

SUMOFUS AND AFFILIATE

Consolidated Financial Statements
with Independent Auditor's Report

December 31, 2021 and 2020

SUMOFUS AND AFFILIATE

DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
SumOfUs and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of SumOfUs and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years 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, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 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 the 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 consolidated 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 consolidated 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 consolidated 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 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 consolidated 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.

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

Galleras Robinson CPAs, LLP

New York, New York
November 14, 2022

SUMOFUS AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 2,176,838	\$ 1,159,093
Grants and contributions receivable	29,247	243,925
Investments	1,107,312	951,931
Prepaid expenses	4,526	11,473
Property and equipment, net	2,436	3,957
Other assets	<u>1,813</u>	<u>1,813</u>
Total Assets	<u>\$ 3,322,172</u>	<u>\$ 2,372,192</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 575,358</u>	<u>\$ 448,500</u>
Total Liabilities	<u>575,358</u>	<u>448,500</u>
Net Assets		
Without donor restrictions	2,183,195	1,595,382
With donor restrictions	<u>563,619</u>	<u>328,310</u>
Total Net Assets	<u>2,746,814</u>	<u>1,923,692</u>
Total Liabilities and Net Assets	<u>\$ 3,322,172</u>	<u>\$ 2,372,192</u>

SUMOFUS AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE						
Grants and contributions	\$ 7,088,856	\$ 2,190,560	\$ 9,279,416	\$ 6,004,251	\$ 1,101,115	\$ 7,105,366
Program revenue	20,000	-	20,000	-	-	-
Investment income	5,683	-	5,683	6,699	-	6,699
Other revenue	-	-	-	2,341	-	2,341
Net assets released from restrictions	<u>1,955,251</u>	<u>(1,955,251)</u>	<u>-</u>	<u>979,355</u>	<u>(979,355)</u>	<u>-</u>
Total Support and Revenue	<u>9,069,790</u>	<u>235,309</u>	<u>9,305,099</u>	<u>6,992,646</u>	<u>121,760</u>	<u>7,114,406</u>
EXPENSES						
Program services	6,473,653	-	6,473,653	5,182,736	-	5,182,736
Management and general	1,093,845	-	1,093,845	864,561	-	864,561
Fundraising and development	<u>914,479</u>	<u>-</u>	<u>914,479</u>	<u>557,743</u>	<u>-</u>	<u>557,743</u>
Total Expenses	<u>8,481,977</u>	<u>-</u>	<u>8,481,977</u>	<u>6,605,040</u>	<u>-</u>	<u>6,605,040</u>
CHANGE IN NET ASSETS	587,813	235,309	823,122	387,606	121,760	509,366
NET ASSETS, BEGINNING OF YEAR	<u>1,595,382</u>	<u>328,310</u>	<u>1,923,692</u>	<u>1,207,776</u>	<u>206,550</u>	<u>1,414,326</u>
NET ASSETS, END OF YEAR	<u>\$ 2,183,195</u>	<u>\$ 563,619</u>	<u>\$ 2,746,814</u>	<u>\$ 1,595,382</u>	<u>\$ 328,310</u>	<u>\$ 1,923,692</u>

SUMOFUS AND AFFILIATE

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 2,086,679	\$ 478,533	\$ 268,314	\$ 2,833,526	\$ 2,121,998	\$ 413,250	\$ 126,030	\$ 2,661,278
Payroll taxes and fringe benefits	658,566	151,029	84,681	894,276	672,299	130,927	39,929	843,155
Total salaries and related costs	2,745,245	629,562	352,995	3,727,802	2,794,297	544,177	165,959	3,504,433
Grants expense	634,934	-	-	634,934	149,565	-	-	149,565
Campaign costs and media	1,237,517	-	-	1,237,517	905,376	-	-	905,376
Information technology	361,017	97,639	-	458,656	322,863	67,386	-	390,249
Consulting and contracted services	1,327,878	-	18,456	1,346,334	798,662	-	42,184	840,846
Staff development	22,844	-	-	22,844	5,128	-	-	5,128
Professional fees	-	107,707	1,773	109,480	-	73,322	-	73,322
Travel and related expenses	2,586	14,272	544	17,402	1,845	7,053	-	8,898
Occupancy costs	44,533	10,213	5,726	60,472	37,782	7,358	2,244	47,384
Recruitment	-	86,422	-	86,422	-	27,211	-	27,211
Office supplies and general expenses	19,318	96,009	1,963	117,290	25,472	85,226	5,838	116,536
Telecommunications	-	33,206	-	33,206	-	29,173	-	29,173
Campaign related conferences	77,781	-	-	77,781	141,746	-	-	141,746
Insurance expense	-	15,556	-	15,556	-	18,557	-	18,557
Processing and bank fees	-	-	533,022	533,022	-	-	341,518	341,518
Depreciation and amortization	-	1,521	-	1,521	-	5,075	-	5,075
Miscellaneous	-	1,738	-	1,738	-	23	-	23
Total Expenses	\$ 6,473,653	\$ 1,093,845	\$ 914,479	\$ 8,481,977	\$ 5,182,736	\$ 864,561	\$ 557,743	\$ 6,605,040

SUMOFUS AND AFFILIATE**CONSOLIDATED STATEMENTS OF CASH FLOWS****YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 823,122	\$ 509,366
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,521	5,075
Unrealized gains on investments	(4,866)	(3,566)
Changes in operating assets and liabilities:		
decrease in assets:		
Grants and contributions receivable	214,678	7,547
Prepaid expenses	6,947	29,599
Other assets	-	1,145
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	126,858	149,776
Grants payable	-	(3,750)
Net cash provided by operating activities	<u>1,168,260</u>	<u>695,192</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(150,515)	(2,833)
Property and equipment acquisitions	<u>-</u>	<u>(4,564)</u>
Net cash used in investing activities	<u>(150,515)</u>	<u>(7,397)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,017,745	687,795
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,159,093</u>	<u>471,298</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,176,838</u>	<u>\$ 1,159,093</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

No taxes or interest were paid during the years ended December 31, 2021 and 2020, respectively.

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

1. ORGANIZATION AND NATURE OF ACTIVITIES

The accompanying consolidated financial statements of SumOfUs ("SOU") and Affiliate (collectively, the "Organization") have been prepared by consolidating SOU and SumOfUs Canada Society (the "Society").

SOU is a global movement of over 15 million people working to curb the abuse of corporate power and shift the global economy to respect people and the planet. We leverage the combined power of everyday consumers, workers, and investors, to create fundamental shifts in corporations and the global economy to put people and planet over profit. SOU is supported by contributions from people all over the world.

SOU was incorporated in Washington, DC on June 11, 2011 and is exempt from taxation under section 501(c)(4) of the Internal Revenue Code.

The Society was incorporated on July 30, 2016 as a Society under the Society Act of British Columbia, Canada, and is considered a nonprofit organization under the provisions of the income tax act of Canada. The purpose of the Society is to promote and advocate the accountability of governments and corporations; the fair treatment of workers and the right of every human being to make a living and be safe; and the right of communities to manage and protect their own environment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

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

Net assets without donor restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions. Net assets subject to stipulations imposed by donors and grantors. Those restrictions will be met by actions of the Organization or by the passage of time.

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 consolidated statements of activities.

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Consolidation

SOU consolidates the activities of the Society since it has both control and an economic interest in the affiliate. All significant intercompany balances and transactions have been eliminated during the consolidation.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies, is as follows:

Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs reflecting the Organization's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

See Note 5 – Investments and Fair Value Measurements for assets measured at fair value.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of less than three months to be cash equivalents, except for cash equivalents held in investment accounts.

Investments

Investments are stated at the readily determinable fair market value in accordance with the Not-for-Profit Entities topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). All interest, dividends and realized and unrealized gains and losses are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Allowance for Doubtful Accounts

The Organization determines whether an allowance for doubtful accounts should be provided for grants and contributions receivable. Such estimates are based on management's assessment of the aged basis of the receivables, current economic conditions and historical information. Grants and contributions receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. The Organization has determined that no allowance was considered necessary at December 31, 2021 and 2020, based on management's evaluations of the creditworthiness of contributors, as well as past history.

Grants and Contributions Revenue

Grants and contributions are provided to the Organization either with or without donor restrictions. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts and grants, with or without restrictions</i>	
Gifts and grants that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts and grants, with or without restrictions</i>	
Received at date of gift - cash and other assets	Fair value
Received at date of gift - property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Expected to be collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Grants and Contributions Revenue - Continued

When a donor 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 consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue with donor restrictions and then released from restriction.

Donated In-Kind Services and Costs

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services (a) create or enhance nonfinancial assets or (b) require special skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. For the years ended December 31, 2021 and 2020, there were no donated in-kind services and costs.

Program Revenue

Program revenue is recorded in the period in which the Organization satisfies the performance obligations under contracts by providing services to its customers, net of amounts to which it does not expect to be entitled. Program revenue received in advance of services to be rendered is recorded as deferred revenue.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets as follows: computers and equipment for 5 years. Maintenance and repair costs are charged to expense as incurred, and cost of renewals and improvements are capitalized. The Organization capitalizes property and equipment with a useful life of three years or more and a cost of \$2,000 or more.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited and provided by management using their best estimates as to the appropriate allocation. Grants expense, campaign costs and media, staff development, and campaign related conferences are directly charged to program expenses.

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Functional Allocation of Expenses - Continued

Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques including square footage and time and effort.

Grants Expense

Grants expense is recognized in the period the grant is approved by management, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions. Unpaid grants at the end of the year are recorded as grants payable.

Campaign Costs and Media

Campaign costs and media are expensed as incurred.

Accounting for Uncertainty in Income Taxes

The Organization applies the provisions pertaining to uncertain tax provisions, FASB ASC Topic 740, and has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2018.

New Accounting Pronouncements

Accounting for Leases

On February 25, 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, *Leases* (Topic 842), which will require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The standard is effective for nonpublic business entities for fiscal years beginning after December 15, 2021.

The Organization has not yet determined if this ASU will have a material effect on its consolidated financial statements.

Accounting for Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Contributed Nonfinancial Assets* (Topic 958), which will enhance presentation and disclosure requirements for contributed nonfinancial assets for nonprofits, including additional disclosure requirements for recognized contributed services. This standard should be applied on a retrospective basis and is effective for nonpublic business entities for fiscal years beginning after June 15, 2021.

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

3. CONCENTRATIONS

The Organization maintains two bank accounts at a financial institution insured by the Federal Deposit Insurance Corporation (“FDIC”) for up to \$250,000 per depositor. From time to time, the total cash balance exceeds the insured amounts. Management believes that credit risk related to these accounts is minimal. The Society maintains a bank account in Canada, which is insured by the Canada Deposit Insurance Corporation (“CDIC”) for up to \$100,000.

The Organization uses the services of a payment service provider for its online donations. Balances that are on deposit at this provider are not insured by the FDIC. The balances on deposit at December 31, 2021 and 2020 are \$1,284,859 and \$284,496, respectively. Management believes that credit risk related to these online payment service accounts is minimal.

4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of unconditional promises to give which are due to be collected within one year in the amounts of \$29,030 and \$243,925 as of December 31, 2021 and 2020, respectively.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

The methodology for measuring fair value specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs) or reflect the Organization’s own assumptions of market participant valuation (unobservable inputs).

Items Measured at Fair Value on a Recurring Basis

Investments are stated at fair value using Level 1 inputs based on quoted market prices of identical securities.

The following table presents the Organization’s assets that are measured at fair value on a recurring basis at December 31, 2021 and 2020:

	2021			Total
	Level 1	Level 2	Level 3	
Investments:				
Money market funds	\$ 961,820	\$ -	\$ -	\$ 961,820
Equities	<u>145,492</u>	<u>-</u>	<u>-</u>	<u>145,492</u>
	<u>\$ 1,107,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,107,312</u>

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONTINUED

Items Measured at Fair Value on a Recurring Basis - Continued

	2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	\$ 933,289	\$ -	\$ -	\$ 933,289
Equities	<u>18,642</u>	<u>-</u>	<u>-</u>	<u>18,642</u>
	<u>\$ 951,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 951,931</u>

Investment income consist of the following for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 817	\$ 3,133
Unrealized gains on investments	<u>4,866</u>	<u>3,566</u>
	<u>\$ 5,683</u>	<u>\$ 6,699</u>

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following as of December 31, 2021 and 2020:

	2021	2020
Computers and equipment	\$ 108,562	\$ 108,562
Less: Accumulated depreciation and amortization	<u>(106,126)</u>	<u>(104,605)</u>
	<u>\$ 2,436</u>	<u>\$ 3,957</u>

Depreciation and amortization expense amounted to \$1,521 and \$5,075 for the years ended December 31, 2021 and 2020, respectively.

7. COMMITMENTS AND CONTINGENCIES

The Organization leases facilities in various locations to conduct its programs on a month-to-month or temporary basis. Rent expense amounted to \$60,472 and \$47,384 for the years ended December 31, 2021 and 2020, respectively.

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$563,619 and \$328,310 are available at December 31, 2021 and 2020, respectively, for the public education program.

9. COLLECTIVE BARGAINING AGREEMENT

Nonmanagement employees, representing approximately 45% of the Organization's workforce in the United States, belong to the International Federation of Professional and Technical Engineers, Local 70, AFL-CIO. In November 2019, the Organization and Local 70 signed a new collective bargaining agreement ("CBA"), which covers the period from April 2019 through November 2022. In November 2022, management reached a verbal agreement to extend the CBA until August 2023.

10. RETIREMENT PLAN

The Organization maintains a 401(k) plan. All employees become eligible after six months of employment from date of hire. Contributions are 100% vested upon payment. The Organization contributed a nonmatching contribution annually for all eligible staff of 8% of employee compensation, in the amounts of \$98,226 and \$85,274, for the years ended December 31, 2021 and 2020, respectively.

11. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization's expenditures are not subject to significant seasonal fluctuations.

As of December 31, 2021 and 2020, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses and purchases of property and equipment, are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 2,176,838	\$ 1,159,093
Grants and contributions receivable	29,247	243,925
Investments	<u>1,107,312</u>	<u>951,931</u>
Total financial assets	3,313,397	2,354,949
Less: Net assets with donor restrictions	<u>(563,619)</u>	<u>(328,310)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,749,778</u>	<u>\$ 2,026,639</u>

SUMOFUS AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

12. RISKS AND UNCERTAINTIES

The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization's operations and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Organization is currently unable to fully determine the extent of COVID-19's impact on its operations in future periods. The Organization's performance in future periods may be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Organization continues to monitor evolving economic conditions and the actual and potential impacts on its financial position and results of operations.

13. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through November 14, 2022, the date that the consolidated financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure.