DeliverFund and Affiliate

Consolidated Financial Statements
December 31, 2022 and 2021

Certified Public Accountants

DeliverFund and Affiliate
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SFC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors and Management
of DeliverFund and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of DeliverFund (a nonprofit organization) and Affiliate (collectively, the Organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the 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 consolidated financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of and for the year then ended December 31, 2021, were audited by other auditors whose report dated April 7, 2022 expressed an unmodified opinion.

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 Auditors' Responsibilities for the Audit of the Consolidated 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.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Organization changed its method of accounting for its leases effective January 1, 2022 as required by the provisions of Financial Accounting Standards Board Accounting Standards Update 2016-02, *Leases*. Our opinion is not modified with respect to that matter.

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Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, 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.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
June 14, 2023

DeliverFund and Affiliate
Consolidated Statements of Financial Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	$ 598,285	$ 570,068
Investments	-	520,198
Accounts receivable	18,511	16,768
Unconditional promises to give	68,512	57,856
Prepaid expenses	26,252	44,105
Total current assets	711,560	1,208,995
Noncurrent assets:		
Other assets	8,858	8,609
Property and equipment, net	24,817	37,671
Right-of-use assets - operating lease, net	182,252	-
Right-of-use assets - financing lease, net	10,307	-
Total noncurrent assets	226,234	46,280
Total assets	$ 937,794	$ 1,255,275
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 27,198	168,841
Accrued expenses	33,135	53,851
Right-of-use liability - operating lease, current	109,517	-
Right-of-use liability - financing lease, current	6,363	6,314
Total current liabilities	176,213	229,006
Noncurrent Liabilities:		
Right-of-use liability - operating lease, net	74,457	-
Right-of-use liability - financing lease, net	1,066	7,428
Total noncurrent liabilities	75,523	7,428
Total liabilities	251,736	236,434
Net assets:		
Without donor restrictions	336,058	917,615
With donor restrictions	350,000	101,226
Total net assets	686,058	1,018,841
Total liabilities and net assets	$ 937,794	$ 1,255,275

See notes to consolidated financial statements.

DeliverFund and Affiliate
Consolidated Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	$ 2,368,087	865,437	$ 3,233,524
Contributed nonfinancial assets	15,000	-	15,000
Contract revenue	37,730	-	37,730
Merchandise sales	25,795	-	25,795
Other income	2,587	-	2,587
Investment loss, net	(27,793)	-	(27,793)
Net assets released from restrictions	616,663	(616,663)	-
Total support and revenue	3,038,069	248,774	3,286,843
Expenses:			
Program services	2,928,058	-	2,928,058
Management and general	282,256	-	282,256
Fundraising	572,524	-	572,524
Total expenses	3,782,838	-	3,782,838
Nonoperating income:			
Employee Retention Credit	163,212	-	163,212
Change in net assets	(581,557)	248,774	(332,783)
Net assets at beginning of year	917,615	101,226	1,018,841
Net assets at end of year	$ 336,058	$ 350,000	$ 686,058

See notes to consolidated financial statements.

DeliverFund and Affiliate
Consolidated Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions	$ 4,593,211	$ 391,000	$ 4,984,211
Contributed nonfinancial assets	1,000	-	1,000
Contract revenue	148,333	-	148,333
Merchandise sales	22,219	-	22,219
Special events (net of direct costs of $188,254)	552,865	-	552,865
Government grant	171,741	-	171,741
Other income	3,816	-	3,816
Investment loss, net	(7,261)	-	(7,261)
Net assets released from restrictions	388,424	(388,424)	-
Total support and revenue	5,874,348	2,576	5,876,924
Expenses:			
Program services	4,540,368	-	4,540,368
Management and general	313,165	-	313,165
Fundraising	791,874	-	791,874
Total expenses	5,645,407	-	5,645,407
Change in net assets	228,941	2,576	231,517
Net assets at beginning of year	688,674	98,650	787,324
Net assets at end of year	$ 917,615	$ 101,226	$ 1,018,841

