

# First Graduate

Financial Statements &  
Independent Auditor's Report  
for the Year Ended  
June 30, 2022

COOK &  
COMPANY

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A PROFESSIONAL ACCOUNTANCY CORPORATION

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A PROFESSIONAL ACCOUNTANCY CORPORATION

## **Independent Auditor's Report**

To the Board of Directors  
First Graduate  
San Francisco, California

### ***Opinion***

We have audited the financial statements of First Graduate (“the Organization”), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 June 30, 2022, the changes in its net assets, its functional expenses, 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Key Audit Matters***

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in our audit of the financial statements of the year ended June 30, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*Recognition and Classification of Revenue and Support in the Financial Statements*

We consider the recognition and classification of revenue and support, which is discussed in Note 2 of the accompanying financial statements, to be a key audit matter. Provisions of this area of accounting require the Organization to record contributions and revenues to the financial statements for the correct year. They also require categorizing revenue and support to the appropriate category based on its reciprocal or nonreciprocal nature as well as the absence or existence of donor restrictions and/or conditions. In addition, this area requires that the Organization reliably determine when performance obligations to customers are satisfied, when donor conditions are met, and when restricted amounts should be released from restriction.

This matter is considered a key audit matter because the recognition and classification of support and revenue has a pervasive effect on the Organization's financial statements, including its changes in net assets, total current assets, and composition amongst *net assets without donor restrictions* and *net assets with donor restrictions*. This area of accounting also requires the Organization to exercise significant judgment in its application of accounting standards, which have undergone changes in the past few years.

This matter was addressed in the current audit through the examination of documentary evidence that supports the recognition and classification of contributed support and contracts with customers. These procedures were instrumental in forming our opinion on the financial statements as a whole.

*Allocation of Expenses to Functional Groupings in the Financial Statements*

We consider the allocation of natural expense categories amongst functional groupings (i.e., *program services*, *management & general*, and *fundraising*) to be a key audit matter. This is discussed in Note 2 of the financial statements.

This matter is considered a key audit matter because certain charity rating services and some institutional funding sources have been known to evaluate nonprofit organizations according to the overall proportion of expenses allocated to program services. Furthermore, because the expense allocations are based on time-and-effort estimates rather than factual data (e.g., timesheets), they require the Organization's personnel to exercise significant judgment.

This matter was addressed during the current audit through analysis of the design and execution of the Organization's cost allocation methodology. We assessed the methodology's consistency with GAAP, reviewed the underlying employee time-and-effort estimates for reasonableness and consistency with job titles, and verified through reperformance certain allocation calculations as part of forming our opinion on the financial statements as a whole.

***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.

***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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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, and have communicated, 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.

First Graduate  
Independent Auditor's Report  
October 26, 2022  
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***Report on Summarized Comparative Information***

We have previously audited the June 30, 2021, financial statements of First Graduate, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



A Professional Accountancy Corporation  
San Francisco, California  
October 26, 2022

# First Graduate

## Statement of Financial Position June 30, 2022 with Comparative Totals for June 30, 2021

	<u>6/30/2022</u>	<u>6/30/2021</u> (Note 2)
ASSETS		
Current Assets:		
Cash & cash equivalents	\$ 1,468,403	\$ 1,257,391
Grants & pledges receivable, current (Note 3)	311,285	311,837
Government grants receivable	3,421	6,721
Prepaid expenses & other	15,056	11,787
Total current assets	<u>1,798,165</u>	<u>1,587,736</u>
Grants & pledges receivable, long-term (Note 3)	162,403	133,180
Deposits	6,500	6,500
Property & equipment, net (Note 4)	7,172	15,593
TOTAL ASSETS	<u>\$ 1,974,240</u>	<u>\$ 1,743,009</u>
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 9,633	\$ 11,138
Accrued vacation pay	58,729	56,288
Deferred rent liability, current (Note 5)	7,041	4,521
Other	-	1,325
Total current liabilities	<u>75,403</u>	<u>73,272</u>
Long-term debt	-	168,093
Deferred rent liability, long-term (Note 5)	6,898	13,939
TOTAL LIABILITIES	82,301	255,304
Net Assets		
Without donor restrictions	961,619	831,075
With donor restrictions (Note 6)	930,320	656,630
TOTAL NET ASSETS	<u>1,891,939</u>	<u>1,487,705</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,974,240</u>	<u>\$ 1,743,009</u>

See accompanying notes to financial statements and independent auditor's report.

## First Graduate

### Statement of Activities and Changes in Net Assets for the Year Ended June 30, 2022 with Comparative Totals for the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total (Note 2)
Support & Revenue:				
Foundation & corporate grants	\$ 399,078	\$ 1,093,702	\$ 1,492,780	\$ 1,410,334
Donations	180,051	75,000	255,051	91,012
Government grants	68,912	-	68,912	45,619
In-kind support	350	-	350	2,625
Net assets released from restriction:				
Satisfaction of donor restrictions	895,012	(895,012)	-	-
Special events - contributions	105,634	-	105,634	140,990
Special events - fair value portion	14,414	-	14,414	9,320
Less: Direct event expenses	(57,008)	-	(57,008)	(20,238)
Forgiveness of debt	168,093	-	168,093	169,096
Other income	975	-	975	34,410
<b>Total support &amp; revenue</b>	<b>1,775,511</b>	<b>273,690</b>	<b>2,049,201</b>	<b>1,883,168</b>
Expenses:				
Program services	1,097,282	-	1,097,282	861,595
Management & general	277,350	-	277,350	294,408
Fundraising	270,335	-	270,335	240,772
<b>Total expenses</b>	<b>1,644,967</b>	<b>-</b>	<b>1,644,967</b>	<b>1,396,775</b>
<b>CHANGE IN NET ASSETS</b>	<b>130,544</b>	<b>273,690</b>	<b>404,234</b>	<b>486,393</b>
<b>NET ASSETS, July 1</b>	<b>831,075</b>	<b>656,630</b>	<b>1,487,705</b>	<b>1,001,312</b>
<b>NET ASSETS, June 30</b>	<b>\$ 961,619</b>	<b>\$ 930,320</b>	<b>\$ 1,891,939</b>	<b>\$ 1,487,705</b>

See accompanying notes to financial statements and independent auditor's report.



## First Graduate

### Statement of Functional Expenses for the Year Ended June 30, 2022 with Comparative Totals for the Year Ended June 30, 2021

	Program Services	Management & General	Fundraising	2022 Total	2021 Total (Note 2)
Salaries	\$ 612,873	\$ 103,010	\$ 102,904	\$ 818,787	\$ 719,523
Payroll taxes	51,439	8,012	8,221	67,672	59,615
Employee benefits	71,160	17,618	15,657	104,435	72,687
Staff development	3,325	764	1,916	6,005	2,952
Accounting services	-	60,474	-	60,474	60,545
Information technology support	-	6,480	-	6,480	6,480
Marketing consultants	-	-	25,867	25,867	32,177
Other fees for services	31,023	9,337	66,797	107,157	15,826
In-kind professional services	-	-	-	-	2,000
Rent & utilities	71,574	11,029	15,948	98,551	94,531
Office supplies	8,524	7,636	4,697	20,857	14,241
Telephone	1,290	1,667	90	3,047	6,208
Postage	240	141	6,167	6,548	7,449
Printing & copying	112	6,454	27	6,593	2,638
Travel & meetings	1,491	2,446	392	4,329	5,045
Dues & subscriptions	2,516	13,802	15,325	31,643	26,843
Insurance	9,330	1,161	1,949	12,440	11,526
Books & materials	13,207	-	-	13,207	3,979
Student fees & admissions	3,882	-	-	3,882	4,924
Student/mentor meals & snacks	1,623	-	-	1,623	-
Student travel	4,419	-	-	4,419	-
Scholarships awarded	193,873	-	-	193,873	177,172
Awards & honoraria	4,917	-	-	4,917	6,010
Special event production	-	-	57,008	57,008	28,097
Depreciation	6,315	786	1,319	8,420	14,847
Bad debt expense	-	-	-	-	11,955
Other expenses	4,149	26,533	3,059	33,741	29,743
Total expenses by function	\$ 1,097,282	\$ 277,350	\$ 327,343	\$ 1,701,975	\$ 1,417,013
Less expenses included with revenues on the statement of activities					
Direct expenses of fundraising events			(57,008)	(57,008)	(20,238)
Total expenses included in the expense section on the statement of activities	\$ 1,097,282	\$ 277,350	\$ 270,335	\$ 1,644,967	\$ 1,396,775

See accompanying notes to financial statements and independent auditor's report.

## First Graduate

### Statement of Cash Flows for the Year Ended June 30, 2022 with Comparative Totals for the Year Ended June 30, 2021

	2022	2021 (Note 2)
<b><i>Cash flows from operating activities:</i></b>		
Change in net assets	\$ 404,234	\$ 486,393
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Forgiveness of debt	(168,093)	(169,096)
Interest accrued on forgivable government loan	-	2,389
Depreciation expense	8,420	14,847
Amortization of deferred rent	(4,520)	(2,075)
Changes in assets and liabilities:		
(Increase) decrease in grants & pledges receivable	(28,671)	(172,931)
(Increase) decrease in government grants receivable	3,300	1,995
(Increase) decrease in other receivables	-	4,115
(Increase) decrease in prepaid expenses & deposits	(3,269)	(8,537)
Increase (decrease) in accounts payable	(1,505)	(13,628)
Increase (decrease) in accrued vacation pay	2,441	24,574
Increase (decrease) in other liabilities	(1,325)	(5,612)
<b>Cash provided (used) by operating activities:</b>	211,012	162,434
<b><i>Cash flows from financing activities:</i></b>		
Cash proceeds from forgivable government loan	-	167,400
<b>Cash provided (used) by financing activities:</b>	-	167,400
<b>Cash provided (used) during year</b>	211,012	329,834
<b>Cash &amp; cash equivalents balance, beginning of year</b>	1,257,391	927,557
<b>Cash &amp; cash equivalents balance, end of year</b>	\$ 1,468,403	\$ 1,257,391

See accompanying notes to financial statements and independent auditor's report.

# First Graduate

## Notes to Financial Statements for the Year Ended June 30, 2022

### 1. The Organization

#### Nature of Activities

First Graduate (the Organization) was incorporated in November 2000 to help students finish high school and become the first in their families to graduate from college. From the seventh grade through college, the Organization's program is designed to help ensure that students enter college prepared to succeed and stay until they graduate.

Program services consist of:

- One-on-one mentoring,
- Academic instruction, tutoring and support,
- High school and college counseling,
- Family engagement activities,
- Eligibility for annual scholarships, and
- Long-term case management

First Graduate is a nonprofit organization exempt from income taxes under Internal Revenue Code Section 501(c)(3) and section 23701(d) of the California Revenue and Taxation Code. The Organization is governed by a board of directors.

#### Funding

Contributions are received from foundations, corporations and individuals. The Organization also holds an annual gala fundraising event.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, support is recognized when it is awarded, revenue is recognized when it is earned and expenses are recognized when they are incurred.

#### Cash & Cash Equivalents

Cash and cash equivalents consist of funds held in a bank checking account, as well as undeposited checks.

#### Grants & Pledges Receivable

Grants and pledges receivable are recorded based on formal promises received from donors. Amounts due within one year of the balance sheet date are stated at face value, while amounts due beyond one year are discounted to present value using an annual rate of 0.45%.

#### Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable approximate fair value because of the short maturity of these instruments.

#### Property & Equipment

First Graduate capitalizes computers, other office equipment and furnishings with an initial cost of at least \$1,500. Purchased items are stated at cost, while donated fixed assets are stated at their fair market value at the time of donation. Depreciation is computed using the straight-line

# First Graduate

## Notes to Financial Statements for the Year Ended June 30, 2022

method over the estimated useful lives of the respective assets, which range from 3 to 5 years for fixed assets currently on the books.

