

# **BBB WISE GIVING ALLIANCE**

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021



# **BBB Wise Giving Alliance**

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## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
BBB Wise Giving Alliance  
Arlington, Virginia

### **Opinion**

We have audited the accompanying financial statements of BBB Wise Giving Alliance (BBB WGA) (a nonprofit organization), which comprise the statements of financial position as of December 31, 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 the BBB WGA as of December 31, 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 BBB WGA 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 BBB WGA'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 BBB WGA '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 BBB WGA 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.

*UHY LLP*

Columbia, Maryland  
September 8, 2023

**BBB WISE GIVING ALLIANCE**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,543,765	\$ 1,598,017
Accounts receivable	53,354	39,600
Prepaid expenses	<u>21,686</u>	<u>27,456</u>
Total current assets	<u>1,618,805</u>	<u>1,665,073</u>
<b>NON-CURRENT ASSETS</b>		
Equipment and software, net	22,855	62,036
Security Deposits	<u>8,170</u>	<u>8,170</u>
Total non-current assets	<u>31,025</u>	<u>70,206</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,649,830</u></u>	<u><u>\$ 1,735,279</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 57,343	\$ 75,030
Accrued expenses	36,160	30,000
Deferred revenue	<u>915,231</u>	<u>807,767</u>
Total liabilities	1,008,734	912,797
<b>NET ASSETS</b>		
Without donor restrictions:	<u>641,096</u>	<u>822,482</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,649,830</u></u>	<u><u>\$ 1,735,279</u></u>

**BBB WISE GIVING ALLIANCE**  
**STATEMENTS OF ACTIVITIES**  
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>SUPPORT AND REVENUE</b>		
Charity seal license fees	\$ 1,913,235	\$ 1,877,416
Contributions and grants	263,269	229,967
Publications	13,380	11,706
Special projects	20,000	-
Interest income	3	153
	<u>2,209,887</u>	<u>2,119,242</u>
<b>EXPENSES</b>		
Program Services:		
Charity reporting services	1,889,105	1,814,129
Other programs	164,841	107,175
	<u>2,053,946</u>	<u>1,921,304</u>
Total program services		
Supporting Services:		
Management and general	262,711	245,748
Fundraising	74,616	59,133
	<u>337,327</u>	<u>304,881</u>
Total supporting services		
<b>Total expenses</b>	<u>2,391,273</u>	<u>2,226,185</u>
<b>Change in Net Assets</b>	(181,386)	(106,943)
<b>Net Assets Without Donor Restrictions - Beginning</b>	<u>822,482</u>	<u>929,425</u>
<b>Net Assets Without Donor Restrictions - Ending</b>	<u>\$ 641,096</u>	<u>\$ 822,482</u>

**BBB WISE GIVING ALLIANCE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2022

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>		<u>Total Supporting Services</u>	<u>Total</u>
	<u>Charity Reporting Services</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and benefits	\$ 1,497,089	\$ 123,290	\$ 1,620,379	\$ 105,677	\$ 35,225	\$ 140,902	\$ 1,761,281
Conferences and events	5,349	-	5,349	8,046	-	8,046	13,395
Depreciation and amortization	33,304	2,742	36,046	2,351	784	3,135	39,181
Direct mail	5,653	-	5,653	3,310	26,993	30,303	35,956
Dues and subscriptions	50,027	5,780	55,807	7,106	3,897	11,003	66,810
Insurance	12,239	1,008	13,247	864	288	1,152	14,399
Information technology	53,921	608	54,529	12,822	174	12,996	67,525
Marketing	38,610	-	38,610	525	-	525	39,135
Occupancy	41,783	3,441	45,224	2,949	983	3,932	49,156
Office expenses	17,697	-	17,697	32,934	5,992	38,926	56,623
Professional services	70,796	27,972	98,768	73,342	280	73,622	172,390
State registration fees	-	-	-	12,785	-	12,785	12,785
Storage	7,414	-	7,414	-	-	-	7,414
Travel	3,409	-	3,409	-	-	-	3,409
Wise giving guide	51,814	-	51,814	-	-	-	51,814
<b>Total expenses</b>	<b>\$ 1,889,105</b>	<b>\$ 164,841</b>	<b>\$ 2,053,946</b>	<b>\$ 262,711</b>	<b>\$ 74,616</b>	<b>\$ 337,327</b>	<b>\$ 2,391,273</b>

**BBB WISE GIVING ALLIANCE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2021

	<u>PROGRAM SERVICES</u>			<u>SUPPORTING SERVICES</u>		<u>Total Supporting Services</u>	<u>Total</u>
	<u>Charity Reporting Services</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and benefits	\$ 1,394,250	\$ 70,675	\$ 1,464,925	\$ 95,054	\$ 31,028	\$ 126,082	\$ 1,591,007
Advertising and promotion	-	-	-	2,618	-	2,618	2,618
Conferences and events	468	-	468	969	-	969	1,437
Depreciation and amortization	41,859	2,122	43,981	2,854	931	3,785	47,766
Direct mail	-	-	-	-	17,183	17,183	17,183
Dues and subscriptions	36,504	2,634	39,138	12,533	2,727	15,260	54,398
Insurance	12,144	615	12,759	828	270	1,098	13,857
Information technology	98,237	1,986	100,223	2,731	485	3,216	103,439
Marketing	67,390	14,222	81,612	222	114	336	81,948
Occupancy	25,530	5,473	31,003	19,036	646	19,682	50,685
Office expenses	12,399	751	13,150	29,178	5,578	34,756	47,906
Professional services	70,749	8,562	79,311	72,001	111	72,112	151,423
State registration fees	-	-	-	7,541	-	7,541	7,541
Storage	4,521	135	4,656	183	60	243	4,899
Travel	-	-	-	-	-	-	-
Wise giving guide	50,078	-	50,078	-	-	-	50,078
<b>Total expenses</b>	<b>\$ 1,814,129</b>	<b>\$ 107,175</b>	<b>\$ 1,921,304</b>	<b>\$ 245,748</b>	<b>\$ 59,133</b>	<b>\$ 304,881</b>	<b>\$ 2,226,185</b>

See notes to financial statements.



**BBB WISE GIVING ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (181,386)	\$ (106,943)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	39,181	47,766
Change in operating assets:		
Accounts receivable	(13,754)	1,535
Prepaid expenses	5,770	(1,976)
Change in operating liabilities:		
Accounts payable	(17,687)	29,914
Accrued expenses	6,160	(30,919)
Contract liabilities	107,464	101,879
	<u>(54,252)</u>	<u>41,256</u>
Net cash provided by operating activities		
<b>Net Increase in Cash and Cash Equivalents</b>	(54,252)	41,256
<b>Cash and Cash Equivalents - Beginning</b>	<u>1,598,017</u>	<u>1,556,761</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 1,543,765</u>	<u>\$ 1,598,017</u>

**BBB WISE GIVING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 1 - PURPOSE OF ORGANIZATION**

BBB Wise Giving Alliance (BBB WGA) was incorporated under the laws of the District of Columbia on November 14, 1975, and is located in Arlington, Virginia. BBB WGA's mission is strengthening public confidence in charities by promoting wise giving and trustworthy charities practices. BBB WGA completes rigorous evaluations of publicly soliciting charities in relation to 20 *BBB Standards for Charity Accountability* that address charity governance, results reporting, finances, donor privacy, appeal accuracy and other issues. There is no charge to charities to be the subject of a BBB Charity Report. These reports are available to the public for free on the BBB WGA website at Give.org.

Charities that meet all 20 BBB Charity Standards are identified as BBB Accredited Charities. BBB Accredited Charities have the option of licensing a BBB Charity Seal for a fee. The BBB Accredited Charity Seal can be displayed on the charity's website and fundraising materials. Charity evaluations are updated every two years. Any BBB Charity Seal holder that fails to meet the BBB Charity Standards is terminated from the BBB Charity Seal program.

Other Programs include: the Advancing Collaboration project which encourages charities to seek out new partnerships as a way to grow larger audiences and share risk, the GiveSafely.io donation platform for BBB Accredited Charities which seeks to protect donors' personal data by the use of blockchain and enable donors to donate cryptocurrency, and the Heart of Giving Podcast which involves a series of detailed discussions with charity sector leaders on the motivations behind why people give and other charity-related topics.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP), whereby revenue is recognized when earned and expenses are recognized when incurred.

**Accounts Receivables**

Accounts receivable consists primarily of amounts owed from licensees for BBB Charity Seal revenue. Accounts receivable are presented at the net realizable amount due. BBB WGA management periodically reviews the status of all accounts receivable balances for collectability. Receivables that are deemed to be uncollectable are typically reserved in an allowance for doubtful accounts. All receivables are considered fully collectible and no allowance has been recorded as of December 31, 2022 or 2021.

**Equipment and Software**

Equipment and software are stated at cost. Individual purchases and improvements of \$5,000 or more, which prolong the useful life of an asset, are capitalized, while expenditures for small items, maintenance, and minor repairs are expensed as incurred. When assets are sold or otherwise disposed

**BBB WISE GIVING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2022 and 2021

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

of, the cost of the asset and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is included in the statements of activities. Depreciation and amortization are calculated using the straight-line method over the assets useful lives ranging from three-to-five years.

**Net Assets**

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

*Net assets without donor restrictions* - Net assets available for use in general operations and not subject to donor (or grantor) imposed restrictions. Their use may be limited in other respects, such as by Board designation.

*Net assets with donor restrictions* - Net assets subject to donor (or grantor) 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 those resources be maintained in perpetuity. BBB WGA reports contributions restricted by donors 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, depending on the nature of the restrictions. When a restriction expires, 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. BBB WGA did not have any net assets with donor restrictions as of December 31, 2022 or 2021.

**Revenue Recognition**

Revenue includes line items that have performance obligations such as seal licensing fees and publications and line items representing support such as contributions and grants.

*Charity Seal License Fees*

Charity seal license fees are reported at the amount that reflects the consideration BBB WGA expects to receive in exchange for the services provided. Charity seal license fees are based on anniversary date and exclusive benefits are provided continuously over the course of the license period. Revenue is recognized on a straight-line basis over the one-year term. Charity Seal license fees received in advance of the license period are reported as deferred revenue.

**BBB WISE GIVING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Contributions and Grants*

Unconditional contributions and grants are recognized when received. Conditional promises to give, that is, those contributions or grants with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

*Publications*

BBB WGA produces magazines three times per year. Publications are reported at the amount that reflects the consideration BBB WGA expects to receive in exchange of the product provided. These publications are recognized as revenue at a point in time when the sale occurs.

*Special Projects*

BBB WGA completed a special project at the request of a BBB Accredited Charity that also is licensed to use the BBB Accredited Charity seal; CHC (Creating Healthier Communities). The project involved research and the preparation of a written report and video about the organization's transformation from an organization focused on collecting and redistributing resources to one leveraging its resources and partnerships to advance health equity and community health. The project began in 2022 and was completed in 2023. The report was posted on BBB WGA's website, Give.org.

**Functional Expenses**

The costs of providing various programs and supporting services are summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of time records and other support, or by estimates made by management. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of BBB WGA. Those expenses include professional services, information technology services, marketing services, depreciation and occupancy expenses. All such costs are allocated based on estimates of time and specific utilization.

**Income Taxes**

BBB WGA is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is required for the years ended December 31, 2022 or 2021 since BBB WGA had no taxable income from unrelated business activities. The income tax positions taken by BBB WGA for any years open under the various statutes of limitations are that BBB WGA continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. BBB WGA believes that there are no tax positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of BBB WGA's federal or state income tax returns are currently under examination.

**BBB WISE GIVING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 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, and those differences could be material.

