

EKŌ AND AFFILIATE

Consolidated Financial Statements
with Independent Auditor's Report

December 31, 2022 and 2021

EKŌ AND AFFILIATE

DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
EKÖ and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of EKÖ and Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, 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, 2022 and 2021, 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
January 26, 2024

EKÖ AND AFFILIATE**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2022 AND 2021**

	2022	2021
ASSETS		
Cash and cash equivalents	\$ 907,229	\$ 2,176,838
Grants and contributions receivable, net	266,326	29,247
Investments	1,060,188	1,107,312
Prepaid expenses	19,937	4,526
Property and equipment, net	36,232	2,436
Other assets	31,308	1,813
	<u> </u>	<u> </u>
Total Assets	<u>\$ 2,321,220</u>	<u>\$ 3,322,172</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 458,542	\$ 575,358
Total Liabilities	<u>458,542</u>	<u>575,358</u>
Net Assets		
Without donor restrictions	459,769	2,183,195
With donor restrictions	1,402,909	563,619
	<u> </u>	<u> </u>
Total Net Assets	<u>1,862,678</u>	<u>2,746,814</u>
	<u> </u>	<u> </u>
Total Liabilities and Net Assets	<u>\$ 2,321,220</u>	<u>\$ 3,322,172</u>

EKÖ AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Grants and contributions	\$ 7,136,845	\$ 2,786,308	\$ 9,923,153	\$ 7,088,856	\$ 2,190,560	\$ 9,279,416
Program revenue	250,000	-	250,000	20,000	-	20,000
Investment (loss) income	(47,124)	-	(47,124)	5,683	-	5,683
Other revenue	40,349	-	40,349	-	-	-
Net assets released from restrictions	<u>1,947,018</u>	<u>(1,947,018)</u>	<u>-</u>	<u>1,955,251</u>	<u>(1,955,251)</u>	<u>-</u>
Total Support and Revenues	<u>9,327,088</u>	<u>839,290</u>	<u>10,166,378</u>	<u>9,069,790</u>	<u>235,309</u>	<u>9,305,099</u>
EXPENSES						
Program services	8,742,419	-	8,742,419	6,473,653	-	6,473,653
Management and general	1,555,806	-	1,555,806	1,093,845	-	1,093,845
Fundraising and development	<u>752,289</u>	<u>-</u>	<u>752,289</u>	<u>914,479</u>	<u>-</u>	<u>914,479</u>
Total Expenses	<u>11,050,514</u>	<u>-</u>	<u>11,050,514</u>	<u>8,481,977</u>	<u>-</u>	<u>8,481,977</u>
CHANGE IN NET ASSETS	(1,723,426)	839,290	(884,136)	587,813	235,309	823,122
NET ASSETS, BEGINNING 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>
NET ASSETS, END OF YEAR	<u>\$ 459,769</u>	<u>\$ 1,402,909</u>	<u>\$ 1,862,678</u>	<u>\$ 2,183,195</u>	<u>\$ 563,619</u>	<u>\$ 2,746,814</u>

