

Safe Passage Project Corporation

Financial Statements

December 31, 2022 and 2021

Independent Auditors' Report

Board of Directors Safe Passage Project Corporation

Opinion

We have audited the accompanying financial statements of Safe Passage Project Corporation (the "Organization"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its 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 Auditors' 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 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 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 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 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.

PKF O'Connor Davies, LLP

December 11, 2023

Safe Passage Project Corporation

Statements of Financial Position

	December 31	
	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 4,635,484	\$ 3,555,340
Contributions, grants and accounts receivable	1,781,814	2,305,328
Investments	2,608,313	2,568,518
Prepaid expenses and other assets	2,400	18,973
Property and equipment, net	<u>36,164</u>	<u>2,334</u>
	<u>\$ 9,064,175</u>	<u>\$ 8,450,493</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 26,283	\$ 22,592
Contract advance	59,500	-
Paycheck Protection Program loan	<u>-</u>	<u>631,767</u>
Total Liabilities	<u>85,783</u>	<u>654,359</u>
Net Assets		
Without donor restrictions	7,244,678	6,547,800
With donor restrictions	<u>1,733,714</u>	<u>1,248,334</u>
Total Net Assets	<u>8,978,392</u>	<u>7,796,134</u>
	<u>\$ 9,064,175</u>	<u>\$ 8,450,493</u>

See notes to financial statements

Safe Passage Project Corporation

Statements of Activities

	Year Ended					
	December 31, 2022			December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 1,855,408	\$ 1,545,000	\$ 3,400,408	\$ 1,829,537	\$ 1,248,334	\$ 3,077,871
Government grants	2,717,376	-	2,717,376	2,487,529	-	2,487,529
Contributions in-kind	124,489	-	124,489	191,652	-	191,652
Program service revenue	-	-	-	6,872	-	6,872
Investment income	39,795	-	39,795	677	-	677
Net assets released from restrictions	1,059,620	(1,059,620)	-	1,370,167	(1,370,167)	-
Total Support and Revenue	<u>5,796,688</u>	<u>485,380</u>	<u>6,282,068</u>	<u>5,886,434</u>	<u>(121,833)</u>	<u>5,764,601</u>
EXPENSES						
Program services	4,105,245	-	4,105,245	3,896,625	-	3,896,625
Management and general	711,891	-	711,891	579,470	-	579,470
Fundraising	282,674	-	282,674	239,346	-	239,346
Total Expenses	<u>5,099,810</u>	<u>-</u>	<u>5,099,810</u>	<u>4,715,441</u>	<u>-</u>	<u>4,715,441</u>
Change in Net Assets	696,878	485,380	1,182,258	1,170,993	(121,833)	1,049,160
NET ASSETS						
Beginning of year	<u>6,547,800</u>	<u>1,248,334</u>	<u>7,796,134</u>	<u>5,376,807</u>	<u>1,370,167</u>	<u>6,746,974</u>
End of year	<u>\$ 7,244,678</u>	<u>\$ 1,733,714</u>	<u>\$ 8,978,392</u>	<u>\$ 6,547,800</u>	<u>\$ 1,248,334</u>	<u>\$ 7,796,134</u>

See notes to financial statements

Safe Passage Project Corporation

Statement of Functional Expenses Year Ended December 31, 2022

	Program Services	Supporting Services		2022 Total Expenses	2021 Total Expenses
	Immigration Assistance	Management and General	Fundraising		
Staff salaries	\$ 2,962,614	\$ 263,963	\$ 105,045	\$ 3,331,622	\$ 3,158,116
Payroll taxes and employee benefits	544,560	40,405	18,827	603,792	586,978
Total Payroll and Related Expenses	<u>3,507,174</u>	<u>304,368</u>	<u>123,872</u>	<u>3,935,414</u>	<u>3,745,094</u>
Accounting and auditing	-	101,600	-	101,600	95,735
Client welfare expenses	9,215	217	207	9,639	29,017
Communications	9,149	941	497	10,587	9,050
Consultants and contractors	83,814	31,989	122,989	238,792	139,339
Database and other technology costs	98,203	16,165	5,935	120,303	40,643
Depreciation	5,209	698	445	6,352	4,836
Dues and subscriptions	6,454	610	2,438	9,502	21,153
Insurance	12,204	1,394	770	14,368	11,150
Legal fees	-	64,136	-	64,136	149,705
Meetings	10,212	1,282	571	12,065	13,090
Occupancy	234,104	13,926	7,247	255,277	264,129
Office supplies and expenses	12,713	3,206	1,002	16,921	28,901
Other expenses	2,227	35,694	3,051	40,972	8,919
Payroll service	-	34,696	-	34,696	41,313
Postage and delivery	75,724	7,871	4,149	87,744	68,419
Staff development and training	38,843	93,098	9,501	141,442	44,948
Total Expenses	<u>\$ 4,105,245</u>	<u>\$ 711,891</u>	<u>\$ 282,674</u>	<u>\$ 5,099,810</u>	<u>\$ 4,715,441</u>

See notes to financial statements

Safe Passage Project Corporation

Statement of Functional Expenses Year Ended December 31, 2021

	Program Services	Supporting Services		Total Expenses
	Immigration Assistance	Management and General	Fundraising	
Staff salaries	\$ 2,835,334	\$ 194,568	\$ 128,214	\$ 3,158,116
Payroll taxes and employee benefits	<u>528,432</u>	<u>37,953</u>	<u>20,593</u>	<u>586,978</u>
Total Payroll and Related Expenses	3,363,766	232,521	148,807	3,745,094
Accounting and auditing	-	95,735	-	95,735
Client welfare expenses	27,531	945	541	29,017
Communications	8,099	605	346	9,050
Consultants and contractors	69,966	14,172	55,201	139,339
Database and other technology costs	17,979	5,497	17,167	40,643
Depreciation	4,217	403	216	4,836
Dues and subscriptions	18,885	1,602	666	21,153
Insurance	10,473	428	249	11,150
Legal fees	-	149,705	-	149,705
Meetings	12,395	427	268	13,090
Occupancy	230,503	21,827	11,799	264,129
Office supplies and expenses	22,907	5,044	950	28,901
Other expenses	3,154	4,962	803	8,919
Payroll service	-	41,313	-	41,313
Postage and delivery	63,608	3,061	1,750	68,419
Staff development and training	<u>43,142</u>	<u>1,223</u>	<u>583</u>	<u>44,948</u>
Total Expenses	<u>\$ 3,896,625</u>	<u>\$ 579,470</u>	<u>\$ 239,346</u>	<u>\$ 4,715,441</u>

See notes to financial statements

Safe Passage Project Corporation

Statements of Cash Flows

	Year Ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,182,258	\$ 1,049,160
Adjustments to reconcile change in net assets to net cash from operating activities		
Forgiveness of Paycheck Protection Program loan	(631,767)	(475,589)
Depreciation	6,352	4,836
Changes in operating assets and liabilities:		
Contributions, grants and accounts receivable	523,514	(1,091,765)
Prepaid expenses and other assets	16,573	(6,566)
Accounts payable and accrued expenses	3,691	(8,123)
Contract advance	59,500	-
Net Cash from Operating Activities	1,160,121	(528,047)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(39,795)	(677)
Purchase of property and equipment	(40,182)	-
Net Cash used in Investing Activities	(79,977)	(677)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	-	631,767
Net Change in Cash	1,080,144	103,043
Beginning of year	3,555,340	3,452,297
End of year	\$ 4,635,484	\$ 3,555,340

See notes to financial statements

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

1. Organization and Tax Status

Safe Passage Project Corporation (the “Organization”), a not-for-profit organization, was incorporated in the State of New York on May 13, 2013. The Organization primarily receives its support from contributions, and its mission is to address unmet legal needs of immigrant youth living in the New York City area. The Organization fundamentally believes no child should face the immigration process alone and provides comprehensive legal services to immigrant children facing deportation through direct representation, and through mentoring and training pro bono attorneys to take on cases.

Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal, state or local income taxes has been recorded.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Policies

Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842) which supersedes existing guidance in Topic 840, Leases. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-to-use (“ROU”) assets and lease liabilities on the statement of financial position for operating leases.

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies *(continued)*

Change in Accounting Policies (continued)

Leases (continued)

The Organization adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022 as the initial date of application. The Organization elected to use all available practical expedients provided in the transition guidance. These allowed the Organization to not reassess the identification, classification and initial direct costs of lessor agreements and to use hindsight in lessee and lessor agreements for determining lease term and right-of-use asset impairment.

The Organization elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expenses on such leases is recognized on a straight-line basis over the lease term. At January 1, 2022, adoption of Topic 842 did not result in any material adjustments to the financial statements related to lessee accounting.

Contributed Nonfinancial Assets

In September 2020, FASB issued Accounting Standards Update 2020-07, Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) (“ASU 2020-07”), which is effective for fiscal years beginning after June 15, 2021, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. ASU 2020-07 requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization adopted and implemented this pronouncement on January 1, 2022. The adoption of ASU 2020-07 did not result in a material change to the financial statements for the years ended December 31, 2022 and 2021.

Contributions, Grants and Accounts Receivable

Contributions, grants and accounts receivable expected to be collected within one year are recorded at their net realizable value. Contributions, grants and accounts receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Management assesses receivables to determine whether balances are probable of collection based on historical experience of collections. Management records bad debt expense for those accounts where collections are doubtful through an allowance. As of December 31, 2022 and 2021, management expects all receivable to be collected, and therefore no allowance for doubtful accounts is necessary.

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies *(continued)*

Investments

Investments are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Investment income (interest and dividends) is recognized as revenue in the period earned, and gains and losses (realized and unrealized) are recognized in the period in which they occur.

The Organization initially records investments it receives as donations at fair value as of the date the investment is donated.

Fair Value Measurement of Investments

FASB requires enhanced disclosures about investments that are measured and reported at fair value. FASB establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices, or for which fair value can be measured from actively quoted prices, generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1: Investments falling within Level 1 of the fair value hierarchy are valued using inputs based upon quoted prices in active markets for identical investments. Investments that are typically included in Level 1 are listed equity securities, publicly traded mutual funds, and exchange traded funds.

Level 2: Investments falling within Level 2 of the fair value hierarchy are valued using significant observable inputs other than prices quoted in active markets. Examples of Level 2 inputs are model-driven prices, quoted prices for similar investments in active markets, and quoted prices for identical or similar investments in inactive markets. Investments that are typically included in Level 2 are municipal bonds, corporate bonds, and government debt securities.

Level 3: Investments falling within Level 3 of the fair value hierarchy are valued using methodology that is unobservable and significant to the fair value measurement. Level 3 inputs require significant management judgment or estimation. Investments that are typically included in this category are investments in limited partnerships, and investments in private companies or unregistered securities.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost. The Organization capitalizes all property and equipment in excess of \$1,000. Depreciation of property and equipment is computed by the straight-line method over estimated useful lives ranging from three to seven years. Expenditures for repairs and maintenance are expensed as incurred and major renewals and betterments are capitalized.

Net Asset Presentation

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. This classification includes net assets designated by the board for a specified purpose.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature (endowment), where the donor stipulates that resources be maintained in perpetuity.

Revenue Recognition

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

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a purpose are reported as revenue with donor restrictions and increases in net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increases in net assets without donor restrictions. When a restriction expires (either a stipulated time period ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization receives expense based reimbursement grants from governmental agencies. As determined by provisions of each grant, revenue is recognized as costs are incurred. Monies received in advance to be spent on future program activities are recorded as net assets with donor restrictions until expended.

There were no contract assets or liabilities at December 31, 2022 and 2021 and January 1, 2021.

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies *(continued)*

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are recorded according to their natural expenditure classification; these expenses include client welfare expenses, database and other technology costs and legal fees. Costs that are common to several functions are allocated among program and supporting services based on either a time and effort basis or usage as estimated by the Organization's management; these include staff salaries, payroll taxes and employee benefits and occupancy costs.

Collective Bargaining Agreement

In January 2022, the Organization entered into a collective bargaining agreement (the "Agreement") with a term through December 2024. Approximately 65% of the Organization's employees are covered by the Agreement.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions when they are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdiction for periods prior to 2019.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which was December 11, 2023.

3. Contributions, Grants, and Accounts Receivable

Contributions, grants and accounts receivable are summarized as follows at December 31:

	<u>2022</u>	<u>2021</u>
In one year or less	\$ 1,686,814	\$ 2,215,328
Between one and two years	<u>95,000</u>	<u>90,000</u>
Total	<u>\$ 1,781,814</u>	<u>\$ 2,305,328</u>

Management has determined a present value discount would be insignificant and elected not to recognize a discount at December 31, 2022 and 2021.

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

4. Fair Value Measurement

All of the Organization's investments were valued using level 1 inputs under the fair value hierarchy, and consist solely of a United States Government money market mutual fund at December 31, 2022 and 2021.

5. Property and Equipment

Property and equipment, at cost, consists of the following at December 31:

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 12,967	\$ 12,967
Office equipment	<u>41,725</u>	<u>1,543</u>
	54,692	14,510
Less: accumulated depreciation	<u>(18,528)</u>	<u>(12,176)</u>
Total	<u>\$ 36,164</u>	<u>\$ 2,334</u>

6. Paycheck Protection Program Loan

The Organization received a \$475,589 Paycheck Protection Program loan (the "PPP Loan") from the Small Business Administration ("SBA") in April 2020. The PPP Loan was scheduled to mature in April 2022 and has an interest rate of 1.0% per annum. If certain defined conditions are met, the PPP Loan may be forgiven by the SBA, otherwise the Organization will be required to repay the loan in full.

In September 2021, the defined conditions were met, and as a result, the SBA notified the Organization that the PPP Loan was forgiven. The Organization recognized the full amount of the proceeds as support and revenue in the 2021 statement of activities within government grants.

In March 2021, the Organization received a second PPP Loan from the SBA in the amount of \$631,767. The second PPP Loan was scheduled to mature in January 2026 and has an interest rate of 1.0% per annum with no payments due until January 2022. If certain defined conditions are met, this PPP Loan may be forgiven by the SBA, otherwise the Organization will be required to repay the loan in full.

In April 2022, the defined conditions were met, and as a result, the SBA notified the Organization that the second PPP Loan was forgiven. The Organization recognized the full amount of the proceeds as support and revenue in the 2022 statement of activities within government grants.

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are available as follows as of December 31:

	2022	2021
Time restricted	\$ 621,214	\$ 793,334
Services for immigrant children	1,112,500	205,000
Long Island expansion	-	250,000
	\$ 1,733,714	\$ 1,248,334

Net assets were released from donor restrictions as follows during the years ended December 31:

	2022	2021
Time restricted	\$ 667,120	\$ 732,667
Services for immigrant children	142,500	137,500
Long Island expansion	250,000	500,000
	\$ 1,059,620	\$ 1,370,167

8. Contributions In-Kind

The Organization recognizes contributions of goods or services if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recognized.

Services and facilities were donated to the Organization by various organizations which meet the criteria for being recognized as contributions in accordance with U.S. GAAP are recorded at their estimated fair values at the date of donation using published rates and prices.

Contributions in-kind for the years ended December 31, 2022 and 2021 consist of the following:

	2022	2021	Utilization in Programs/ Activities	Donor Restriction	Valuation Techniques and Inputs
Legal services	\$ 24,489	\$ 68,252	Management and general	None	Donated services are valued at the estimated fair value based on current rates for similar legal services.
Donated rent	100,000	123,400	Program services	None	Donated rent is valued at the estimated market value based on current rates at the time of lease commitment
	\$ 124,489	\$ 191,652			

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

8. Contributions In-Kind (*continued*)

Various individuals volunteered their time to perform a variety of tasks which assist the Organization. The majority of volunteers provide pro bono legal assistance to immigrants. An average case requires 35 hours of legal work to complete. Pro bono attorneys worked on over 500 cases during each of the years ended December 31, 2022 and 2021.

9. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of receivables which are expected to be collected in the normal course of business, cash on deposit with financial institutions and investments held at financial institutions. Deposits held at financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. Investment holdings at financial institutions are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed the FDIC and/or the SIPC limit. As of December 31, 2022 and 2021, the Organization's uninsured cash balances on deposit totaled approximately \$3,885,000 and \$2,805,000. As of December 31, 2022 and 2021, the Organization's uninsured investment holdings totaled approximately \$2,108,000 and \$2,069,000.

Approximately 43% of the Organization's total support and revenue was from one funding source during the years ended December 31, 2022 and 2021. Contributions, grants and accounts receivable was approximately \$851,000 and \$1,566,000 from this funding source at December 31, 2022 and 2021. Three other donors accounted for approximately 38% of the Organization's total support and revenue for the years ended December 31, 2022 and 2021. Contributions, grants and accounts receivable from these donors were \$660,000 and \$250,000 at December 31, 2022 and 2021.

10. Retirement Plan

In September 2019, the Organization adopted a 401(k) defined contribution plan (the "Plan"). Any employee is eligible to participate in the Plan. The Organization makes voluntary matching contributions based on a percentage of employee contributions. For the years ended December 31, 2022 and 2021, the Organization contributed a total of \$102,175 and \$101,222 towards the Plan.

Safe Passage Project Corporation

Notes to Financial Statements
December 31, 2022 and 2021

11. Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other obligations as they come due. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities to be general expenditures. Amounts available for general expenditures over a 12-month period include donor-restricted amounts that are available for ongoing programmatic and support expenditures.

The following reflects the Organization's financial assets, as of December 31, 2022 and 2021, reduced by amounts not available for general use within one year because of contractual, donor-imposed, or internal restrictions and designations:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 4,635,484	\$ 3,555,340
Contributions, grants and accounts receivable	1,781,814	2,305,328
Investments	<u>2,608,313</u>	<u>2,568,518</u>
Total Financials Assets	9,025,611	8,429,186
Less those unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	(1,733,714)	(1,248,334)
Add next year's release of donor restrictions	<u>1,638,714</u>	<u>1,248,334</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 8,930,611</u>	<u>\$ 8,429,186</u>

12. Commitments and Contingencies

The Organization's lease agreement for office space (6 offices) expired as of December 31, 2022, and was renewed through December 31, 2023 at a monthly rent of \$11,727 in aggregate for these six offices. Rent expense was approximately \$255,000 and \$264,000 for the years ended December 31, 2022 and 2021.

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