

Public.Resource.Org, Inc.

Financial Statements

December 31, 2022

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Independent Accountants' Compilation Report

To the Board of Directors
Public.Resource.Org, Inc.

Management is responsible for the accompanying financial statements of Public.Resource.Org, Inc. (the Organization), which comprise the statement 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Baker Tilly US, LLP

San Francisco, California
March 15, 2023

Public.Resource.Org, Inc.

Statement of Financial Position

December 31, 2022

Assets**Current Assets**

Cash and cash equivalents	\$	568,030
Prepaid expenses		<u>250,825</u>

Total 818,855

Property and Equipment

Computer and video hardware		252,881
Accumulated depreciation		<u>(252,881)</u>

Total assets \$ 818,855

Liabilities and Net Assets**Net Assets**

Net assets without donor restrictions	\$	<u>818,855</u>
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Total liabilities and net assets \$ 818,855

See notes to financial statements

Public.Resource.Org, Inc.Statement of Financial Activities
Year Ended December 31, 2022

	Without Donor Restrictions
Support and Revenue	
Contributions	\$ 1,106,901
Contributed nonfinancial assets	1,342,392
Interest income	183
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Total support and revenue	2,449,476
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Expenses	
Program services	2,478,037
Management and general	37,882
Fundraising	3,538
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Total expenses	2,519,457
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Change in net assets	(69,981)
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Net Assets, Beginning	888,836
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Net Assets, Ending	<u><u>\$ 818,855</u></u>

See notes to financial statements

Public.Resource.Org, Inc.

Statement of Functional Expenses

Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
In-kind legal services	\$ 990,529	\$ -	\$ -	\$ 990,529
Professional fees	357,692	9,700	-	367,392
In-kind scanning	351,863	-	-	351,863
Salaries and benefits	304,691	10,695	2,000	317,386
Contract labor	269,326	-	-	269,326
Supplies	70,792	-	-	70,792
Public domain materials	53,721	-	-	53,721
Grant expense	50,000	-	-	50,000
Copying and printing	21,245	-	-	21,245
Insurance	-	16,593	-	16,593
Legal fees	5,903	-	-	5,903
Postage and delivery	2,275	-	-	2,275
Marketing and gifts	-	-	1,538	1,538
Bank service charges	-	665	-	665
Licenses and permits	-	200	-	200
Travel	-	29	-	29
	<u>\$ 2,478,037</u>	<u>\$ 37,882</u>	<u>\$ 3,538</u>	<u>\$ 2,519,457</u>
Total expenses				

See notes to financial statements and independent accountants' compilation report

Public.Resource.Org, Inc.

Statement of Cash Flows

Year Ended December 31, 2022

Cash Flows From Operating Activities

Change in net assets	\$ (69,981)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Prepaid expenses	<u>(49,442)</u>
Net cash used in operating activities	<u>(119,423)</u>
Net decrease in cash and cash equivalents	(119,423)
Cash and Cash Equivalents, Beginning	<u>687,453</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 568,030</u></u>

See notes to financial statements

Public.Resource.Org, Inc.

Notes to Financial Statements
December 31, 2022

1. Description of Organization

Public.Resource.Org, Inc. (the Organization) was founded April 13, 2007, to create, architect, design, implement, operate and maintain public works projects on the Internet. The Organization's primary source of revenue is contribution income.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on an accrual basis of accounting in accordance with U.S. generally accepted accounting principles for not for profit organizations.

Basis of Presentation

Net Assets

Resources are classified for accounting and reporting purposes into two classes of net assets, according to externally imposed restrictions:

Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When net assets subject to donor imposed restrictions are received and then subsequently released in the same year, they are classified as net assets without donor restrictions. At December 31, 2022, the Organization did not have any net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less, at the time of purchase to be cash equivalents.

Property, Equipment and Depreciation

The Organization records acquisitions with a useful life over one year and a cost or basis of \$5,000 or more as property and equipment. Property and equipment are recorded at cost when purchased and fair value when received as a donation. Depreciation is provided over the estimated useful lives of the respective assets, using the straight-line method of depreciation. Costs for repairs and maintenance are expensed as incurred.

Revenue Recognition

Contributions

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor 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.

Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met. Conditional contributions for which donor-imposed conditions and donor-imposed restrictions are met in the same reporting period are reported as increases in net assets without donor restrictions. At December 31, 2022, the Organization had \$2,100,000 in conditional grants for which the conditions related to providing for open access and digital preservation requirements had not yet been met, and as such, revenue had not been recognized.

Contributed Nonfinancial Assets

Contributed services are recognized at their fair value on the date of contribution if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Gifts of property and equipment are recorded as support without donor restrictions unless explicit donor stipulations specify how the donated asset must be used.

In-kind services received and recorded as in-kind contributions in the statement of activities consisted of legal services and scanning services, and are recorded at their fair value by using billing rates at the time the services were rendered. During the year ended December 31, 2022, in-kind legal services amounted to \$990,529 and in-kind scanning services amounted to \$351,863.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the estimates of employee time and on usage of resources.

Income Taxes

The Organization is a tax-exempt organization under the provisions of the Internal Revenue Code, Section 501(c)(3), and the California Revenue and Taxation Code, Section 23701(d). Accordingly, no provision for federal and state income taxes has been reflected in these financial statements.

Management evaluated the Organization's tax positions and concluded that the Organization had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements are available to be issued March 15, 2023.

3. Newly Adopted Accounting Standards

Effective January 1, 2022, the Organization adopted No. 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU No. 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets. The adoption of ASU 2020-07 did not have a material impact on financial statement presentation when applied retrospectively to all periods presented.

4. Liquidity and Availability of Financial Assets

The Organization's primary source of revenue is contributions. The sources that provide liquidity during the period is cash and cash equivalents. General expenditures include program and supporting expenses that are expected to be paid in the subsequent year.

The table below presents financial assets available to fund general operating expenditures within one year at December 31, 2022:

Financial assets at year-end:	
Cash and cash equivalents	\$ 568,030
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Financial assets available to meet general expenditures within one year	\$ 568,030
	<u> </u>

5. Concentrations

Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of federally insured amounts (currently \$250,000 per depositor).

Other

For the year ended December 31, 2022, approximately 95% of contributions was received from one donor.

6. Related-Party Transactions

The Organization has entered into a five-year agreement with Fastcase, Inc. to publish regulations for all fifty states. The CEO of Fastcase, Inc. is also a Board member of the Organization. The terms of the agreement require \$250,000 payable at signing, \$125,000 will be due 12 months after signing, and the final payment of \$125,000 will be due 24 months after signing. For the year ended December 31, 2022, \$125,000 was paid under this contract. The Organization does not have any long-term agreements as of December 31, 2022.

All related party transactions were approved by a vote of disinterested Board members.