

The Resolution Project, Inc.

Audited Financial Statements

June 30, 2023

The Resolution Project, Inc.

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Independent Auditor's Report

To the Board of Directors of
The Resolution Project, Inc.

Opinion

We have audited the accompanying financial statements of The Resolution Project, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2023, 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.

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Substantial Doubt About the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 3 to the financial statements, the Organization has suffered losses from operations and has a deficit balance in net assets without donor restrictions. As a result, substantial doubt exists about the Organization's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

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 issued or available to be issued.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 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.

Report on Summarized Comparative Information

The financial statements of the Organization as of and for the year ended June 30, 2022, were audited by other auditors whose report dated January 23, 2023, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects with the audited financial statements from which it was derived.

Sax CPA's LLP

New York, NY
July 7, 2025

The Resolution Project, Inc.

Statement of Financial Position

As of June 30, 2023

(With comparative totals as of June 30, 2022)

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 107,840	\$ 423,489
Contributions receivable	1,179,513	204,330
Prepaid expenses	19,535	42,067
Security deposits	45,772	92,334
Property and equipment net of accumulated depreciation	14,245	29,160
Operating lease right-of-use ("ROU") assets	746,697	-
TOTAL ASSETS	<u>\$ 2,113,602</u>	<u>\$ 791,380</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 129,616	\$ 95,550
Deferred rent	-	3,552
Operating lease liability	800,073	-
Total liabilities	<u>929,689</u>	<u>99,102</u>
NET ASSETS		
Without donor restrictions	(675,829)	79,316
With donor restrictions	1,859,742	612,962
Total net assets	<u>1,183,913</u>	<u>692,278</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,113,602</u>	<u>\$ 791,380</u>

The attached notes and auditor's report are an integral part of these financial statements.

The Resolution Project, Inc.

Statement of Activities

For the Year Ended June 30, 2023
(With comparative totals for the year ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 6/30/23	Total 6/30/22
PUBLIC SUPPORT AND REVENUE				
Contributions	\$ 648,485	\$ 2,164,484	\$ 2,812,969	\$ 2,016,004
Special event income (net of expenses with a direct benefit to donors)	324,601	-	324,601	239,644
Paycheck Protection Program ("PPP") loan forgiveness	-	-	-	225,000
Interest income	32	-	32	-
Net assets released from restrictions	917,704	(917,704)	-	-
Total public support and revenue	<u>1,890,822</u>	<u>1,246,780</u>	<u>3,137,602</u>	<u>2,480,648</u>
EXPENSES				
Program services	1,924,082	-	1,924,082	1,451,600
Supporting services:				
Management and general	377,364	-	377,364	419,908
Fundraising	344,521	-	344,521	286,862
Total supporting services	<u>721,885</u>	<u>-</u>	<u>721,885</u>	<u>706,770</u>
Total expenses	<u>2,645,967</u>	<u>-</u>	<u>2,645,967</u>	<u>2,158,370</u>
Change in net assets	(755,145)	1,246,780	491,635	322,278
NET ASSETS, beginning of year	<u>79,316</u>	<u>612,962</u>	<u>692,278</u>	<u>370,000</u>
NET ASSETS, end of year	<u>\$ (675,829)</u>	<u>\$ 1,859,742</u>	<u>\$ 1,183,913</u>	<u>\$ 692,278</u>

The attached notes and auditor's report are an integral part of these financial statements.

The Resolution Project, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2023
(With comparative totals for the year ended June 30, 2022)

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses 6/30/23</u>	<u>Total Expenses 6/30/22</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>			
Salaries	\$ 991,393	\$ 205,904	\$ 189,780	\$ 395,684	\$ 1,387,077	\$ 1,208,407
Payroll taxes and benefits	252,214	52,382	48,280	100,662	352,876	290,982
Total salaries and related expenses	<u>1,243,607</u>	<u>258,286</u>	<u>238,060</u>	<u>496,346</u>	<u>1,739,953</u>	<u>1,499,389</u>
Professional fees	72,104	56,000	13,947	69,947	142,051	121,142
Social venture competition	325,697	-	-	-	325,697	193,857
Office expenses	49,071	10,193	9,394	19,587	68,658	21,004
Information technology	33,869	9,101	4,908	14,009	47,878	55,492
Occupancy	161,085	33,456	30,836	64,292	225,377	163,584
Meetings and conferences	21,886	860	793	1,653	23,539	24,158
Insurance	4,415	1,957	845	2,802	7,217	7,882
Special event expenses	-	-	265,467	265,467	265,467	66,669
Other expenses	1,688	5,297	-	5,297	6,985	23,928
Depreciation and amortization	10,660	2,214	2,041	4,255	14,915	21,593
Total expenses	<u>1,924,082</u>	<u>377,364</u>	<u>566,291</u>	<u>943,655</u>	<u>2,867,737</u>	<u>2,198,698</u>
Less: cost of direct benefit to donors netted with revenue	<u>-</u>	<u>-</u>	<u>(221,770)</u>	<u>(221,770)</u>	<u>(221,770)</u>	<u>(40,328)</u>
Total expenses to the statement of activities	<u>\$ 1,924,082</u>	<u>\$ 377,364</u>	<u>\$ 344,521</u>	<u>\$ 721,885</u>	<u>\$ 2,645,967</u>	<u>\$ 2,158,370</u>

The attached notes and auditor's report are an integral part of these financial statements.

The Resolution Project, Inc.

Statement of Cash Flows

For the Year Ended June 30, 2023
(With comparative totals for the year ended June 30, 2022)

	June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 491,635	\$ 322,278
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation and amortization	14,915	21,593
Change in operating lease ROU asset and liability	53,376	-
Changes in assets and liabilities:		
Contributions receivable	(975,183)	99,939
Prepaid expenses and other current assets	22,532	(11,837)
Security deposit	46,562	(45,263)
Accounts payable and accrued expenses	34,066	(306)
PPP loan	-	(225,000)
Deferred rent	(3,552)	(11,291)
Total adjustments	(807,284)	(172,165)
Net cash (used for)/provided by operating activities	(315,649)	150,113
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(12,325)
Net cash used for investing activities	-	(12,325)
Net (decrease)/increase in cash and cash equivalents	(315,649)	137,788
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	423,489	285,701
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 107,840	\$ 423,489

SUPPLEMENTAL CASH FLOW INFORMATION

No taxes or interest were paid.

The attached notes and auditor's report are an integral part of these financial statements.

The Resolution Project, Inc.

Notes to Financial Statements

June 30, 2023

Note 1 - Nature of the Organization

The Resolution Project, Inc. (the "Organization") is dedicated to fostering youth leadership development around the world through collaborative social entrepreneurship. The Organization has a proven model for identifying and inspiring young leaders through their Social Venture Challenges and Resolution Fellowships.

The Organization was incorporated in New York in 2007 and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

The Organization's main sources of revenue include public support from foundations, corporations and individuals, as well as ticket sales.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred rather than received or paid.

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958 - *Presentation of Financial Statement of Not-For-Profit Entities*. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets without Donor Restrictions* - represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets with Donor Restrictions* - represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

b. Leases

Effective July 1, 2022, the Organization adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected transition relief that allows entities, in the period of adoption, to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing FASB ASU No. 2016-02, the Organization recognized right-of-use ("ROU") assets and lease liabilities of \$870,000 on the statement of financial position as of July 1, 2022.

The Resolution Project, Inc.

Notes to Financial Statements

June 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

b. Leases - Continued

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in ROU assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization elected the practical expedient to not separate lease and non-lease components for all leases.

c. Revenue Recognition

The Organization follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value, which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations.

Fundraising revenue (Special event income) - Fundraising revenue is comprised of payments received from third parties (individuals and corporations) to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received, which follows revenue recognition guidance under ASC Topic 606. The amount paid by individuals and corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized over time at the time the fundraising event occurs.

All receivables are due within one year. Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors. Based on knowledge of specific donors and factoring in historical experience, no allowance for doubtful accounts exists as of June 30, 2023. All receivables at June 30, 2023 are due within one year.

The Resolution Project, Inc.

Notes to Financial Statements

June 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

d. Cash and Cash Equivalents

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents for purposes of the accompanying statement of financial position and cash flows.

e. Significant Concentrations

Financial instruments that potentially subject the Organization to concentration of credit risk consist of a checking account held with a financial institution that management deems to be creditworthy. At times, balances may exceed federally insured limits. At period end and at certain times throughout the period, the Organization had uninsured balances; however, they have not suffered any losses due to bank failure.

During the year ended June 30, 2023 and June 30, 2022, contributions from one donor were approximately 53% and 26%, respectively, of total public support and revenue.

f. Property and Equipment

Property and equipment are carried at cost. All purchases in excess of \$5,000 and a useful life beyond one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Website and software - 5 years
Furniture and equipment - 5 - 7 years

g. Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but to provide for the overall support and direction of the Organization. Salaries were allocated using time and effort as the basis.

The Resolution Project, Inc.

Notes to Financial Statements

June 30, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

h. Functional Allocation of Expenses - Continued

The following expenses were allocated using the salary allocation as the basis:

- Payroll taxes and benefits
- Office expenses
- Information technology
- Occupancy
- Insurance
- Depreciation and amortization

All other expenses have been charged directly to the applicable program or supporting services.

i. Management Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

j. In-kind Donations

Donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind, are recognized at fair value.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

k. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any uncertain tax positions.

Effective June 30, 2021, The Organization changed its year-end from December to June and filed a tax return to the six-month period then ended. The Organization had previously filed returns on a December year-end. Tax filings for periods ending December 31, 2020 and later are subject to examination by applicable taxing authorities.

l. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

The Resolution Project, Inc.

Notes to Financial Statements

June 30, 2023

Note 3 - Going Concern

All entities are required to evaluate whether they can continue as a going concern into the future. Management has evaluated 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.

The Organization had a deficit balance of \$675,829 in net assets without donor restrictions at June 30, 2023. As indicated in Note 10, the Organization did not have adequate financial assets available within one year to meet cash needs for general expenditures at June 30, 2023. These conditions raise substantial doubt about the Organization's ability to continue as a going concern.

In response to these conditions, management has developed plans intended to mitigate the risk and support ongoing operations. These plans include, but are not limited to:

- a) Achieving significant operational savings by switching PEOs, which is projected to save \$250,000 in the coming year in benefits costs and exploring other similar changes that take advantage of our new organizational size and related economies of scale.
- b) Opening a savings account with a competitive interest rate so the Organization's cash can grow, until we have a strong enough cushion for a Board designated reserve.
- c) Securing a line of credit with our reserve as collateral.
- d) Budgeting for, and working towards, a fundraising goal of an annual cash surplus of unrestricted funds.
- e) Hiring a Development Director of Institutional Giving, who will support the development team to reach institutional fundraising goals (completed) and hiring a Director of Development to lead the expanded development team and all fundraising activities.
- f) If necessary, utilizing all available cost control efforts that will not impact programming,

However, there is no assurance that these plans will be successful, and the outcome of these efforts is uncertain. As a result of these conditions, there is substantial doubt about the Organization's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 4 - Property and Equipment

Property and equipment consist of:

	June 30,	
	2023	2022
Website and software	\$ 95,818	\$ 95,818
Furniture and equipment	79,735	79,735
	175,553	175,553
Less: accumulated depreciation and amortization	(161,308)	(146,393)
Total property and equipment, net	\$ 14,245	\$ 29,160

The Resolution Project, Inc.

Notes to Financial Statements

June 30, 2023

Note 5 - Operating Lease Right-of-Use ("ROU") Asset and Operating Lease Liability

The Organization evaluated current contracts to determine which met the criteria of a lease. The Organization leases office spaces at 370 Lexington Avenue, New York, NY under non-cancelable leases which expire on December 1, 2027, which have been determined to be operating leases. The terms under the lease do not include any extension options.

The ROU assets represent the Organization's right to use the underlying asset for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from this lease. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities and the weighted average lease term as of June 30, 2023 was 3.39% and 5 year, respectively.

For the year ended June 30, 2023, total operating lease cost was \$222,000. There were no short-term lease costs during the year ended June 30, 2023. Cash paid for operating leases for the year ended June 30, 2023 was \$168,000. There were no noncash investing and financing transactions related to leasing other than the transition entry described in Note 2b.

The aggregate future minimum lease payments due under these operating leases as of June 30, 2023 are as follows:

Year ending:		
June 30, 2024	\$	178,787
June 30, 2025		189,442
June 30, 2026		194,179
June 30, 2027		199,033
June 30, 2028		101,588
Total	\$	863,029
Less: present value discount		(62,956)
Total	\$	800,073

Note 6 - Net Assets with Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

	June 30, 2023			Balance 6/30/23
	Balance 7/1/23	Contributions	Released from Restrictions	
Program restrictions:				
SVC Program	\$ 612,962	\$ 2,164,484	\$ (917,704)	\$ 1,859,742
Total	\$ 612,962	\$ 2,164,484	\$ (917,704)	\$ 1,859,742

The Resolution Project, Inc.

Notes to Financial Statements

June 30, 2023

Note 6 - Net Assets with Donor Restrictions - Continued

	June 30, 2022			
	Balance 7/1/22	Contributions	Released from Restrictions	Balance 6/30/22
Program restrictions:				
Fellowship Program	\$ 16,166	\$ -	\$ (16,166)	\$ -
SVC Program	496,625	767,619	(651,282)	612,962
Total program	512,791	767,619	(667,448)	612,962
Time restrictions	166,500	-	(166,500)	-
Total	<u>\$ 679,291</u>	<u>\$ 767,619</u>	<u>\$ (833,948)</u>	<u>\$ 612,962</u>

Note 7 - Special Events

The Organization holds an annual gala event. A summary of the special event is as follows:

	June 30,	
	2023	2022
Event income	\$ 546,371	\$ 279,972
Less: expenses with a direct benefit to donor	(221,770)	(40,328)
	324,601	239,644
Less: other event expenses	(43,697)	(26,341)
Total	<u>\$ 280,904</u>	<u>\$ 213,303</u>

Note 8 - Paycheck Protection Program

During the six-month period ended June 30, 2021, the Organization obtained a second loan from the Small Business Administration (“SBA”) through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven.

The Organization treated the PPP proceeds in accordance with FASB ASC 958-605, as it is considered to have traits similar to a conditional contribution. Under this treatment, the proceeds from the loan are a liability until all conditions are met, including notification that the loan is forgiven by the SBA. During the year ended June 30, 2022, the Organization received full forgiveness of the PPP loan and recognized the amount as revenue.

Note 9 - Retirement Plan

The Organization offers a 401(k) retirement plan to all of its employees. Employees are eligible after their first month of employment and may designate a percentage of their salaries, subject to regulatory limits, to be contributed to the plan on a pre-tax basis. The plan provides for discretionary employer matching contributions on an annual basis for eligible employees. The Organization did not make any matching contributions to the plan during the year ended June 30, 2023.

The Resolution Project, Inc.

Notes to Financial Statements

June 30, 2023

Note 10 - Availability and Liquidity

Financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial assets at year-end:

Cash and cash equivalents	\$ 107,840
Contributions receivable due within one year	<u>1,179,513</u>

Total financial assets \$ 1,287,353

Less amounts not available for general expenditures:

Donor restricted net assets	<u>(1,859,742)</u>
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Financial assets available within one year to meet
cash needs for general expenditures \$ (572,389)

Note 11- Subsequent Events

Subsequent events have been evaluated through July 7, 2025, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all material subsequent events that have occurred.

The Organization formed a strategic partnership with another not-for-profit organization, Enactus, and was elected to be a member of Enactus. The Organization committed financial and human capital to rebuilding Enactus Global and to building collaborations across the Enactus Network to advance their shared mission.

Subsequent to year-end, the Organization provided an interest-free loan to Enactus totaling \$1,756,066. This amount includes both direct cash disbursements and payments made to vendors on behalf of Enactus. The loan is non-interest bearing and does not contain formal repayment terms. Repayment may be made in whole or in part at any time without penalty for early repayment.

As of July 7, 2025, the Organization has received repayments totaling \$372,390. The outstanding loan balance is approximately \$1,386,676 as of July 7, 2025.

There were no additional material events that have occurred that required adjustment to or disclosure to the financial statements.