* unless they are encumbered by explicit donor stipulation or by law. Expirations of donor-restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets.

AIDS Legal Referral Panel of the San Francisco Bay Area

Notes to Financial Statements December 31, 2021

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. The Organization's contracts with government agencies are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at December 31, 2021, conditional contributions approximating \$594,000, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

In-kind Services

The Organization relies on in-kind services provided by attorneys. Each year, volunteer attorneys are asked to report their contributed hours, which are valued and recorded as revenue and expense in the accompanying financial statements. In addition, the Organization calculates and records an estimate of hours contributed, but not reported, based on the average hours contributed by each reporting volunteer. For both actual and estimated hours, the Organization applies a composite hourly rate of \$350 for small firms and solo practitioners and \$650 for larger firms. Due to the fact that certain assumptions must be made when calculating and recording estimates, it is at least reasonably possible that the actual value of services received differs from the amount recorded in the financial statements.

Forgiveness of Debt

In early 2020, the Organization applied for and received a forgivable loan through the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP). The terms of the loan program specify that interest shall accrue at an annual rate of 1% and that outstanding balances must be repaid no later than March 2026. However, balances may be reduced through the incurrence of qualifying expenses. In accordance with FASB ASC 470, the total amount of the loan was recognized as *forgiveness of debt* revenue when it was forgiven in 2021.

Functional Expenses

The Organization presents its expenses by function and natural category. The compensation expense for certain employees is allocated to various functions according to management's estimate of time and effort.

Position

Functional Expense Allocation

Executive Director	65% Program Services, 25% Management & General, 10% Development
Development Director	15% Program Services, 85% Development
Office Manager / Bookkeeper	50% Program Services, 50% Management & General

All other staff positions are charged entirely to *program services*.

Other shared costs, consisting of employee fringe benefits, rent, office expenses and general liability insurance are allocated based on overall time and effort expended on each function.

Other expenses are charged directly to the appropriate function based on specific identification.

Income Taxes

As a 501(c)(3) public charity, the Organization is exempt from income taxes except on activities unrelated to its mission. As management believes that all of ALRP's activities are directly related to its mission, no provision has been made for income tax expense. The Organization's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax years ending in

AIDS Legal Referral Panel of the San Francisco Bay Area

Notes to Financial Statements December 31, 2021

2019 through 2021 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Organization's *California Exempt Organization Annual Information Return* filings for the tax years ending in 2018 through 2021 are subject to examination by California's Franchise Tax Board, generally for four years after they were filed.

Use of Estimates

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

Comparative Data

The financial statement information for the year ended December 31, 2020, presented for comparative purposes, is not intended to be a complete financial statement presentation. For a complete presentation, please refer to the financial statement for that fiscal year. Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation.

3. Fair Value Measurements – Investments in Certificates of Deposit

The Organization values its investments on a recurring basis in accordance with FASB ASC #820, which establishes a fair value framework in accordance with generally accepted accounting principles. ASC #820 clarifies the definition of fair value, taking the position that fair value is the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.

There are three defined levels in the fair value hierarchy:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 – Prices or valuations based on observable inputs other than quoted prices in active markets for identical assets and liabilities

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and are unobservable (i.e. supported by little or no market activity).

Fair value of assets measured on a recurring basis at December 31, 2021, consists of certificates of deposit with various maturity dates:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of Deposit	\$350,146	\$350,146		

AIDS Legal Referral Panel of the San Francisco Bay Area

Notes to Financial Statements December 31, 2021

4. Property & Equipment

The balance of property and equipment consisted of the following at December 31, 2021:

Office furnishings and equipment, at cost	\$20,746
Less: accumulated depreciation	<u>(14,606)</u>
Net book value	\$6,140

5. Board-Designated Net Assets

The Board of Directors has designated a portion of the Organization's *net assets without donor restrictions* to support future services in the event of possible funding reductions.

6. Net Assets with Donor Restrictions

Net assets with donor restrictions represent funds that are designated for the following:

Housing advocacy & prevention of homelessness	\$175,001
Legal services in 2022	101,670
Senior programming	43,050
Other activities & projects	<u>31,858</u>
Total net assets with donor restrictions	\$351,579

7. In-Kind Legal Services

Services reported (approx. 1,534 hrs.)	\$615,251
Additional services estimated (approx. 423 hrs.)	<u>148,202</u>
Total in-kind services recorded	\$763,453

See Note 2 for a description of the hourly rates used.

8. Line of Credit

The Organization has access to a bank line of credit of \$75,000, none of which was drawn as of December 31, 2021. The line charges interest at a variable annual rate, which was approximately 9.5% during 2021.

9. Contractual Commitments

As of December 31, 2021, the Organization has entered into a contractual obligation of approximately \$118,000 for its database development.

AIDS Legal Referral Panel of the San Francisco Bay Area

Notes to Financial Statements December 31, 2021

10. Operating Leases

ALRP rents its Mission Street office under an operating lease that expires in February 2029. The agreement establishes monthly rent at \$8,075 as of December 31, 2021, plus \$851 per month for building operating expenses. These monthly rates increase by approximately 3% per year throughout the duration of the lease. In addition, ALRP is responsible for its pro rata share of increases in the building's property taxes. Future minimum rental payments are as follows:

2022	\$109,742
2023	112,898
2024	116,084
2025	119,266
2026	122,456
Thereafter	<u>276,098</u>
Total future minimum lease payments	\$856,544

11. Contingencies

Concentration of Revenue and Support

Approximately 54% of the Organization's revenue and support (excluding in-kind support) is derived from grants with the City & County of San Francisco (CCSF). Should funding from CCSF be decreased, ALRP could experience a contraction in its services.

Satisfaction of Donor Requirements

The Organization receives grants and other contributions that are restricted for a specific program or purpose. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the donor. It is management's opinion that all donor conditions have been met for grants and contributions that have been recorded directly to *net assets without donor restrictions* or released from *net assets with donor restrictions*.

COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the Organization's ability to hold fundraising events or raise other forms of contributions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. As such, the financial impact of this situation cannot be reasonably estimated at this time.

12. Management's Liquidity Disclosure

AIDS Legal Referral Panel believes that it has sufficient liquidity to meet ongoing cash needs for general expenditures within one year of the balance sheet date. The Panel prioritizes preservation of capital and liquidity over investment gains.

Accounts with readily accessible cash available at the close of any business day include various checking, savings, money market accounts, certificates of deposit, and grants receivable, all of which will be paid within one year of the date of the balance sheet.

AIDS Legal Referral Panel of the San Francisco Bay Area

Notes to Financial Statements December 31, 2021

Donor restrictions on this cash all pertain to the ongoing operation of the Panel's programs and the restricted cash can be used to meet current cash needs throughout the year.

The Panel also conducts vigorous fundraising campaigns throughout the year and has ongoing government contracts. Deficit budgets are permitted only up to the available amount in the Panel's Board-Designated Fund.

The following reflects the organization's financial assets as of December 31, 2021:

Cash and cash equivalents	\$1,098,861
Certificates of deposits	350,146
Grants receivable	<u>738,986</u>
Total financial assets available	\$2,187,993

The total amount presented as *financial assets available to meet cash needs for general expenditures within one year* is not reduced by *net assets with donor restrictions* because such restricted amounts are considered to be available for the Organization's major and ongoing activities.

13. Subsequent Events

In preparing these financial statements, management has evaluated subsequent events for potential recognition or disclosure through May 19, 2022, the date the financial statements were available to be issued.