SHARPE PATEL CPA

LUNG CANCER INITIATIVE

FINANCIAL STATEMENTS

December 31, 2021 and 2020

LUNG CANCER INITIATIVE
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SHARPE PATEL CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lung Cancer Initiative
Raleigh, North Carolina

Opinion

We have audited the accompanying financial statements of Lung Cancer Initiative (a nonprofit organization), which comprises the statement of financial position as of December 31, 2021, and the related statement 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 Lung Cancer Initiative as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Lung Cancer Initiative and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Lung Cancer Initiative '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.

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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 Lung Cancer Initiative '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 Lung Cancer Initiative '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 Lung Cancer Initiative ’s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2021. 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.

Prior Period Correction

As discussed in Note 14 to the financial statements, the 2020 financial statements were restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Sharpe Patel PLLC

Raleigh, North Carolina
June 28, 2022

LUNG CANCER INITIATIVE
Statements of Financial Position
December 31, 2021 and 2020

	2021	2020
ASSETS		*(As Restated)*
Current assets:		
Cash and cash equivalents	$ 483,639	$ 488,552
Investments	547,528	417,364
Accounts receivable	25,777	55,278
Promises to give	57,500	135,852
Prepaid expenses	242,566	160,527
Total current assets	1,357,010	1,257,573
Property and equipment, net	6,864	7,367
Non-current assets:		
Deposits	3,950	3,950
Total non-current assets	3,950	3,950
Total assets	$ 1,367,824	$ 1,268,890
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 14,239	$ 7,000
Accrued expenses	14,258	14,179
Deferred revenues	-	2,500
PPP Loan	66,965	-
Total current liabilities	95,462	23,679
Net assets		
With donor restriction	35,960	114,312
Without donor restrictions		
Board designated net assets	1,035,634	674,120
Undesignated net assets	200,768	456,779
Total net assets	1,272,362	1,245,211
Total liabilities and net assets	$ 1,367,824	$ 1,268,890

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

LUNG CANCER INITIATIVE
Statements of Activities
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	2020 *(As Restated)*
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Contributions and grants	$ 785,687	$ 57,500	$ 843,187	$ 796,573
Special events	91,147	-	91,147	30,001
In-kind contributions	24,553	-	24,553	19,457
Less: direct benefit to donors	(47,634)	-	(47,634)	(26,348)
Total public support	853,753	57,500	911,253	819,683
Investment income	67,774	-	67,774	35,495
Other revenue	21,372	-	21,372	105,918
Total revenue	89,146	-	89,146	141,413
Net assets released from restriction	135,852	(135,852)	-	-
Total public support and revenue	1,078,751	(78,352)	1,000,399	961,096
EXPENSES:				
Program services	759,839	-	759,839	512,025
Supporting services:				
Management and general	113,127	-	113,127	104,945
Fundraising	100,282	-	100,282	91,354
Total supporting services	213,409	-	213,409	196,299
Total expenses	973,248	-	973,248	708,324
Change in net assets	105,503	(78,352)	27,151	252,772
Net assets at beginning of year	1,130,899	114,312	1,245,211	992,439
Net assets at end of year	$ 1,236,402	$ 35,960	$ 1,272,362	$ 1,245,211

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

LUNG CANCER INITIATIVE
Statement of Functional Expenses
For the Year Ended December 31, 2021
(With Comparative Totals for the Year Ended December 31, 2020)

	Program Services	Supporting Services				
	Supporting Lung Cancer Research and Education	Management and General	Fundraising	Total Supporting Services	Total Expenses	2020 Total *(As Restated)*
Grants	$ 347,151	$ -	$ -	$ -	$ 347,151	141,928
Personnel	258,060	46,638	58,495	105,133	363,193	354,205
Office supplies	33,133	13,484	15,670	29,154	62,287	51,904
Conferences, conventions, and meetings	45,865	1,601	4,303	5,904	51,769	41,014
Professional fees	732	35,336	732	36,068	36,800	33,223
Information technology	31,528	6,756	11,246	18,002	49,530	35,307
Occupancy	28,413	6,089	6,089	12,178	40,591	37,657
Advertising	7,347	2,389	2,472	4,861	12,208	5,960
Travel	3,719	-	441	441	4,160	3,463
Insurance	1,761	378	378	756	2,517	1,886
Depreciation	2,130	456	456	912	3,042	1,777
Expenses as reported on the Statement of Activities	759,839	113,127	100,282	213,409	973,248	708,324
Less cost of direct benefits to donors included with revenues on the statement of activities	-	-	47,634	47,634	47,634	26,348
Total expenses	$ 759,839	$ 113,127	$ 147,916	$ 261,043	$1,020,882	$ 734,672

The accompanying notes are an integral part of these financial statements

LUNG CANCER INITIATIVE
Statements of Cash Flows
For the years ended December 31, 2021 and 2020

	2021	2020 *(As Restated)*
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 27,151	$ 252,772
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	3,042	1,777
Debt forgiveness income	-	(62,600)
Net realized and unrealized gain on investments	(66,864)	(34,450)
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	29,501	(33,158)
Promises to give	78,352	(115,181)
Prepaid expenses	(82,039)	(136,731)
Accounts payable	7,239	(7,017)
Accrued expenses	79	(4,620)
Deferred revenues	(2,500)	(19,040)
Net cash provided (used) by operating activities	(6,039)	(158,248)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(117,378)	(125,300)
Proceeds from sale of investments	49,000	183,060
Purchases of property and equipment	2,539	(8,002)
Net cash provided (used) by investing activities	(65,839)	49,758
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from PPP loan	66,965	62,600
Net cash provided (used) by financing activities	66,965	62,600
Net increase (decrease) in cash and cash equivalents	(4,913)	(45,890)
Cash and cash equivalents, beginning of year	488,552	534,442
Cash and cash equivalents, end of year	$ 483,639	$ 488,552

LUNG CANCER INITIATIVE
Notes to Financial Statements
December 31, 2021 and 2020

1. NATURE OF THE ORGANIZATION

Nature of the Initiative

Lung Cancer Initiative (Initiative) is dedicated to decreasing deaths due to lung cancer and helping patients live longer and better, through research, awareness, and advocacy. The Initiative's support is provided primarily by contributions from the general public and corporations in North Carolina.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Initiative have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses recognized when incurred. This basis is accounting conforms to accounting principles generally accepted in the United States of America.

Basis of Presentation

The Initiative has adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit Initiatives and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without restrictions" and "net assets with restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Net assets and revenue are classified based on the existence or absence of donor- imposed restrictions. Accordingly, the net assets of the Initiative and charges therein, are classified and reported as follows:

Net assets without restrictions – Consists of amounts that are available for use in carrying out the supporting activities of the Initiative and not subject to donor-imposed stipulations. Net assets without restrictions totaled $1,236,402 and $1,130,899 as of December 31, 2021 and 2020, respectively.

Net assets with restrictions – Net assets that are contributions subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by the actions of the Initiative and /or the passage of time. Net assets with restrictions totaled $35,960 and $114,312 as of December 31, 2021 and 2020, respectively.

Use of Estimates and Assumptions

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Initiative considers cash in the bank and all cash held on hand to be cash and cash equivalents with an original maturity date of three months or less.

Investments
Investments consist of marketable debt and equity securities and mutual funds. The Initiative accounts for investments in accordance with GAAP which requires that investments with readily determinable fair values be measured at fair value in the consolidated statements of financial position. Interest, dividends, realized and unrealized gain and loss on investments are recorded in the consolidated statements of activities. Realized gains and losses are determined on a specific identification basis.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statements of financial position.

Promises to Give
Unconditional promises to give are recognized as revenues 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 only when the conditions on which they depend are substantially met. Uncollectible promises are written off after management has used reasonable collection efforts and determines the promises will not be collected. All promises to give at December 31, 2021 and 2020 are receivable in less than one year.

Property and Equipment
Purchased and donated property and equipment with a cost of $1,000 or more with a life expectancy of more than one year are capitalized and are stated at cost and estimated fair market value at date of receipt, respectively, and are depreciated on the straight-line basis over the estimated useful lives of the various assets, which range from three to seven years.

Donated Assets and Services
Donated materials, stock, furniture, equipment, and vehicles are recorded at their estimated fair value at date of receipt. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying Statement of Activities as contributions, memorials and bequests are offset by like amounts included in expenses.

Various other services are performed for the Initiative by volunteers. The services are significant and form an integral part of the efforts of the Initiative, but these services do not meet the criteria for recognition as contributed services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants

Contributions and grants received are recorded as support with or without restrictions depending on the existence and/or nature of any donor/grantor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due more than one year in the future are reported at the present value of their net realizable value using a risk adjusted discount rate. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions that are met in the same period as receipt are reported as support without restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with restrictions, depending on the nature of the restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net asset without restrictions and are reported in the consolidated statements of changes in net assets as assets released from restrictions.

Special Events

Revenues from events (for example, ticket sales and registration fees) are considered to be single performance obligations that are satisfied at a point in time and are recognized after the event.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Costs that are not directly associated with providing specific services have been allocated based upon the relative time spent by employees of the Initiative providing those services.

Program services – Comprise activities that contribute to the Initiative's mission and consist of supporting lung cancer research and education.

Supporting services – Includes activities such as management and general services required to ensure an adequate working environment, provide administrative support and manage the Initiative's financial and budgetary functions. Fundraising expenses are the cost of the Initiative to solicit and obtain contributions and funding.

Advertising Expense

The Initiative uses advertising to promote its programs and fundraising events among the audiences it serves. The cost of advertising is expensed as incurred. The Initiative incurred $12,208 and $5,960 in advertising costs for the years ended December 31, 2021 and 2020, respectively.

Income Taxes

The Initiative is exempt from income taxes under Internal Revenue Code Section 50l(c)(3) on its exempt function income and is classified by the IRS as a publicly supported Initiative. The Initiative is not aware of any unrelated business income for the years ended December 31, 2021 and 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)
The Initiative evaluates any uncertain tax positions. Accordingly, the Initiative's policy is to record a liability for any tax position taken that is beneficial to the Initiative, including any related interest and penalties, when it is more likely than not the position of management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2021 and 2020.

Reclassifications
Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

3. CONCENTRATION OF CREDIT RISK

The Initiative occasionally maintains deposits in excess of federally insured limits. The Initiative maintains its cash balances in reputable financial institutions in the United States of American and accounts at each institution are insured by the Federal Deposit Insurance Corporations up to $250,000 at each financial institution. At December 31, 2021 and 2020, the Initiative's cash deposits exceed the FDIC insured limits by approximately $0 and $173,132, respectively.

4. INVESTMENTS

The Initiative's investments consist of the following:

	2021	2020
Certificates of deposit	$ 19,831	$ 20,056
U.S. Treasury stock	-	49,214
Equities	367,369	285,737
Short-term bonds	99,510	-
Fixed income	60,818	62,357
	$ 547,528	$ 417,364

The following outlines the net investment income during the years ended December 31:

	2021	2020
Interest and dividends	$ 8,969	$ 6,958
Unrealized gain (loss)	63,487	17,838
Realized gain (loss)	(214)	13,128
Investment fees	(4,468)	(2,429)
Investment income, net	$ 67,774	$ 35,495

5. FAIR VALUE MEASUREMENTS

The Initiative values its investments in accordance with a hierarchy that prioritizes the inputs to valuation techniques, giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement) when market prices are not readily available or reliable.

The three levels of the hierarchy under fair value measurements are described below:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs, which are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, credit risk, and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used.

Unobservable inputs reflect the Initiative's own assumptions and would be based on the best information available.

Changes in valuation techniques could result in transfers in or out of an assigned level within the hierarchy. Interest income, including unrealized appreciation/depreciation earned on investments, is recognized as revenue without restrictions unless specifically restricted for use by the donor.

The following tables set forth by level, within the fair value hierarchy, the Initiative's investments at fair value on a recurring basis, as of December 31, 2021 and 2020:

December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Certificates of deposit	$ -	$ 19,831	$ -	$ 19,831
U.S. Treasury stock	-	-	-	-
Equities	367,369	-	-	367,369
Short-term bonds		99,510		99,510
Fixed income	-	60,818	-	60,818
	$ 367,369	$ 180,159	$ -	$ 547,528

December 31, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Certificates of deposit	$ -	$ 20,056	$ -	$ 20,056
U.S. Treasury stock	-	49,214	-	49,214
Equities	285,737	-	-	285,737
Fixed income	-	62,357	-	62,357
	$ 285,737	$ 131,627	$ -	$ 417,364

6. NET ASSETS

Net assets with restrictions are those stipulated by donors for specific operating purposes, those not currently available for use until commitments regarding their use have been fulfilled and are composed of the following as of December 31, 2021 and 2020:

	2021	2020
Events	$ -	$ 2,500
Walk/runs	-	5,000
Education	20,000	36,812
Survivor program	5,960	22,500
Corporate	-	25,000
Patient support	10,000	22,500
	$ 35,960	$ 114,312

The Initiative's board of directors has designated net assets without donor restrictions for the following purposes:

	2021	2020
Liquidity reserve	$ 382,616	$ 102,716
Legacy fund	448,018	379,584
Research grant commitments	205,000	191,820
	$ 1,035,634	$ 674,120

During the years ended December 31, 2021 and 2020, net assets released from restrictions totaled $135,852, and $108,942, respectively. The releases represent funds received from donors with restrictions that were spent during the year, according to the requirements set by the donor.

7. LEASE COMMITMENTS

The Initiative rents office space in Raleigh, North Carolina under an operating lease agreement that requires monthly payments of $4,048 for the 2021 year with a 2.5% increase each year as written in the lease, and expires on May 31, 2027. Rent expense for the years ended December 31, 2021 and 2020 was $40,591 and $37,657, respectively.

Future minimum lease payments for the years ending December 31 are:

2022	$ 49,793
2023	51,038
2024	52,314
2025	53,622
2026	54,963
Thereafter	23,474
	$ 285,204

8. PAYCHECK PROTECTION PROGRAM

On April 27, 2021, the Initiative was granted and received a $66,965 loan under the Paycheck Protection Program "PPP" administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Initiative initially recorded the loan as debt and will recognize grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer exists.

The Initiative was granted and received a $62,600 loan under the Paycheck Protection Program in January 2020. The amount was initially recorded as a note payable and subsequently recorded forgiveness when the loan obligation was legally released. The Initiative recognized $62,600 of loan forgiveness income for the year ended December 31, 2020.

9. EMPLOYEE RETENTION CREDIT

The Employee Retention Credit is a refundable tax credit against certain employment taxes equal to 50% Of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. Eligible employers can get immediate access to the credit by reducing employment tax deposits they are otherwise required to make. Also, if the employer's employment tax deposits are not sufficient to cover the credit, the employer may get an advance payment from the IRS.

For each employee, wages (including certain health plan costs) up to $10,000 can be counted to determine the amount of the 50% credit. Employers, including tax-exempt Initiatives, are eligible for the credit if they operate a trade or business during calendar year 2020 and experience either the full or partial suspension of the operation of their trade or business during any calendar quarter because of governmental orders limiting commerce, travel or group meetings due to COVID-19, or a significant decline in gross receipts.

The Initiative recorded a receivable and reimbursement income for the employee retention credit for their quarter one tax period of 2021 totaling $21,374 for the year ended December 31, 2021; and their quarters two and four payroll tax periods of the 2020 year totaling $43,318 for the year ended December 31, 2020.

10. CONTINGENCIES

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Initiative is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Initiative's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Initiative's donors, customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Initiative's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

11. LIQUIDITY AND AVAILABLITY OF FUNDS

As part of the Initiative's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Initiative invests cash in excess of daily requirements in an investment account.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	2021	2020
Cash	$ 483,639	$ 488,552
Investments	547,528	417,364
Accounts receivable	25,777	55,278
Promises to give	57,500	135,852
Less: accounts payable	(14,239)	(7,000)
Less: accrued expenses	(14,258)	(14,179)
Total financial assets available to meet general expenditures and liabilities within the next 12 months	$ 1,085,947	$ 1,075,867

At December 31, 2021 and 2020, all net assets without restrictions are available to meet cash needs for general expenditures of the Initiative with one year. Excess funds are available in the Initiative's investment account consisting of certificates of deposit and equities, if needed. Early redemption of the certificates of deposit may result in the Initiative incurring nominal monetary penalties.

12. COMMITMENTS

As of the years ended December 31, 2021 and 2020, the Initiative had multiple grant agreements for research that are committed and owed on January 1, 2022, and 2021, respectively. The amounts committed at year end are $205,000 and $191,820, respectively as of December 31, 2021 and 2020.

13. SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through May 7, 2022, which is the date the financial statements were available to be issued.

Subsequent to year end, the Initiative received notification that they were granted by the Small Business Association forgiveness of all outstanding principal and interest of the second round for the payroll protection program loan. The Initiative recorded $66,965 as debt forgiveness income upon notification.

14. PRIOR PERIOD CORRECTION

The Initiative discovered during the current year that the 2020 financial statements required two corrections to the previously stated financial statements. The first adjustment was due to an understatement of grant expenses and resulted in a increase in prepaid expenses and an increase in net assets without donor restrictions of $145,820. The second adjustment was due to understated ERTC credits and resulted in an increase in accounts receivable and increase in net assets without donor restrictions in the amount of $22,389.