



# Financial Statements

## World Savvy

San Francisco, California

For the years ended June 30, 2022 and 2021



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World Savvy  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
World Savvy  
San Francisco, California

### Opinion

We have audited the accompanying financial statements of World Savvy (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 World Savvy as of June 30, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 World Savvy 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.

### 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 World Savvy 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 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.



**Abdo**  
Minneapolis, Minnesota  
January 17, 2023



FINANCIAL STATEMENTS

World Savvy  
Statements of Financial Position  
June 30, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,620,625	\$ 1,173,390
Accounts receivable	25,316	48,344
Pledges receivable, current	1,499,030	3,253,697
Prepaid expenses	26,194	19,470
Total Current Assets	4,171,165	4,494,901
Property and Equipment		
Furniture and equipment	11,970	-
Intangible Assets		
Website	63,375	63,375
Less: Accumulated amortization	(61,850)	(40,725)
Total Intangible Assets, Net	1,525	22,650
Noncurrent Assets		
Pledges receivable, noncurrent, net of discount of \$139,000 and \$101,000 in 2022 and 2021, respectively	2,586,000	1,976,500
Security deposits	7,612	9,532
Total Noncurrent Assets	2,593,612	1,986,032
Total Assets	\$ 6,778,272	\$ 6,503,583
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 88,836	\$ 64,258
Accrued interest	-	2,917
Deferred revenue	8,500	7,500
Paycheck Protection Program note payable	-	175,100
Notes payable, current	-	250,000
Total Liabilities	97,336	499,775
Net Assets		
Without donor restrictions	2,609,938	787,576
With donor restrictions	4,070,998	5,216,232
Total Net Assets	6,680,936	6,003,808
Total Liabilities and Net Assets	\$ 6,778,272	\$ 6,503,583

See Independent Auditor's Report and Notes to the Financial Statements.

World Savvy  
Statements of Activities  
For the Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Support						
Foundation and corporate support	\$ 190,883	\$ 441,000	\$ 631,883	\$ 230,972	\$ 5,035,100	\$ 5,266,072
Contributions	916,355	1,667,923	2,584,278	702,311	107,458	809,769
Special events, net of direct expenses of \$96,892 and \$36,567 in 2022 and 2021, respectively	52,754	-	52,754	105,468	-	105,468
In-kind contributions	62,170	-	62,170	290,037	-	290,037
Government grants	-	200,100	200,100	1,179	10,000	11,179
Total Support	<u>1,222,162</u>	<u>2,309,023</u>	<u>3,531,185</u>	<u>1,329,967</u>	<u>5,152,558</u>	<u>6,482,525</u>
Revenue						
Program fees	132,657	-	132,657	76,690	-	76,690
Other income	61	-	61	110	-	110
Total Revenue	<u>132,718</u>	<u>-</u>	<u>132,718</u>	<u>76,800</u>	<u>-</u>	<u>76,800</u>
Net assets released from restrictions	<u>3,454,257</u>	<u>(3,454,257)</u>	<u>-</u>	<u>833,609</u>	<u>(833,609)</u>	<u>-</u>
Total Support and Revenue	<u>4,809,137</u>	<u>(1,145,234)</u>	<u>3,663,903</u>	<u>2,240,376</u>	<u>4,318,949</u>	<u>6,559,325</u>
Expenses						
Program services	<u>1,848,895</u>	<u>-</u>	<u>1,848,895</u>	<u>842,715</u>	<u>-</u>	<u>842,715</u>
Support services						
Management and general	738,684	-	738,684	816,993	-	816,993
Fundraising	399,196	-	399,196	362,144	-	362,144
Total Support Services	<u>1,137,880</u>	<u>-</u>	<u>1,137,880</u>	<u>1,179,137</u>	<u>-</u>	<u>1,179,137</u>
Total Expenses	<u>2,986,775</u>	<u>-</u>	<u>2,986,775</u>	<u>2,021,852</u>	<u>-</u>	<u>2,021,852</u>
Change in Net Assets	1,822,362	(1,145,234)	677,128	218,524	4,318,949	4,537,473
Net Assets, Beginning	<u>787,576</u>	<u>5,216,232</u>	<u>6,003,808</u>	<u>569,052</u>	<u>897,283</u>	<u>1,466,335</u>
Net Assets, Ending	<u>\$ 2,609,938</u>	<u>\$ 4,070,998</u>	<u>\$ 6,680,936</u>	<u>\$ 787,576</u>	<u>\$ 5,216,232</u>	<u>\$ 6,003,808</u>

See Independent Auditor's Report and Notes to the Financial Statements.

