

# **Public.Resource.Org, Inc.**

Financial Statements

December 31, 2023

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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, 2023, 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*

Los Angeles, California  
February 19, 2024

**Public.Resource.Org, Inc.**

Statement of Financial Position

December 31, 2023

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**Assets****Current Assets**

Cash and cash equivalents	\$	375,296
Prepaid expenses		<u>225,452</u>

Total assets	\$	<u><u>600,748</u></u>
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**Liabilities and Net Assets****Net Assets**

Net assets without donor restrictions	\$	<u>600,748</u>
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Total liabilities and net assets	\$	<u><u>600,748</u></u>
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*See notes to financial statements*

**Public.Resource.Org, Inc.**

Statement of Activities

Year Ended December 31, 2023

	<b>Without Donor Restrictions</b>
<b>Support and Revenue</b>	
Contributions	\$ 897,690
Contributed nonfinancial assets	837,305
Interest income	<u>11,590</u>
Total support and revenue	<u>1,746,585</u>
<b>Expenses</b>	
Program services	1,922,306
Management and general	35,303
Fundraising	<u>7,083</u>
Total expenses	<u>1,964,692</u>
Change in net assets	(218,107)
<b>Net Assets, Beginning</b>	<u>818,855</u>
<b>Net Assets, Ending</b>	<u><u>\$ 600,748</u></u>

*See notes to financial statements*

**Public.Resource.Org, Inc.**

## Statement of Functional Expenses

Year Ended December 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
In-kind legal services	\$ 449,719	\$ -	\$ -	\$ 449,719
In-kind scanning	387,586	-	-	387,586
Contract labor	371,290	-	-	371,290
Salaries and benefits	289,920	22,283	6,040	318,243
Professional fees	213,456	11,939	-	225,395
Travel	118,740	-	-	118,740
Public domain materials	27,653	-	-	27,653
Legal fees	19,238	-	-	19,238
Insurance	17,410	363	363	18,136
Supplies	16,734	458	-	17,192
Copying and printing	5,995	-	-	5,995
Grant expense	3,250	-	-	3,250
Bank service charges	626	235	188	1,049
Marketing and gifts	-	-	492	492
Postage and delivery	489	-	-	489
Licenses and permits	200	25	-	225
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 1,922,306</u>	<u>\$ 35,303</u>	<u>\$ 7,083</u>	<u>\$ 1,964,692</u>

*See notes to financial statements*

**Public.Resource.Org, Inc.**

## Statement of Cash Flows

Year Ended December 31, 2023

**Cash Flows From Operating Activities**

Change in net assets	\$ (218,107)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Changes in operating assets and liabilities:	
Prepaid expenses	<u>25,373</u>
Net cash used in operating activities	<u>(192,734)</u>
Net decrease in cash and cash equivalents	(192,734)
<b>Cash and Cash Equivalents, Beginning</b>	<u>568,030</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 375,296</u></u>

*See notes to financial statements*

# Public.Resource.Org, Inc.

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Notes to Financial Statements

December 31, 2023

## 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 accounting principles generally accepted in the United States (GAAP).

### Basis of Presentation

The Organization reports information regarding its financial position and activities to two classes of net assets, as follows:

**Net Assets Without Donor Restrictions** - Net assets not subject to donor-imposed stipulations. These funds may also be designated for specific purpose by action of the Board of Directors. The Organization did not have any net assets designated by the Board of Directors.

**Net Assets 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, 2023, 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.

### 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, 2023, the Organization had \$1,300,000 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, 2023, in-kind legal services amounted to \$449,719 and in-kind scanning services amounted to \$387,586.

### **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 February 19, 2024, which is the date the financial statements were approved and available to be issued.

## **3. 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.

## Public.Resource.Org, Inc.

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Notes to Financial Statements

December 31, 2023

The table below presents financial assets available to fund general operating expenditures within one year at December 31, 2023:

Financial assets at year-end:	
Cash and cash equivalents	<u>\$ 375,296</u>
Financial assets available to meet general expenditures within one year	<u><u>\$ 375,296</u></u>

#### 4. 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, 2023, approximately 97% of contributions was received from one donor.

#### 5. 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. No amounts were paid during the year ended December 31, 2023.

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