DeliverFund and Affiliate
Consolidated Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services	Management and General	Fundraising	Total
Personnel Costs	$ 1,318,475	$ 71,921	$ 279,234	$ 1,669,630
Advertising and marketing	158,411	-	27,344	185,755
Bank and credit card fees	1,736	4,245	16,521	22,502
Depreciation and amortization	12,499	3,480	310	16,289
Donated professional services	15,000	-	-	15,000
Dues and subscription	371	6	453	830
Equipment	1,501	2,241	-	3,742
Event	212	209	12,279	12,700
Information technology	27,326	701	2,660	30,687
Insurance	23,288	2,253	-	25,541
Interest	-	516	-	516
Legal fees	309	24,647	-	24,956
Licenses and fees	75	4,059	4,515	8,649
Meals	6,155	2,369	2,942	11,466
Merchandise	4,453	-	9,542	13,995
Office	2,981	3,781	1,870	8,632
Other operating	3,609	12,455	2,725	18,789
Professional fees	1,272	66,523	320	68,115
Rent	174,697	2,847	11,839	189,383
Shipping	1,580	1,180	989	3,749
Subcontractors	731,209	58,462	170,345	960,016
Telephone and internet	320,446	3,064	10,531	334,041
Training	21,498	2,545	181	24,224
Travel and transportation	91,730	14,709	17,219	123,658
Utilities	9,225	43	705	9,973
Total expenses included in the expense section on the consolidated statement of activities	$ 2,928,058	$ 282,256	$ 572,524	$ 3,782,838

See notes to consolidated financial statements.

DeliverFund and Affiliate
Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Personnel Costs	$ 1,093,976	$ 150,575	$ 442,539	$ 1,687,090
Advertising and marketing	128,396	4,489	22,258	155,143
Bank and credit card fees	32,283	3,713	12,134	48,130
Depreciation	12,012	44	309	12,365
Dues and subscription	500	520	189	1,209
Equipment	-	7,010	1,497	8,507
Event	3,722	-	186,893	190,615
Information technology	461,879	11,773	11,398	485,050
Insurance	19,333	-	-	19,333
Interest	-	65	-	65
Legal fees	849	1,497	-	2,346
Licenses and fees	1,933	3,948	10,043	15,924
Meals	12,378	1,890	5,011	19,279
Merchandise	12,140	-	19,736	31,876
Office	27,217	12,102	6,010	45,329
Professional fees	58,985	12,617	25,334	96,936
Rent	164,688	4,271	11,041	180,000
Shipping fees	1,402	869	2,398	4,669
Subcontractors	2,405,147	83,340	3,154	2,491,641
Telephone and internet	6,123	348	487	6,958
Training	17,805	3,926	2,065	23,796
Travel and transportation	74,204	9,197	29,069	112,470
Utilities	5,396	971	309	6,676
Total expenses included in the expense section on the consolidated statement of activities	$ 4,540,368	$ 313,165	$ 791,874	$ 5,645,407

See notes to consolidated financial statements.

DeliverFund and Affiliate
Consolidated Statements of Cash Flows
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (332,783)	$ 231,517
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	12,854	12,365
Donated Stock	-	(921,253)
Amortization of right-of-use asset, financing	3,435	-
Amortization of right-of-use asset, operating	108,222	-
Net realized and unrealized losses on investment	28,531	-
Changes in assets and liabilities:		
Unconditional promises to give	(10,656)	136,120
Accounts receivable	(1,743)	4,799
Other assets	(249)	-
Prepaid assets	17,853	1,640
Accounts payable	(141,643)	139,464
Accrued expenses	(20,716)	16,922
Operating lease liabilities	(126,555)	-
Net cash used by operating activities	(463,450)	(378,426)
Cash flows from investing activities:		
Purchases of capital improvements	-	(6,955)
Proceeds from insurance for damaged property	-	401,054
Purchases of investments	(1,756)	-
Proceeds from sale of investments	493,423	-
Net cash provided by investing activities	491,667	394,099
Cash flows from financing activities:		
Right-of-use obligation - financing lease liability	6,313	-
Repayments on finance leases	(6,313)	(5,737)
Net cash used by financing activities	-	(5,737)
Net increase in cash and cash equivalents	28,217	9,936
Cash and cash equivalents at beginning of year	570,068	560,132
Cash and cash equivalents at end of year	$ 598,285	$ 570,068

Noncash investing activities:

During the year ended December 31, 2021, the Organization received donated stocks with a total value of $921,253.

