



# RAE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS ADVISORS

25 Braintree Hill Office Park | Suite 200  
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Lowell, MA 01851

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## TAILORED FOR EDUCATION, INC.

### *Financial Statements*

*Year Ended December 31, 2022*



### *Mission Statement*

*Working to increase school enrollment in impoverished areas of the world by providing children with school uniforms.*

***[www.tailoredforeducation.org](http://www.tailoredforeducation.org)***

**TAILORED FOR EDUCATION, INC.**

*Financial Statements*

*Year Ended December 31, 2022*

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## *Independent Auditors' Report*

To the Board of Directors  
Tailored for Education, Inc.  
Boston, Massachusetts

### **Opinion**

We have audited the accompanying financial statements of Tailored for Education, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 financial statements referred to above present fairly, in all material respects, the financial position of Tailored for Education, Inc. as of December 31, 2022, and the changes in 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. 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 Tailored for Education, Inc. 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 Tailored for Education, Inc.'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 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 Tailored for Education, Inc.'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 Tailored for Education, Inc.'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**

We have previously audited Tailored for Education, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***RAE & Associates, LLC***

RAE & Associates, LLC

Braintree, Massachusetts

July 28, 2023

**TAILORED FOR EDUCATION, INC.**

***Statement of Financial Position***

*As of December 31, 2022*

*(with comparative totals as of December 31, 2021)*

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 519,967	\$ 630,550
Certificates of deposit	215,836	214,817
Grants and contributions receivable	403,602	252,772
Merchandise inventory	23,815	23,938
Property and equipment, net	<u>2,216</u>	<u>3,837</u>
<b>Total assets</b>	<u>\$ 1,165,436</u>	<u>\$ 1,125,914</u>
Liabilities:		
Accounts payable and accrued expenses	\$ <u>7,100</u>	\$ <u>5,500</u>
<b>Total Liabilities</b>	<u>7,100</u>	<u>5,500</u>
Net assets:		
Without donor restrictions	<u>1,158,336</u>	<u>1,120,414</u>
<b>Total net assets</b>	<u>1,158,336</u>	<u>1,120,414</u>
<b>Total liabilities and net assets</b>	<u>\$ 1,165,436</u>	<u>\$ 1,125,914</u>

**TAILORED FOR EDUCATION, INC.**

*Statement of Activities*

*For the Year Ended December 31 2022*

*(with comparative totals for the year ended December 31, 2021)*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2022 Total</b>	<b>2021 Total</b>
<i>Revenue and support:</i>				
Contributions and grants	\$ 974,512	\$ -	\$ 974,512	\$ 868,609
Contributed goods and services	40,000	-	40,000	40,000
Interest income	1,019	-	1,019	2,392
Sales of merchandise goods and products	962	-	962	293
Total revenue and support	1,016,493	-	1,016,493	911,294
<i>Expenses</i>				
Program expenses	911,887	-	911,887	569,828
Fundraising expenses	34,297	-	34,297	43,720
General and administration	32,387	-	32,387	38,803
Total expenses	978,571	-	978,571	652,351
<b>Change in net assets</b>	37,922	-	37,922	258,943
<b>Net assets, beginning</b>	1,120,414	-	1,120,414	861,471
<b>Net assets, ending</b>	\$ 1,158,336	\$ -	\$ 1,158,336	\$ 1,120,414

*The accompanying notes are an integral part of the financial statements.*

# TAILORED FOR EDUCATION, INC.

## *Statement of Cash Flows*

*For the Year Ended December 31 2022*

*( with comparative totals for the year ended December 31, 2021)*

	<u>2022</u>	<u>2021</u>
<b><i>Cash flows from operating activities:</i></b>		
Change in net assets	\$ 37,922	\$ 258,943
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,621	1,026
Changes in assets and liabilities:		
Grants and contributions receivables	(150,830)	(15,271)
Inventory	123	223
Account payables	1,600	3,200
Net cash provided by (used in) operating activities	<u>(109,564)</u>	<u>248,121</u>
<b><i>Cash flows from investing activities:</i></b>		
Purchases of fixed assets	<u>-</u>	<u>(3,499)</u>
Net cash used in investing activities	<u>-</u>	<u>(3,499)</u>
Net change in cash and cash equivalents	(109,564)	244,622
Cash and cash equivalents - beginning of year	<u>845,367</u>	<u>600,745</u>
Cash and cash equivalents - end of year	<u>\$ 735,803</u>	<u>\$ 845,367</u>

**TAILORED FOR EDUCATION, INC.**

***Statement of Functional Expenses***

***For the Year Ended December 31 2022***

*( with summarized comparative totals for the year ended December 31, 2021)*

	<u>Program Expenses</u>	<u>Fundraising Expenses</u>	<u>General and Administration</u>	<u>2022 Total</u>	<u>2021 Total</u>
Salaries and wages	\$ -	\$ 20,000	\$ 20,000	\$ 40,000	\$ 40,000
Grants to partner organizations	908,021	-	-	908,021	557,181
Training costs	-	-	-	-	1,562
Office supplies	1,180	-	787	1,967	1,689
Postage	209	53	263	525	2,027
Bank charges	-	-	-	-	96
Merchant service fees	-	10,078	-	10,078	3,926
Office expenses	151	38	189	378	7,192
Food	255	256	-	511	-
Tax and licenses	-	-	265	265	451
Professional services	-	-	10,583	10,583	8,988
Software expense	-	3,121	-	3,121	9,625
Website expense	450	751	300	1,501	18,470
Other expenses	-	-	-	-	118
Depreciation expense	1,621	-	-	1,621	1,026
Total expenses	<u>\$ 911,887</u>	<u>\$ 34,297</u>	<u>\$ 32,387</u>	<u>\$ 978,571</u>	<u>\$ 652,351</u>



# TAILORED FOR EDUCATION, INC.

## *Notes to Financial Statements*

### *For the Year Ended December 31, 2022*

*(with summarized comparative totals for the year ended December 31, 2021)*

#### **Note 1 – Organization and Background.**

Founded in 2011, Tailored for Education, Inc. (“the Organization or TFE”) is a not-for-profit organization incorporated in Massachusetts that strives to increase school enrollment in impoverished areas of the world by providing children with school uniforms. For millions of children around the globe, education represents the only way out of a life of poverty.

TFE partners with established and reputable non-government local organizations to achieve its mission. By leveraging the existing relationships those organizations have, TFE is able to safely and efficiently procure and distribute uniforms to families, schools and parishes. In addition, working with the partner organizations ensures all uniforms are made locally, benefiting the local economy.

Since its formation TFE has provided over 15,000 uniforms to children in 11 different countries.

#### **Note 2 – Summary of Significant Accounting Policies**

##### ***Basis of Accounting and Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred. Unconditional support is recognized when notification of the contribution is received.

##### ***Financial Statement Presentation***

The Organization’s financial statement presentation includes the requirements of Accounting Standards Codification (ASC) *No. 958 Not-for-Profit Entities*. Under ASC No. 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. The Organization classifies donor-restricted contributions as net assets without donor restrictions when the restrictions are satisfied in the same reporting period in which the contributions were received. Accordingly, net assets of the Organization, and changes therein, are classified and reported under provisions of ASC No. 958, based on the existence or absence of donor-imposed stipulations as follows:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed stipulations. The Organization’s board of directors may, at its discretion, designate net assets without donor restrictions for specific purposes.

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

Expenses are reported as decreases in net assets. Expirations of donor-imposed restrictions recognized as net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications from net assets with donor restrictions to net assets without donor restrictions. Donor restrictions on gifts to acquire long-lived assets are considered met in the period in which the assets are placed in service.

**TAILORED FOR EDUCATION, INC.**

*Notes to Financial Statements*

*For the Year Ended December 31, 2022*

*(with summarized comparative totals for the year ended December 31, 2021)*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

*Financial Statement Presentation (Continued)*

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

The Organization did not have net assets with donor restrictions at December 31, 2022 and 2021.

*Cash and Cash Equivalents*

For purposes of the statement of financial position and the statement of cash flows, the Organization considers all unrestricted cash held in demand accounts, cash held in savings accounts and other highly liquid resources with an original maturity of three months or less when purchased, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

*Property and Equipment*

Property, equipment, furnishing, and improvement purchases in excess of \$1,000 are capitalized at cost, if purchased, or if donated, at fair market value at the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expense as incurred; whereas major betterments are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and fixtures	3-5 years
Computers and equipment	3-5 years

*Investments*

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Interest, dividends, realized and unrealized gains and losses are included in investment income, which is presented net of investment expenses in the accompanying statement of activities and change in net assets.

Investment income and gains restricted by a donor are reported as increase in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Increases or decreases in market value are recorded as unrealized gains or losses on investments.

Donated investments are recorded at fair value based on quoted market prices at the time of receipt. Unless restricted by the donor, it is the Organization's policy to sell all donated investments upon receipt.

*Certificates of Deposit*

At December 31, 2022 and 2021, the Organization held certificates of deposit with original maturity dates greater than a period of ninety days that are carried at amortized cost. Interest earned on certificates of deposit is included in the accompanying statements of activities. These certificates of deposit do not qualify as securities as defined in FASB ASC 320, *Investments – Debt and Equity Securities*.

# TAILORED FOR EDUCATION, INC.

## *Notes to Financial Statements*

### *For the Year Ended December 31, 2022*

*(with summarized comparative totals for the year ended December 31, 2021)*

#### **Note 2 – Summary of Significant Accounting Policies (Continued)**

##### ***Certificates of Deposit (Continued)***

Therefore, these investments are presented separately on the face of the accompanying statements of financial position, and are not included in the fair value disclosures required by FASB ASC 820, *Fair Value Measurements and Disclosures*.

##### ***Inventory***

Inventory consists of promotional clothing merchandise and related accessories held for resale, and is stated at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis.

##### ***Revenue Recognition***

The Organization receives contributions and grants from individuals and other private entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

##### ***Revenue Accounted for in Accordance with Contribution Accounting***

##### **Contributions**

The Organization follows the requirements of the Financial Accounting Standards Board (“FASB”) in its Statement of Financial Accounting Standards, Accounting for Contributions Received and Contributions Made, as updated by FASB ASU 2018-08, Clarifying the Scope of Accounting Guidance for Contributions Received and Contributions Made. This financial accounting standard requires that contributions be recorded as receivables and revenues, and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, collection items, or promises to give. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction conditions are satisfied, at which time it is reclassified to net assets without donor restrictions.

Grants and contributions that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization’s programs or to a future year. When a donor 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 and reported in the statements of activities as net assets released from restrictions.

The Organization reports gifts of land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

# TAILORED FOR EDUCATION, INC.

## *Notes to Financial Statements*

### *For the Year Ended December 31, 2022*

*(with summarized comparative totals for the year ended December 31, 2021)*

#### **Note 2 – Summary of Significant Accounting Policies (Continued)**

##### ***Revenue Recognition (Continued)***

Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as unrestricted support. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Organization is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program.

##### **Contributed Goods and Services**

The Organization records various types of in-kind support including contributed goods, property and professional services. Donated services are recognized as revenue if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. Amounts reflected in the accompanying financial statements as donated goods and services revenue are offset by amounts included in expenses or fixed assets.

Additionally, the Organization may receive amounts of skilled, contributed time, which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

##### ***Revenue Accounted for as Contracts with Customers***

Revenue is recognized when the Organization satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Organization expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Organization combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Revenue requiring a performance obligation by transferring a good to, or performing a service for, a customer consist of sales of merchandise goods and products. Revenue is recognized when a purchased merchandise good or product is shipped to the customer. Sales of merchandise goods and products amounted to \$962 and \$293 for the years ended December 31, 2022 and 2021, respectively.

##### ***Advertising***

Advertising costs are expensed as incurred. The organization did not incur advertising expenses during for the years ended December 31, 2022 and 2021.

**TAILORED FOR EDUCATION, INC.**

*Notes to Financial Statements*

*For the Year Ended December 31, 2022*

*(with summarized comparative totals for the year ended December 31, 2021)*

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Grant Revenue***

The Organization derives revenues through grants received from various private foundations and individual grantors. Accordingly, the Organization may be subject to the regulations and reporting requirements of the applicable grantors. Grant revenue is recorded in accordance with the provisions of the applicable award amounts, including the recognition of any purpose or time restriction on the use of the proceeds.

***Accounts Receivable***

Accounts receivable are stated at their net realizable value. When necessary, the Organization provides an allowance for doubtful accounts equal to estimated bad debt losses. The estimated losses are based on historical collection experience together with a review of the current status of the existing receivables. All receivables and pledges are expected to be collected in full; therefore no allowance for bad debt was recorded as of December 31, 2022 and 2021.

***Use of Estimates and Assumptions***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

***Income Tax Status***

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(1). The Organization is also exempt from Massachusetts state taxes.

The Organization has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements, and no interest and penalties have been recorded in the accompanying financial statements related to uncertain tax positions.

***Functional Expenses***

The costs of providing the Organization's programs and other activities have been presented in the statements of functional expenses. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Expenses that can be identified with a specific program and/or support service are allocated directly according to their natural expenditure classification.

## TAILORED FOR EDUCATION, INC.

### *Notes to Financial Statements*

#### *For the Year Ended December 31, 2022*

*(with summarized comparative totals for the year ended December 31, 2021)*

#### **Note 2 – Summary of Significant Accounting Policies (Continued)**

##### ***Promises To Give***

Unconditional promises to give are recognized as revenues or gains in the period received, and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

##### ***Leases***

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (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 leases 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. The Organization had no leasing arrangement during the years ended December 31, 2022 and 2021.

#### **Note 3 – Recently Adopted Accounting Pronouncements**

In 2022, the Organization adopted 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. Leases are classified as either finance or operating, with classification affecting the method in which expenses are recorded on the statement of operations and changes in net assets.

The Organization did not have any leasing arrangement during 2022 and 2021, as result the adoption did not have any effect on amounts reported in the statements of activities or the statements of position for the years ended December 31, 2022 and 2021.

In September 2020, FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This new standard requires additional presentation and disclosures related to nonfinancial assets contributed to a not-for-profit entity, including separate presentation of contributed nonfinancial assets and disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities. The changes became effective for the Organization on January 1, 2022. The adoption of this ASU did not have a significant impact on the Organization's financial statements and disclosures.

#### **Note 4 – Concentrations of Credit Risk**

Financial instruments which potentially expose the Organization to concentrations of credit risk consist primarily of grants and contributions receivable. The risk of loss associated with these receivables is limited to the amount owed to the Organization. Management believes that the risk of loss is minimal.

The Organization maintains its cash balances in bank deposit accounts, which at times may exceed federally insured limits. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash and cash equivalents.

**TAILORED FOR EDUCATION, INC.**

*Notes to Financial Statements*

*For the Year Ended December 31, 2022*

*(with summarized comparative totals for the year ended December 31, 2021)*

**Note 5 – Property and Equipment**

Property and equipment consisted of the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Computer and equipment	\$ 6,226	\$ 6,226
Less accumulated depreciation	<u>(4,010)</u>	<u>(2,389)</u>
Property and equipment, net	<u>\$ 2,216</u>	<u>\$ 3,837</u>

Depreciation expense amounted to \$1,621 and \$1,026 for the years ended December 31, 2022 and 2021, respectively.

**Note 6 – Reclassifications**

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

**Note 7 – Contributed goods and services**

The Organization received donated goods and services valued at \$40,000 during each of the years ended December 31, 2022 and 2021. These amounts are included in contributed goods and services revenue, and wages and salaries expense on the accompanying statements of activities and statements of functional expenses, respectively.

**Note 8 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 519,967	\$ 630,550
Certificates of deposits	215,836	214,817
Grants and contributions receivable	<u>403,602</u>	<u>252,772</u>
Total financial assets	<u>\$ 1,139,405</u>	<u>\$ 1,098,139</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,139,405</u>	<u>\$ 1,098,139</u>

The Organization manages its liquidity by developing and adopting annual and monthly operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations. As part of its liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditure, liabilities and other obligations come due.

**TAILORED FOR EDUCATION, INC.**

*Notes to Financial Statements*

*For the Year Ended December 31, 2022*

*(with summarized comparative totals for the year ended December 31, 2021)*

**Note 9 – Subsequent Events**

Subsequent events have been evaluated through July 28, 2023, which is the date the financial statements were available to be issued.