World Savvy  
Statements of Functional Expenses  
For the Year Ended June 30, 2022

	Support Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Support Services	
Personnel Costs					
Salaries	\$ 1,245,620	\$ 308,812	\$ 258,371	\$ 567,183	\$ 1,812,803
Payroll taxes	96,452	23,852	19,288	43,140	139,592
Employee benefits	100,017	24,061	20,707	44,768	144,785
Total Personnel Costs	<u>1,442,089</u>	<u>356,725</u>	<u>298,366</u>	<u>655,091</u>	<u>2,097,180</u>
Expenses					
Accounting	-	190,697	-	190,697	190,697
Consulting	114,550	29,383	22,404	51,787	166,337
Dues, licenses and service fees	45	4,549	3,452	8,001	8,046
Equipment rental and maintenance	2,022	622	467	1,089	3,111
Facility Rentals	2,300	-	-	-	2,300
Insurance	3,543	1,090	817	1,907	5,450
Meetings and conferences	9,611	2,229	-	2,229	11,840
Memberships and subscriptions	7,398	3,200	6,828	10,028	17,426
Occupancy	61,864	19,160	14,276	33,436	95,300
Printing and postage	2,807	1,015	1,242	2,257	5,064
Professional development	28,651	14,830	6,821	21,651	50,302
Professional fees	6,244	64,091	1,441	65,532	71,776
Public relations and marketing	7,517	1,765	2,800	4,565	12,082
Stipends	3,000	-	-	-	3,000
Supplies	26,509	13,805	8,552	22,357	48,866
Telephone and internet	35,923	20,952	11,933	32,885	68,808
Travel, meals and entertainment	72,421	14,571	19,797	34,368	106,789
Web design and maintenance	1,276	-	-	-	1,276
Total Expenses Before Amortization	<u>1,827,770</u>	<u>738,684</u>	<u>399,196</u>	<u>1,137,880</u>	<u>2,965,650</u>
Amortization	<u>21,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,125</u>
Total Expenses	<u>\$ 1,848,895</u>	<u>\$ 738,684</u>	<u>\$ 399,196</u>	<u>\$ 1,137,880</u>	<u>\$ 2,986,775</u>

See Independent Auditor's Report and Notes to the Financial Statements.



**World Savvy**  
**Statements of Functional Expenses (Continued)**  
**For the Year Ended June 30, 2021**

	Support Services				Total Expenses
	Program Services	Management and General	Fundraising	Total Support Services	
Personnel Costs					
Salaries	\$ 610,314	\$ 245,079	\$ 241,086	\$ 486,165	\$ 1,096,479
Payroll taxes	44,847	17,930	17,692	35,622	80,469
Employee benefits	34,764	27,859	18,754	46,613	81,377
Total Personnel Costs	689,925	290,868	277,532	568,400	1,258,325
Expenses					
Accounting	-	95,360	525	95,885	95,885
Consulting	64,518	47,406	40,731	88,137	152,655
Dues, licenses and service fees	119	7,595	3,750	11,345	11,464
Equipment rental and maintenance	2,558	1,534	1,534	3,068	5,626
Insurance	2,101	1,260	1,260	2,520	4,621
Meetings and conferences	82	82	109	191	273
Memberships and subscriptions	1,587	2,909	2,940	5,849	7,436
Occupancy	18,809	11,283	11,283	22,566	41,375
Printing and postage	872	723	827	1,550	2,422
Professional development	4,972	9,520	4,742	14,262	19,234
Professional fees	3,775	292,685	2,310	294,995	298,770
Public relations and marketing	479	909	429	1,338	1,817
Supplies	15,693	7,301	1,678	8,979	24,672
Telephone and internet	27,621	23,332	10,497	33,829	61,450
Travel, meals and entertainment	2,629	3,101	1,258	4,359	6,988
Web design and maintenance	6,975	-	739	739	7,714
Total Expenses Before Amortization	842,715	795,868	362,144	1,158,012	2,000,727
Amortization	-	21,125	-	21,125	21,125
Total Expenses	\$ 842,715	\$ 816,993	\$ 362,144	\$ 1,179,137	\$ 2,021,852

See Independent Auditor's Report and Notes to the Financial Statements.