EKÖ AND AFFILIATE

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 2,637,814	\$ 697,849	\$ 229,090	\$ 3,564,753	\$ 2,086,679	\$ 478,533	\$ 268,314	\$ 2,833,526
Payroll taxes and fringe benefits	686,531	158,143	51,727	896,401	658,566	151,029	84,681	894,276
Total salaries and related costs	3,324,345	855,992	280,817	4,461,154	2,745,245	629,562	352,995	3,727,802
Grants expense	1,565,226	-	-	1,565,226	634,934	-	-	634,934
Consulting and contracted services	1,313,465	135,786	54,210	1,503,461	1,327,878	-	18,456	1,346,334
Campaign costs and media	1,302,044	-	-	1,302,044	1,237,517	-	-	1,237,517
Processing and bank fees	274,779	-	398,241	673,020	-	-	533,022	533,022
Information technology	396,503	160,604	-	557,107	361,017	97,639	-	458,656
Campaign related conferences	400,837	-	-	400,837	77,781	-	-	77,781
Professional fees	-	165,012	-	165,012	-	107,707	1,773	109,480
Office supplies and general expenses	12,353	84,488	-	96,841	19,318	96,009	1,963	117,290
Occupancy costs	60,322	15,467	1,547	77,336	44,533	10,213	5,726	60,472
Staff development	65,442	-	-	65,442	22,844	-	-	22,844
Recruitment	-	53,645	-	53,645	-	86,422	-	86,422
Travel and related expenses	27,103	17,351	4,523	48,977	2,586	14,272	544	17,402
Telecommunications	-	40,660	-	40,660	-	33,206	-	33,206
Insurance expense	-	15,532	-	15,532	-	15,556	-	15,556
Fundraising expenses	-	-	12,951	12,951	-	-	-	-
Depreciation expense	-	10,399	-	10,399	-	1,521	-	1,521
Amortization expense	-	834	-	834	-	-	-	-
Miscellaneous	-	36	-	36	-	1,738	-	1,738
Total Expenses	\$ 8,742,419	\$ 1,555,806	\$ 752,289	\$ 11,050,514	\$ 6,473,653	\$ 1,093,845	\$ 914,479	\$ 8,481,977

EKÖ AND AFFILIATE**CONSOLIDATED STATEMENTS OF CASH FLOWS****YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (884,136)	\$ 823,122
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	10,399	1,521
Amortization expense	834	-
Unrealized losses (gains) on investments	59,394	(4,866)
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Grants and contributions receivable	(237,079)	214,678
Prepaid expenses	(15,411)	6,947
Other assets	(30,329)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(116,816)</u>	<u>126,858</u>
Net cash (used in) provided by operating activities	<u>(1,213,144)</u>	<u>1,168,260</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(12,270)	(150,515)
Property and equipment acquisitions	<u>(44,195)</u>	<u>-</u>
Net cash used in investing activities	<u>(56,465)</u>	<u>(150,515)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,269,609)	1,017,745
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,176,838</u>	<u>1,159,093</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 907,229</u>	<u>\$ 2,176,838</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

No taxes or interest were paid during the years ended December 31, 2022 and 2021, respectively.

EKŌ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. ORGANIZATION AND NATURE OF ACTIVITIES

The accompanying consolidated financial statements of EKŌ and Affiliate (collectively, the “Organization”) have been prepared by consolidating EKŌ and EKO Movement Canada Society (the “Society”).

EKŌ is a global movement of over 22 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. EKŌ is supported by contributions from people all over the world.

The Organization was incorporated under the name “SumOfUs” in Washington, DC on June 11, 2011 and is exempt from taxation under section 501(c)(4) of the Internal Revenue Code. On March 23, 2023, the District of Columbia issued a Certificate of Amendment to the Organization that changed its name to EKŌ.

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. On July 27, 2023, the Society’s name was officially changed to EKO Movement Canada Society.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in Accounting Principle

The Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842) for the year ended December 31, 2022. The ASU requires lessees to recognize the present value of the assets and liabilities for the rights and obligations arising from leases. The Organization adopted Topic 842 for the fiscal year ended December 31, 2022. The adoption of Topic 842 had no effect on the change in net assets for the year ended December 31, 2021 as previously reported.

Basis of Accounting

The Organization prepares its consolidated financial statements using the accrual basis of accounting. The Organization follows accounting principles generally accepted in the United States of America (“U.S. GAAP”).

EKÖ 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

EKÖ 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.

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.

Grants and Contributions Receivable

Contributions are recognized when the donor makes a gift to the Organization that is, in substance, unconditional. Contributions receivable due in one year are recorded at their net realizable value. Contributions receivable due in more than one year are recorded at the present value of their net realizable value, using risk-free interest rates to discount the amounts applicable to the years in which the contributions are received.