Supplemental disclosure of cash flow information:

Right-of-use asset obtained in exchange for operating lease liability	$ 290,474

See notes to consolidated financial statements.

1. Organization

DeliverFund is a nonprofit organization and was organized in 2014 to disrupt global human trafficking markets and assist potential victims of human trafficking by combining uniquely qualified personnel with the best technologies, and then leveraging them in new ways to reach and rescue victims of human trafficking. DeliverFund also provides education to potential trafficking victims by giving lectures in schools, libraries, and other public venues.

On December 9, 2020, DeliverFund became the sole owner of DeliverFund Commercial Operations, LLC (Affiliate), a Delaware Limited Liability Company. The Affiliate was dissolved during 2022.

DeliverFund's signature software is the Platform for the Analysis and Targeting of Human Traffickings (P.A.T.H.). It visually maps out human trafficking networks and allows law enforcement agencies across the country to streamline their investigations, operating more effectively and efficiently.

DeliverFund and Affiliate are collectively referred to herein as the Organization.

2. Summary of Significant Accounting Policies

Consolidated Financial Statements

In accordance with the provisions of the FASB ASC 958-810 *Not-for-Profit Entities/Consolidations*, the financial statements of the Organization have been consolidated and all inter-organization transactions and accounts have been eliminated.

Basis of Accounting

The accompanying consolidated financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Consolidated Financial Statement Presentation

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

> *Net assets without donor restrictions* - Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions that will be met by actions of the Organization and/or the passage of time. When a restriction expires, 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 restriction.

Some net assets with donor restrictions include a stipulation that assets provide by maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with provisions of additional donor-imposed stipulations or a board of directors approved spending policy. As of December 31, 2022 and 2021, no such net asset restrictions existed.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (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.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit risk consist principally of cash and cash equivalents and unconditional promises to give. Cash and cash equivalents are placed with a high credit quality financial institution to minimize credit risk. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. The uninsured bank balance totaled $344,206 as of December 31, 2022.

For the year ended December 31, 2022, 26% of total revenue and support was from two donors. For the year ended December 31, 2021, 33% of total revenue and support was from one donor.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, 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 met.

Special event revenue is recognized at the date the event occurs. Advanced payments for the event sponsorships are reported as deferred revenue until the date of the event.

Contributions of nonfinancial assets are reflected as contributions at their estimated fair values at date of receipt. The Organization recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Contract revenue is recognized at the time of service. Revenue from merchandise sales is recognized at time of sale.

Cash and Cash Equivalents

The Organization considers highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of checking and money market accounts.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at estimated fair market value at the date of the donation. All items with a useful life of more than one year and a value greater than $3,000 are capitalized. Depreciation is computed using the straight-line method over estimated useful lives of 3 to 5 years.

Advertising Costs

The Organization uses advertising to inform the public of its available services and programs. Advertising costs are expensed as incurred. Advertising costs for the years ended December 31, 2022 and 2021 totaled $157,876 and $140,113, respectively.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function, which requires us to allocate certain expenses on a reasonable basis and consistently apply that basis. Those expenses that require allocation include occupancy costs related to our office space, including rental payments, insurance, and depreciation, as well as compensation and related costs, technology, office and other expenses. The Organization allocates occupancy costs on a square footage basis. Compensation and related costs, technology, office and other expenses are allocated on the basis of time and effort related to each function for each respective staff member. Direct client care, maintenance, repairs and security, and professional fees are expensed directly to the program or function benefitted.

Federal Income Taxes

DeliverFund is recognized by the Internal Revenue Service as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC) and is not a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no material unrelated business income tax liability as of December 31, 2022 and 2021. Therefore, no tax provision has been reported in the accompanying consolidated financial statements. The Organization had no significant uncertain tax positions for the years ended December 31, 2022 and 2021.

The Affiliate utilizes the asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the period in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Affiliate's federal and state income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have a three year statute of limitations.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2022 and 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements

Estimates and Assumptions

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 estimated.

Accounting Pronouncements Adopted

The Organization adopted ASU No. 2016-02, *Leases* (Topic 842). The guidance in the ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. The ASU also required expanded disclosures related to the amount, timing and uncertainty of cash flows arising from leases. ASU No. 2018-11, *Leases* (Topic 842) – Targeted Improvements – provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the consolidated financial statements and instead recognize a cumulative effect adjustment to the opening balance of net assets in the period of adoption. The Organization elected to adopt the transition relief provisions from ASU 2018-11 and recorded the impact of adoption as of January 1, 2022, using the modified retrospective method resulting in the recording of right-of-use assets and right-of-use obligations totaling $290,474. No change was made to the treatment of existing capital leases; capital leases were renamed finance leases under the new standard and right-of-use assets related to finance leases were shown separately on the consolidated statement of financial position.

The Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). ASU 2020-07 increases transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancement to presentation and disclosure. The amendments in ASU 2020-07 address stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFP's, as well as the amount of those contributions used in an NFP's programs and other activities. The Organization has adopted this ASU on the retrospective basis as of and for the year ended December 31, 2022. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes in-kind contributions, and therefore, no changes were required to net assets as of January 1, 2021. The presentation and disclosures of contributions of nonfinancial assets have been enhanced in accordance with the standard.

Reclassification

Certain items in the 2021 consolidated financial statements have been reclassified to conform with the 2022 presentation.

3. Property and Equipment

Property and equipment consist of the following at December 31:

	2022	2021
Leasehold improvements	$ 19,912	$ 19,912
Furniture & equipment	48,282	48,282
Total equipment	68,194	68,194
Accumulated depreciation	(43,377)	(30,523)
	$ 24,817	$ 37,671

Depreciation expense totaled $12,854 and $12,365 for the years ended December 31, 2022 and 2021, respectively.

4. Investments

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

Level 1 — Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 — Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 — Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Equities

Equity assets are valued using the closing price reported in the active market on which the individual securities are traded. These have been classified within level 1 of the valuation hierarchy. Investments as of December 31, 2021 totaled $520,198. The Organization did not have any investments as of December 31, 2022.

5. Leases and Related Party Transactions

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its office space and equipment. The Organization has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses the incremental borrowing rate or the risk-free rate derived from the interest paid on short-term government debt to determine the present value of lease payments.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Organization has entered into an operating lease arrangement for a building used for operations as well as a finance lease arrangement for furniture. These leases require the Organization to pay all executory costs (property taxes, maintenance and insurance) and expire at various dates through 2024. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

The following are the minimum lease payments under the leases for the years ending December 31:

	Finance Lease	Operating Lease
2023	$ 6,398	$ 110,563
2024	1,067	74,675
Less present value discount	(36)	(1,264)
Lease obligation	$ 7,429	$ 183,974

	Finance Lease	Operating Lease
Total lease cost	$ 109	$ 110,109
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from lease	$ -	$ 108,388
Financing cash flows from lease	$ 6,314	$ -
Right-of-use asset obtained in exchange for new lease liabilities	$ 13,742	$ 290,474
Weighted-average remaining lease term	1	1.7
Weighted-average discount rate	0.78%	0.78%

The Organization leases office space from a related party in Montana on a month to month basis. Rent expense for the year ended December 31, 2022 totaled $17,364.

6. Liquidity and Availability of Resources

The Organization's financial assets available to meet cash needs for general expenditures within one year are as follows at December 31:

	2022	2021
Cash and cash equivalents	$ 598,285	$ 570,068
Investments	-	520,198
Accounts receivable	18,511	16,768
Unconditional promises to give	68,512	57,856
Total financial assets	685,308	1,164,890
Less amounts not available for general expenditures within one year:		
Donor restricted	(350,000)	(101,226)
Financial assets available to meet cash needs for general expenditures within one year	$ 335,308	$ 1,063,664

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations, to be available to meet cash needs for general expenditures.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at December 31:

	2022	2021
Support of Operations	$ -	$ 101,226
Training	20,000	-
PATH 2.0	330,000	-
	$ 350,000	$ 101,226

8. Contributions of Nonfinancial Assets

Significant services and materials are donated to the Organization by various individuals and organizations. During the years ended December 31, 2022 and 2021, the Organization recognized $15,000 and $1,000 in donated services, respectively. These contributions of nonfinancial assets were fully utilized for program services and were valued based on the fair market value of equivalent services during the years ended December 31, 2022 and 2021.

9. Subsequent Events

The Organization has evaluated subsequent events through the date the consolidated financial statements were available to be issued and concluded that no additional disclosures are required.