World Savvy  
Statements of Cash Flows  
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	\$ 677,128	\$ 4,537,473
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of Paycheck Protection Program note payable	(175,100)	-
Amortization	21,125	21,125
Change in assets:		
Accounts receivable	23,028	320
Pledges receivable	1,145,167	(4,359,232)
Prepaid expenses	(6,724)	11,226
Security deposits	1,920	4,802
Change in liabilities:		
Accounts payable	24,578	34,979
Other accrued expenses	(2,917)	-
Deferred revenue	1,000	6,250
Refundable advance	-	(10,000)
Net Cash Provided by Operating Activities	1,709,205	246,943
Cash Flows from Investing Activities		
Purchase of property and equipment	(11,970)	-
Cash Flows from Financing Activities		
Proceeds from short-term debt	-	175,100
Payments on long-term debt	(250,000)	-
Net Cash Provided (Used) by Financing Activities	(250,000)	175,100
Increase in Cash and Cash Equivalents	1,447,235	422,043
Cash and Cash Equivalents, Beginning	1,173,390	751,347
Cash and Cash Equivalents, Ending	\$ 2,620,625	\$ 1,173,390
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 3,261	\$ 6,179

See Independent Auditor's Report and Notes to the Financial Statements.

World Savvy  
Notes to the Financial Statements  
June 30, 2022 and 2021

## Note 1: Summary of Significant Accounting Policies

### A. Nature of Activities

World Savvy (the Organization) is a non-profit public benefit corporation founded in 2002 that addresses the need for global competence by partnering with educators, schools, and districts to integrate the highest quality of global competence teaching and learning into K-12 classrooms, so all young people can be prepared to engage, succeed, and meet the challenges of 21<sup>st</sup> century citizenship.

The Organization's mission is to educate youth to learn, work, and thrive as responsible global citizens of the 21<sup>st</sup> century. As the leading provider of global competence education, the Organization envisions a K-12 education system that prepares all students with the knowledge, skills, and dispositions for success and active engagement in the global community. Since 2002, the Organization has reached more than 640,000 youth and nearly 3,800 educators across their three offices in San Francisco (2002), New York (2007), and Minneapolis - St. Paul (2008).

The Organization partners with schools and districts to support the systemic integration of global competence education. Partners with the Organization have the ability to choose from a range of programs and services and customize partnership packages to best fit their needs.

Sources of revenue include contributions from individuals, corporations, private foundations, special events, and program fees.

### B. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles issued by the Financial Accounting Standards Board. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Net Assets With Donor Restrictions - Net assets with donor restrictions are those resources subject to donor imposed restrictions, which will be satisfied by actions of the Organization or passage of time.

Revenue is recorded as net assets without donor restrictions or net assets with donor restrictions support, depending on the existence and nature of any donor restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor stipulation or by law.

### C. Use of Estimates

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

### D. Cash and Cash Equivalents

The Organization considers all short-term debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

World Savvy  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**E. Concentrations**

The Organization maintains cash in bank deposit accounts at high credit quality financial institutions. Cash accounts are insured by FDIC. The balances may, at times, exceed federally insured limits. The Organization has not experienced any loss on these accounts and believes it is not exposed to any significant credit risk.

A significant portion of the receivables are from two donors. As of June 30, 2022 and 2021, the amount due from the donors was 88% and 93% of the total receivables, respectively.

**F. Accounts Receivable**

Accounts receivable consist of amounts due for program services rendered and grants awarded but not yet received. All amounts are expected to be collected within one year. No interest is accrued on accounts receivable. No allowance for uncollectible amounts is considered necessary as of June 30, 2022 and 2021, since management expects all receivables to be collectible.

**G. Pledges Receivable**

Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at present value of the amounts to be collected. No allowance for uncollectible amounts is considered necessary as of June 30, 2022 and 2021, since management expects all receivables to be collectible.

**H. Property and Equipment**

The Organization capitalizes all asset additions over \$1,000. Purchased property and equipment is recorded at cost. Contributed property and equipment is recorded at fair market value at the date of donation. Depreciation and amortization are computed on the straight-line method over the estimated useful life of the respective asset.

Assets	Useful Lives in Years
Furniture and Equipment	3 - 7

**I. Intangible Assets**

Intangible assets with finite lives are amortized over their respective estimated useful life of three years using the straight-line method. Intangible assets are reviewed for indicators of impairment at least annually and evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management believes there are no impairment losses for the years ended June 30, 2022 and 2021. The intangible asset is a website, and amortization expense for the years ended June 30, 2022 and 2021 was \$21,125 and \$21,125, respectively.

World Savvy  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**J. Revenue Recognition**

Revenue from program service fees is recognized as income in the period that the program event is held. Payments received in advance are deferred to the applicable period in which the program event is held.

Contributions are recorded as revenue when notified as revenue with donor restrictions or revenue without donor restrictions, depending on the existence or nature of any donor restrictions. All donor-imposed restrictions are reported as increases in net assets with donor restrictions, depending on the existence or nature of any restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

**K. In-Kind Contributions**

In-kind contributions included in the Statement of Activities are comprised of the following:

	<u>2022</u>	<u>2021</u>
Legal Services	<u>\$ 62,170</u>	<u>\$ 290,037</u>

In-kind contributions are recognized as support and as a corresponding asset or expense at their estimated fair value on the date of the gift. Legal services are valued based on current rates of legal services provided by law firms.

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their values in the period received.

**L. Expense Allocation**

The costs of providing the Organization's various programs and supporting services are reflected on the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**M. Income Taxes**

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. The Organization is subject to income tax on any unrelated business.

The Organization has evaluated for uncertain tax positions, and management has determined there are no uncertain tax positions as of June 30, 2022 and 2021.

**N. Marketing**

Costs for public relations and marketing are expensed as incurred and were \$12,082 and \$1,817 for the years ended June 30, 2022 and 2021, respectively. Costs for marketing consultants were also expensed as incurred and were \$28,037 and \$49,500 for the years ended June 30, 2022 and 2021, respectively.

World Savvy  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**O. New Accounting Pronouncements**

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition to separate presentation on the statement of activities, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, description of programs or activities in which the assets were used, and if monetized a policy about monetizing rather than utilizing the asset(s). The amendments in this ASU were applied on a retrospective basis and went into effect for the Organization for the year ended June 30, 2022.

**P. Upcoming Accounting Pronouncements**

In March 2016, the FASB issued ASU No. 2016-02, Leases, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The new guidance is effective for the Organization for the year ending June 30, 2023. The Organization is currently evaluating the impact of the results of operations, financial condition and cash flows and has not determined the impact on its financial statements at this time.

**Q. Subsequent Events**

In preparing these financial statements the Organization has evaluated events and transactions for potential recognition or disclosure through January 17, 2023, the date the financial statements were available to be issued.

**Note 2: Pledges Receivable**

Pledges receivable comprise unconditional promises to give with collection periods through 2027. Amounts due later than one year are discounted at a rate of 2% to the present value of estimated future cash flows. Pledges are recognized at their estimated fair value and are restricted for the passage of time. No allowance for doubtful account is recorded.

Pledges receivable at June 30, 2022 and 2021, respectively, are as follows:

	2022	2021
Amounts due in:		
Less than one year:	\$ 1,499,030	\$ 3,253,697
More than one year:	2,725,000	2,077,500
Totals	4,224,030	5,331,197
Less: Discount to present value	(139,000)	(101,000)
 Total Pledges Receivable	 \$ 4,085,030	 \$ 5,230,197

World Savvy  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 3: Notes Payable**

The Organization's note payable consisted of an uncollateralized \$250,000 promissory note with The Mortenson Family Foundation at a rate equal to 2.0% per annum, with the principal and interest due at maturity on November 30, 2021. Accrued interest at June 30, 2022 and 2021, was \$0 and \$2,917, respectively. Notes payable as of June 30, 2022 and 2021 were \$0 and \$250,000, respectively.

**Note 4: Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following as of June 30, 2022 and 2021:

	2022	2021
Time and General Restrictions	\$ 4,005,998	\$ 5,126,332
Partnerships	65,000	89,900
Total	\$ 4,070,998	\$ 5,216,232

Net assets released from restriction during the years ended June 30, 2022 and 2021, consisted of the following:

	2022	2021
Time and General Restrictions	\$ 3,197,300	\$ 550,500
COVID-19 Relief	200,100	-
Partnerships	54,900	63,200
Other Programs	1,957	12,712
Growth Capital	-	200,000
Technology Updates	-	7,197
Total	\$ 3,454,257	\$ 833,609

**Note 5: Operating Leases**

The Organization leases office space and a copier at their Minneapolis and San Francisco locations. The leases expire at various times through 2028. Rental expense was \$97,600 and \$41,375 for the years ended June 30, 2022 and 2021, respectively.

The future rental commitments for operating leases are as follows:

Year Ended June 30,	Amount
2023	\$ 98,419
2024	94,944
2025	33,448
2026	2,700
2027	2,700
Thereafter	225
Total	\$ 232,436

World Savvy  
Notes to the Financial Statements  
June 30, 2022 and 2021

**Note 6: Related Party Transactions**

During the years ended June 30, 2022 and 2021, the Organization received contributions from related parties and members of the Board of Directors. The CEO of the Organization is a board member of The Mortenson Family Foundation.

Amounts due from related parties consist of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Alice Mortenson	\$ 1,667,000	\$ -
Board Members	30,000	10,833
Mathias and Dana Mortenson	-	75,000
The Mortenson Family Foundation	-	27,500
The Justin and Susan Kelly Foundation	-	50,000
	<u>          </u>	<u>          </u>
Total	<u>\$ 1,697,000</u>	<u>\$ 163,333</u>

In addition, amounts due to Dana Mortenson as of June 30, 2022 and 2021 were \$731 and \$0, respectively.

See Note 3 related to the terms of the debt agreement entered into in the fiscal year ended June 30, 2020, with The Mortenson Family Foundation.

**Note 7: Liquidity and Availability of Financial Assets**

The Organization's liquid financial assets available to meet cash needs for general expenditures within one year are summarized as follows at June 30:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 2,620,625	\$ 1,173,390
Accounts Receivable	25,316	48,344
Pledges Receivable	4,085,030	5,230,197
Total Financial Assets	<u>6,730,971</u>	<u>6,451,931</u>
Less financial assets unavailable for general expenditure within one year, due to:		
Donor-imposed restrictions	<u>(2,586,000)</u>	<u>(2,124,400)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,144,971</u>	<u>\$ 4,327,531</u>

The Organization's programming and subsequent fee and pledge schedule revolve around the K-12 academic year. Management maintained a line of credit and the debt agreement at Note 3 to account for the cyclical cycle of the organizational model but opted during fiscal year 2022 to settle the outstanding balance. As part of the current liquidity plan, management may seek to establish a new line of credit to meet future obligations.



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Notes to the Financial Statements  
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**Note 8: Paycheck Protection Program Loan**

In March 2021, the Organization entered into a promissory note agreement with Wells Fargo in the amount of \$175,100 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The note accrued interest at 1 percent per annum and was scheduled to mature March 2026. Up to 100 percent of the loan was forgivable when used to pay specified payroll and other costs within the qualified period (generally 24 weeks after receiving the funds). The loan was fully forgiven and recognized as revenue in the year ended June 30, 2022.

**Note 9: COVID-19**

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world during 2020 and 2021 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies, however, the Organization projects that it will not have a material impact to its operations.