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, 2022 and 2021, based on management's evaluations of the creditworthiness of contributors, as well as past history.

Investments

Investments are stated at the readily determinable fair market value in accordance with the Not-for-Profit Entities topic of the 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.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

Net Assets

The Organization's net asset classifications are reported as follows:

Net assets without Donor Restrictions: Net assets without donor restrictions represent those resources that have no donor-imposed restrictions as to their use and may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with Donor Restrictions: Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

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.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. 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 2019.

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, 2022 and 2021 are \$220,421 and \$1,284,859, respectively. Management believes that credit risk related to these online payment service accounts is minimal.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

4. GRANTS AND CONTRIBUTIONS RECEIVABLE, NET

Grants and contributions receivable consist of unconditional promises to give which are due to be collected within one year. The Organization has not recorded a discount on grants and contributions receivable as it has deemed the discount to not be material.

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization measures its investments at fair value. Fair value is an exit price, representing the amount that would be received on the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants. As a basis for considering such assumptions, a three-tier fair value hierarchy is used which prioritizes the inputs in the valuation methodologies in measuring fair value.

Items Measured at Fair Value on a Recurring Basis

The following table presents the Organization's assets that are measured at fair value on a recurring basis at December 31:

	2022		2021	
	Level 1	Total	Level 1	Total
Assets				
Investments				
Money market	\$ 973,724	\$ 973,724	\$ 961,820	\$ 961,820
Equities	86,464	86,464	145,492	145,492
	<u>\$ 1,060,188</u>	<u>\$ 1,060,188</u>	<u>\$ 1,107,312</u>	<u>\$ 1,107,312</u>

Net investment (loss) income consist of the following for the years ended December 31:

	2022	2021
Interest and dividends	\$ 12,570	\$ 817
Unrealized (losses) gains on investments	(59,394)	4,866
Investment fees	(300)	-
Net investment (loss) income	<u>\$ (47,124)</u>	<u>\$ 5,683</u>

Fair Value Hierarchy

Investments categorized as Level 1 in the table above are valued using quoted prices for identical assets in active markets.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

6. PROPERTY AND EQUIPMENT, NET

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

	2022	2021
Computers and equipment	\$ 152,757	\$ 108,562
Less: Accumulated depreciation	(116,525)	(106,126)
	<u>\$ 36,232</u>	<u>\$ 2,436</u>

Depreciation expense amounted to \$10,399 and \$1,521 for the years ended December 31, 2022 and 2021, respectively.

7. COMMITMENTS AND CONTINGENCIES

The Organization leases facilities in various locations to conduct its programs on a month-to-month or temporary basis. The leases qualify as short-term leases. Occupancy costs amounted to \$77,336 and \$60,472 for the years ended December 31, 2022 and 2021, respectively.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$1,402,909 and \$563,619 are available at December 31, 2022 and 2021, respectively, for the Organization's various public education programs.

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 2023, the Organization and Local 70 signed a new CBA, which covers the period from November 2022 through December 31, 2023. It is anticipated that negotiations for an extension of the CBA will take place in the first quarter of 2024.

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 \$116,381 and \$98,226, for the years ended December 31, 2022 and 2021, respectively.

EKÖ AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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, 2022 and 2021, 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 907,229	\$ 2,176,838
Grants and contributions receivable, net	266,326	29,247
Investments	<u>1,060,188</u>	<u>1,107,312</u>
Total financial assets	2,233,743	3,313,397
Less: Net assets with donor restrictions	<u>(1,402,909)</u>	<u>(563,619)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 830,834</u>	<u>\$ 2,749,778</u>

In addition to financial assets available to meet general expenditures over the next 12 months. The Organization expects to receive gifts without donor restrictions through its ongoing fundraising campaigns.

12. SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through January 26, 2024, the date that the consolidated financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure.