

IT'S THE JOURNEY, INC.

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

with
INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

**Board of Directors of
It's The Journey Inc.**

Opinion

We have audited the accompanying financial statements of It's The Journey, Inc. (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, 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, 2021 and 2020, and the changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audits 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 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP; this includes 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 for one year after the date of this report.

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 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 can arise from fraud or error and 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.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 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.

Smith and Howard

June 23, 2022

IT'S THE JOURNEY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 1,200,374	\$ 963,889
Restricted cash	60,008	20,000
Investments	321,612	320,911
Unconditional promises to give, net of discount for present value of \$19,013 and \$32,727, respectively	100,987	157,273
Other assets	<u>16,634</u>	<u>6,077</u>
	<u><u>\$ 1,699,615</u></u>	<u><u>\$ 1,468,150</u></u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued expenses	\$ 2,536	\$ 2,152
Grants payable	571,776	390,506
Refundable advances	<u>44,725</u>	<u>79,046</u>
Total Liabilities	<u>619,037</u>	<u>471,704</u>
Net Assets		
Without donor restriction	881,687	819,174
With donor restriction	<u>198,891</u>	<u>177,272</u>
Total Net Assets	<u>1,080,578</u>	<u>996,446</u>
	<u><u>\$ 1,699,615</u></u>	<u><u>\$ 1,468,150</u></u>

The accompanying notes are an integral part of these financial statements.

IT'S THE JOURNEY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Change in Net Assets Without Donor Restriction		
Revenue and other support:		
Contributions		
Participant contributions	\$ 798,544	\$ 600,567
Corporations	187,423	105,056
Other contributions	3,384	10,138
Paycheck Protection Program grant	60,788	65,500
Promotional products	1,824	810
Gifts-in-kind	42,367	-
	<u>1,094,330</u>	<u>782,071</u>
Registration fees and other	191,614	33,011
Special events, net of direct expenses	-	21,373
Investment Income, net	3,475	20,169
Net assets released from restrictions	<u>26,753</u>	<u>106,917</u>
Total Revenue and Other Support Without Donor Restriction	<u>1,316,172</u>	<u>963,541</u>
Expenses		
Program services	1,098,850	716,670
Supporting activities:		
General and administrative	108,197	115,004
Fundraising	<u>46,612</u>	<u>66,513</u>
Total Expenses	<u>1,253,659</u>	<u>898,187</u>
Change In Net Assets Without Donor Restriction	<u>62,513</u>	<u>65,354</u>
Change in Net Assets With Donor Restriction		
Contributions restricted for future events	37,905	-
Contributions restricted for endowment fund	9,072	952
Contributions restricted for time	1,395	-
Net assets released from restrictions	<u>(26,753)</u>	<u>(106,917)</u>
Change in Net Assets With Donor Restriction	<u>21,619</u>	<u>(105,965)</u>
Change in Net Assets	84,132	(40,611)
Net Assets at Beginning of Year	<u>996,446</u>	<u>1,037,057</u>
Net Assets at End of Year	<u>\$ 1,080,578</u>	<u>\$ 996,446</u>

The accompanying notes are an integral part of these financial statements.

IT'S THE JOURNEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Supporting Activities		Totals
		General and Administrative	Fundraising	
Salaries	\$ 170,817	\$ 71,183	\$ 29,949	\$ 271,949
Payroll benefits	12,727	3,320	2,398	18,445
Payroll taxes	14,355	3,745	2,705	20,805
Advertising, marketing, and event shirts	23,873	1,372	2,195	27,440
Contract labor	17,000	-	-	17,000
Professional fees	-	16,000	-	16,000
Office expense	10,934	3,124	1,562	15,620
Software and fundraising portal	48,263	-	5,363	53,626
Telephone	4,090	256	767	5,113
Printing, signage and postage	8,974	1,584	-	10,558
Insurance	9,814	2,453	-	12,267
Rent	24,582	4,609	1,536	30,727
Hotel cost for 2-day walk	49,818	-	-	49,818
Food and beverage	52,433	-	-	52,433
Fees for service	41,648	-	-	41,648
Supplies	4,956	551	-	5,507
Rental items and security	35,957	-	-	35,957
Grant awards	568,060	-	-	568,060
Travel, mileage and meals	549	-	137	686
	<u>\$ 1,098,850</u>	<u>\$ 108,197</u>	<u>\$ 46,612</u>	<u>\$ 1,253,659</u>

The accompanying notes are an integral part of these financial statements.

IT'S THE JOURNEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Supporting Activities		Totals
		General and Administrative	Fundraising	
Salaries	\$ 182,677	\$ 75,951	\$ 33,158	\$ 291,786
Payroll benefits	15,738	4,106	2,965	22,809
Payroll taxes	15,402	4,018	2,902	22,322
Advertising, marketing, and event shirts	7,366	423	677	8,466
Special events	-	-	13,017	13,017
Contract labor	22,553	-	-	22,553
Professional fees	-	16,395	-	16,395
Office expense	11,442	3,265	1,635	16,342
Software and fundraising portal	9,726	-	9,726	19,452
Telephone	4,072	255	764	5,091
Printing, signage and postage	9,940	1,754	-	11,694
Insurance	10,529	2,632	-	13,161
Rent	23,582	4,422	1,474	29,478
Food and beverage	238	13	-	251
Fees for service	30,518	1,606	-	32,124
Supplies	1,477	164	-	1,641
Rental items and security	2,966	-	-	2,966
Grant awards	367,666	-	-	367,666
Travel, mileage and meals	778	-	195	973
	<u>\$ 716,670</u>	<u>\$ 115,004</u>	<u>\$ 66,513</u>	<u>\$ 898,187</u>

The accompanying notes are an integral part of these financial statements.

IT'S THE JOURNEY, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 84,132	\$ (40,611)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Required) by Operating Activities:		
Amortization of discount on unconditional promises to give	(10,467)	(1,667)
Unrealized (gain) loss on investments	6,752	(6,716)
Change in assets and liabilities:		
Unconditional promises to give	36,753	15,000
Other assets	(10,557)	(2,375)
Accounts payable and accrued expenses	384	(4,392)
Grants payable	181,270	(524,460)
Refundable advances	(34,321)	19,116
Total adjustments	<u>169,814</u>	<u>(505,494)</u>
Net Cash Provided (Required) by Operating Activities	<u>253,946</u>	<u>(546,105)</u>
Cash Flows from Investing Activities:		
Purchases of investments	<u>(7,453)</u>	<u>(8,038)</u>
Net Cash Required by Investing Activities	<u>(7,453)</u>	<u>(8,038)</u>
Cash Flows from Financing Activities:		
Cash contributions restricted for endowment	<u>30,000</u>	<u>20,000</u>
Net Cash Provided by Financing Activities	<u>30,000</u>	<u>20,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash	276,493	(534,143)
Cash and Cash Equivalents and Restricted Cash at Beginning of Year	<u>983,889</u>	<u>1,518,032</u>
Cash and Cash Equivalents and Restricted Cash at End of Year	<u>\$ 1,260,382</u>	<u>\$ 983,889</u>
Reconciliation of Cash and Cash Equivalents and Restricted Cash to Financial Statements:		
Cash and cash equivalents	\$ 1,200,374	\$ 963,889
Restricted cash	<u>60,008</u>	<u>20,000</u>
	<u>\$ 1,260,382</u>	<u>\$ 983,889</u>

The accompanying notes are an integral part of these financial statements.

IT'S THE JOURNEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – DESCRIPTION OF THE BUSINESS

It's The Journey, Inc. (the "Organization"), is a Georgia nonprofit corporation formed in November 2002. The Organization was founded for the purpose of conducting the Atlanta 2-Day Walk for Breast Cancer (the "Walk"), a two-day annual fundraising walk through metropolitan Atlanta, Georgia.

The Organization's mission is to support Georgians by raising money for breast health and breast cancer programs that focus on screening, diagnostics, genetic counseling and testing, support services, and research.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Restricted Cash

The Organization received a five-year contribution commitment agreement to establish an endowment, as presented in Note 5, in which \$30,000 and \$20,000 was received during 2021 and 2020, respectively, which are included in the cash account at December 31, 2021. In connection with this agreement, the Organization is to invest the endowment funds and therefore, has recorded restricted cash for this amount until the endowment account has been established.

Investments

Investments include certificates of deposits and corporate bonds held at a financial institution and are carried at market value.

IT'S THE JOURNEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contribution Revenue and Contributions Receivable

Contributions, which include unconditional promises to give, are recognized as revenues in the period the contributions are received and reported at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Fair Values Measured on Recurring Basis

FASB establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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. Fair value for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The table below represents fair value measurement hierarchy of the assets at fair value as of December 31:

	<u>2021</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate bonds	\$ 156,552	\$ -	\$ 156,552	\$ -
Cash	165,060	165,060	-	-
	<u>\$ 321,612</u>	<u>\$ 165,060</u>	<u>\$ 156,552</u>	<u>\$ -</u>

IT'S THE JOURNEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Values Measured on Recurring Basis (Continued)

		<u>2020</u>		
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Corporate bonds	\$ 214,809	\$ -	\$ 214,809	\$ -
Certificates of deposit	50,621	50,621	-	-
Cash	55,481	55,481	-	-
	<u>\$ 320,911</u>	<u>\$ 106,102</u>	<u>\$ 214,809</u>	<u>\$ -</u>

Net Assets

The accompanying financial statements present “net assets”. Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization 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 restrictions.
- Net Assets With Donor Restrictions - Net assets subject to donor-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, where the donor stipulates that such resources be maintained in perpetuity.

Risks and Uncertainties

The Organization’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents, receivables and investments. At times, cash and cash equivalent balances exceed federally insured amounts. The Organization believes it reduces risks associated with balances in excess of federal insured amounts by maintaining its cash with major financial institutions with sound financial standing. Management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

The Organization experienced a disruption of normal operations caused from COVID-19 during 2021 and subsequent to year end. The overall financial impact cannot be determined through the date of this report; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to the financial statements.

IT'S THE JOURNEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Refundable Advances

Certain funds received in advance for an upcoming Walk are considered refundable to the donor until the Walk occurs and as such, are reflected as refundable advances liabilities in the accompanying statement of financial position. Upon occurrence of each year's Walk, these amounts are recognized as revenue without restrictions. Refundable advances totaled \$44,725 and \$79,046 at December 31, 2021 and 2020, respectively.

Public Support, Revenue and Expenses

Contributions are recognized when made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Organization.

Registration fees are recognized at a point in time in which the Walk is held. Registration fees received prior to the year in which the Walk occurs are reflected as refundable advances.

The Organization reports gifts of property and equipment as without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long these assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Paycheck Protection Program Grant

In April 2020, the Organization obtained a Small Business Administration ("SBA") loan under the Paycheck Protection Program Flexibility Act ("PPPFA") in the amount of \$65,500. The Paycheck Protection Program ("PPP") loan bore interest at 1% and would follow the repayment terms outlined by the Coronavirus Aid, Relief, and Economic Securities Act (the "CARES Act") and PPPFA. The Organization was allowed to apply for PPP loan proceeds to be forgiven with the lending institution, provided the proceeds were used within a specified timeframe to cover certain payroll and other expenses as outlined in the CARES Act and the PPPFA. Initial repayments of the loan amount were deferred until the date the SBA remits the loan forgiveness funds to the lending institution, or until 16 months after the end of the forgiveness covered period if the Organization does not apply for forgiveness.

The Organization received notification in April 2021 that the PPP loan proceeds were forgiven and accordingly, has recorded other revenues within the statement of activities and changes in net assets for the full amount.

In January 2021, the Organization obtained a second Small Business Administration loan under the PPP in the amount of \$60,788. The second PPP loan has the same provisions as the first loan mentioned above. The Organization has met all the requirements of the grant and recognized the grant as income as of December 31, 2021. The Organization received notification in January 2022 that the PPP loan proceeds were forgiven.

IT'S THE JOURNEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment are recorded at cost and are depreciated using straight line methods over their estimated useful lives. As of December 31, 2021 and 2020, all property and equipment has been fully depreciated.

Allocation of Functional Expenses

The costs of providing the various programs and other activities are summarized on a functional basis in the accompanying statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include hotel costs for walkers, food and beverage costs, advertising, and rent as well as salaries, benefits, payroll taxes, contract labor, professional fees, office expenses, and other, which are allocated on the basis of estimates of time and effort.

Contributed Materials and Services

The Organization records contributed materials and services at the fair value of the materials and services received. Contributed materials and services include supplies, advertising, professional services, and property and equipment and are recorded at fair value as of the date of the gift. Contributions of services are recognized if the services create or enhance nonfinancial assets or if the services require specialized skills and would typically need to be purchased if not provided by donation. A significant portion of these amounts were medical supplies and services contributed by a healthcare provider, shown as fees for service on the accompanying statement of functional expenses.

Donated marketable securities acquired as a gift are recorded at their fair market value on the date of receipt. Donated materials and services of \$42,367 were received and recorded during the year ended December 31, 2021. There were no donated materials or services received during the year ended December 31, 2020. Other contributed services have not been reflected in the accompanying financial statements as they do not meet the criteria for recognition in accordance with GAAP. Those services include individuals and companies which volunteered their time to perform a variety of tasks associated with the Walk.

Tax Exempt Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended, and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision or liability for federal and state income taxes has been recorded in the accompanying financial statements.

IT'S THE JOURNEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Exempt Status (Continued)

The Organization annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Organization takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification. In the normal course of business, the Organization is subject to examination by the federal and state taxing authorities. In general, the Organization is no longer subject to tax examinations for tax years ending before December 31, 2018.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Contributions, which include unconditional promises to give, are recognized as revenues in the period the contributions are received and reported at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Unconditional promises to give at December 31 are due as follows:

	<u>2021</u>	<u>2020</u>
Amounts due in:		
Less than one year	\$ 55,000	\$ 35,000
One to five years	65,000	155,000
Less:		
Present value discount	<u>(19,013)</u>	<u>(32,727)</u>
	<u>\$ 100,987</u>	<u>\$ 157,273</u>

The Organization uses the allowance method to determine the uncollectible unconditional promises to give. At December 31, 2021 and 2020, no allowance for doubtful accounts is deemed necessary.

IT'S THE JOURNEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 – GRANT AWARDS

Grant expenses are recorded when grants are awarded to recipients and grants awarded but unpaid at year end are reported as liabilities. Grants are paid out in two parts in order to ensure the funds are being used properly. If the grantee is not using the first payment of funds properly the Organization can deny payment of the second part of the grant which is written off against grant expense in the year it is denied. During 2021, the Organization awarded \$586,776 as irrevocable grants to be disbursed to recipients in 2021 and 2022 and wrote off the second part of two grant awards from 2020 totaling \$318,716. During 2020, the Organization awarded \$390,506 as irrevocable grants to be disbursed to recipients in 2020 and 2021 and wrote off the second part of two grant awards from 2019 totaling \$22,840.

The following is a reconciliation of grant awards and grant expense during years ended December 31:

	<u>2021</u>	<u>2020</u>
Grants awarded from current year Board commitment	\$ 586,776	\$ 390,506
Grants not awarded from prior year Board commitment	<u>(18,716)</u>	<u>(22,840)</u>
	<u>\$ 568,060</u>	<u>\$ 367,666</u>

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for the following purposes or periods as of December 31:

	<u>2021</u>	<u>2020</u>
Subject to the passage of time:		
Walk and gala contributions for future events	\$ 37,905	\$ -
Contributions	25,298	50,656
Endowments:		
Endowment cash	60,008	20,000
Endowment pledges	<u>75,680</u>	<u>106,616</u>
Total net assets with donor restrictions	<u>\$ 198,891</u>	<u>\$ 177,272</u>

NOTE 6 – NET ASSETS RELEASE FROM DONOR RESTRICTIONS

Net assets released during 2021 and 2020 totaled \$26,753 and \$106,917, respectively, which were time-restricted for the special grant and the 2021 Walk, respectively.

IT'S THE JOURNEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Organization leases certain office space and equipment under non-cancelable operating leases. The minimum future rental payments on non-cancelable operating leases was \$23,436 for the year ending December 31, 2022. Rent expense under non-cancelable operating leases was \$30,727 and \$29,478 for 2021 and 2020, respectively.

The Organization entered into three contracts with a hotel for the Walks to be held in September 2022, October 2023 and September 2024. The contracts contain cancellation clauses whereby the Organization would be liable approximately \$100,000 per contract if the contracts were cancelled before the events.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF RESOURCES

For purposes of analyzing resources available to meet general expenditures, the Organization considers financial assets that will be collected and available for programs that are ongoing to the Organization. Financial assets available within one year are as follows for December 31:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,200,374	\$ 963,889
Investments	321,612	320,911
Unconditional promises to give	<u>15,000</u>	<u>15,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,536,986</u></u>	<u><u>\$ 1,299,800</u></u>

The Organization is substantially supported by contributions and program service fees. Because donor restricted net assets are intended to be used within the next year, the Organization includes these funds in liquidity. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.