### Beneficial Interest in Assets Held by Marin Community Foundation

In November 2021, First Graduate's founder contributed \$3 million to the Marin Community Foundation (the Foundation) for the purpose of establishing an endowment fund to benefit First Graduate's program. The *First Graduate Endowment Fund of the Marin Community Foundation* (the fund) is a designated beneficiary fund established to accept contributions and make an annual grant to First Graduate in accordance with the Foundation's spending rule.

The Foundation shall have variance power to unilaterally modify any restriction or condition of these funds in the event such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the needs of the community served by the Foundation. Accordingly, these funds are considered assets of the Foundation and not recognized as assets of the Center in the financial statements. First Graduate shall treat distributions from this fund as grants when awarded by the Foundation.

No grants were made from the fund during the year ended June 30, 2022. The fund is held in the Foundation's pooled investment funds with a target asset allocation of 75% equities and 25% fixed income securities. The fund's reported fair value was approximately \$2.6 million as of June 30, 2022.

### Net Assets

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

**Net assets without donor restrictions**, which includes resources not subject to, or no longer subject to, donor-imposed stipulations.

**Net assets with donor restrictions**, which includes resources whose use is limited by donor-imposed time and/or purpose restrictions.

### Recognition of Contributions

The Organization recognizes contributions when it receives cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest.

Contributions are reported as increases in *net assets without donor restrictions* unless use of the contributed assets is limited by donor-imposed stipulations. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in *net assets without donor restrictions* unless they are encumbered by explicit donor stipulation or by law. Expirations of donor-restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time-period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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 substantially met. The Organization's contracts with government agencies are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2022, conditional contributions approximating \$48,000, for which no amounts had been received in advance, have not been recognized in the accompanying financial statements.

# First Graduate

## Notes to Financial Statements for the Year Ended June 30, 2022

### In-kind Support

In-kind contributions are reflected in the financial statements at the estimated fair market value at the date of receipt. When skilled and professional-level volunteer time is donated, it is valued at the rates First Graduate would otherwise need to pay for such services.

### Functional Expenses

The Organization presents its expenses by function and natural category. *Program services* include the direct conduct and direct supervision of specific program activities. *Fundraising* includes efforts to solicit monetary and nonmonetary contributions. *Management & general* includes general oversight, recordkeeping, regulatory compliance, governance, financial management, and all other activities that do not constitute the direct conduct or direct supervision of specific program services or fundraising activities.

The Organization allocates each employee's compensation to functions on a semi-monthly basis according to time-and-effort estimates developed by management at the beginning of the fiscal year. Overall time and effort percentages are then developed for the agency as a whole and used to allocate rent and other shared facility costs amongst the three major functions.

Other expenses are charged directly to the appropriate function based on specific identification.

All advertising costs are expensed as incurred.

### Income Taxes

As a public charity organized under Internal Revenue Code Section 501(c)(3), First Graduate is exempt from income taxes, except on activities unrelated to its mission. As management believes that all of the Organization's revenue is exempt from federal and state income tax, no provision has been made for income tax expense. The Organization's federal *Return of Organization Exempt from Income Tax* (Form 990) filings for the tax years ending in 2019 through 2022 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Organization's California *Exempt Organization Annual Information Return* (Form 199) filings for the tax years ending in 2018 through 2022 are subject to examination by the Franchise Tax Board, generally for four years after they were filed.

### Use of Estimates

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

### Recent Accounting Pronouncement

Accounting Standards Update No. 2014-09— *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09) was issued by the Financial Accounting Standards Board (FASB) in May 2014 and is effective for nonpublic entities in calendar years ending in 2020 and beyond.

This update supersedes or replaces nearly all GAAP revenue recognition guidance for reciprocal transactions. These standards establish a new five-step contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

The enactment of this pronouncement is reflected in the Organization's financial statements for the year ended June 30, 2021. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

# First Graduate

## Notes to Financial Statements for the Year Ended June 30, 2022

### Comparative Data

The financial statement information for the year ended June 30, 2021, presented for comparative purposes, is not intended to be a complete financial statement presentation. For a complete presentation of June 30, 2021, please refer to the financial statements for that year.

### Reclassification

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

### 3. Grants & Pledges Receivable

#### *Current*

Due within one year	\$311,285
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#### *Long-term*

Due in one to five years	164,000
Less: present value discount @ 0.45%	<u>(1,597)</u>
Subtotal – long-term	162,403

Grand total	\$473,688
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### 4. Property & Equipment

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Furnishings	\$31,476	\$28,519	\$2,957
Computers & equipment	<u>15,780</u>	<u>11,565</u>	<u>4,215</u>
Total	\$47,256	\$40,084	\$7,172

### 5. Operating Leases

The Organization rents its San Francisco office under a 63-month operating lease which commenced in January 2019. The lease agreement established minimum monthly rent at \$6,500, followed by annual increases of approximately 3% for the duration of the lease term. The lease contains a three-month rent abatement which has been deferred to future periods so that rent expense is properly recognized on a straight-line basis over the term of the lease. The current portion of the liability (\$7,041) will be amortized during 2022-2023, while the non-current portion (\$6,898) will be amortized in 2023-2024. Total rent expense for the year was \$83,374.

The lease also calls for the tenant's pro rata share of increases in building insurance and property taxes.

In addition, the Organization rents a copier under a five-year operating lease which commenced in January 2019.

The combined future minimum rental payments under the office lease and copier lease are as follows:

# First Graduate

## Notes to Financial Statements for the Year Ended June 30, 2022

<u>Year ending June 30:</u>	
2023	\$88,995
2024	<u>67,743</u>
Total	\$156,738

### 6. Net Assets with Donor Restrictions

The balance of *net assets with donor restrictions* represents contributions to First Graduate that have been restricted for a specific purpose or time period. Details are as follows:

College scholarships and related program support	\$692,267
General operating & program support for future periods	<u>238,053</u>
Total	\$930,320

### 7. Retirement Plan

First Graduate maintains a 403(b) retirement savings plan for its employees. There were no employer contributions to employee accounts for the year ended June 30, 2022.

### 8. Contingencies

#### COVID-19

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the Organization's ability to conduct program activities or raise contributions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. As such, the financial impact of this situation cannot be reasonably estimated at this time.

#### Satisfaction of Donor Requirements

First Graduate receives contributions that are restricted for a specific program or purpose. If such restrictions are not met in accordance with the funding source agreement, there is the possibility that funds would have to be returned to the donor. It is management's opinion that all donor requirements have been met for contributions that have been released from *net assets with donor restrictions* or recorded directly to *net assets without donor restrictions*.

#### Concentration of Cash Deposits

First Graduate maintains its cash within a single financial institution. The Federal Deposit Insurance Corporation only insures up to \$250,000. Although this presents the possibility of loss, management believes that the risk is minimal.

### 9. Liquidity & Availability of Financial Assets

First Graduate regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. First Graduate has various sources of liquidity at its disposal, including cash and cash equivalents, and a credit card.

# First Graduate

## Notes to Financial Statements for the Year Ended June 30, 2022

For purposes of analyzing resources available to meet general expenditures over a 12-month period, First Graduate considers all expenditures related to its ongoing activities of supporting college access and persistence, youth development, research, and public service as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, First Graduate operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash and shows positive cash generated by operations for fiscal year 2021 and 2022.

As of June 30, 2022, the following table shows the total financial assets held by First Graduate and the amounts of those financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash & equivalents	\$1,486,403
Grants & pledges receivable	311,285
Government grant receivable	<u>3,421</u>
Total	\$1,801,109*

\*The total presented for financial assets available within one year for general expenditures is not reduced by the balance of net assets with donor restrictions since such restricted amounts are available for the Organization's ongoing and major activities.

### 10. Subsequent Events

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through October 26, 2022, the date the financial statements were available to be issued.