**New Accounting Pronouncements Adopted**

ASU 2016-02, *Leases* (Topic 842)

In February 2016, the Financial Accounting Standards Board issued accounting standards update (“ASU”) 2016-02 “Leases (Topic 842)”. Under this guidance, an entity is required to recognize right-of-use assets and lease liabilities on its balance sheet and disclose key information about leasing arrangements.

BBB WGA adopted the new standard effective January 1, 2022 using the modified retrospective approach. This approach allows BBB WGA to initially apply the new accounting standards at the adoption date and recognize a cumulative adjustment to the opening balance of net assets in the period of adoption. The adoption of the new standard had no impact on net assets and results from operations, because as of the adoption date BBB WGA had no leases that met the reporting requirements of the new standard.

The new standard provides optional practical expedients at transition. BBB WGA elected certain practical expedients that must be elected as a package, which permit BBB WGA to not reassess, under the new standard, prior conclusions about: (1) lease identification, (2) lease classification, and (3) initial direct costs. Additionally, BBB WGA elected a short-term lease exception policy, which allows entities to not apply the new standard to short-term leases (i.e., leases with terms of 12 months or less) and a hindsight policy, which allows an entity to include current considerations for existing leases when determining initial lease terms. BBB WGA has also elected to exclude non-lease components in calculating the lease liability and to use a risk-free rate when calculating the lease liability.

ASU No. 2020-07, (Topic 958): *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*

BBB WGA adopted the new standard effective January 1, 2022. The ASU requires not-for-profits (NFPs) to present contributed nonfinancial assets (commonly referred to as gifts-in-kind) as a separate line item in the statement activities, apart from contributions of cash and other financial assets and disclose the following: [1] A disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets; [2] For each category of contributed nonfinancial assets recognized, qualitative information about whether nonfinancial assets were monetized or utilized; the NFP’s policy (if any) about monetizing rather than

**BBB WISE GIVING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

utilizing contributed nonfinancial assets; donor-imposed restrictions associated with contributed nonfinancial assets; and valuation techniques, inputs, and the principal market used for determining fair value. There were no material changes that resulted from the adoption of the new standard. No significant contributions of such goods or services were received during the years ended December 31, 2022 and 2021.

**NOTE 3 - EQUIPMENT AND SOFTWARE**

The cost of equipment and software and the related accumulated depreciation and amortization consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Equipment and software	\$ 480,055	\$ 480,055
Less, accumulated depreciation and amortization	<u>(457,200)</u>	<u>(418,019)</u>
Net value of equipment and software	<u>\$ 22,855</u>	<u>\$ 62,036</u>

Depreciation and amortization expense totaled \$39,181 and \$47,766 for the years ended December 31, 2022 and 2021, respectively.

**NOTE 4 - BENEFIT PLANS**

**Defined contribution retirement plan**

BBB WGA sponsors a 401(k) defined contribution retirement plan that covers all employees who completed six months of service. Employees are immediately vested in deferred salary and employer matching contributions. Employer matching contributions are grouped with salaries and benefits on the statements of functional expenses and total \$101,827 and \$92,753 for the years ended December 31, 2022 and 2021, respectively.

**Deferred Compensation Plan**

Effective June 1, 2021, BBB WGA adopted a Section 457(t) deferred compensation plan for certain members of executive management, as designated by the Board. The Board also specifies the contribution types, levels and vesting terms that apply for the individual plan participants. The plan was amended and restated effective December 8, 2021, to permit participant-directed investment of account balances and make certain other changes. BBB WGA’s contributions to the Section 457(t) Plan totaled \$50,000 and \$30,000 for the years ended December 31, 2022 and 2021, respectively and are included in salaries and benefits on the statements of functional expenses.

**BBB WISE GIVING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 5 – OFFICE SPACE HOTELING ARRANGEMENT**

Effective January 1, 2019, BBB WGA entered into a hoteling arrangement for office space in Arlington, Virginia. The office service agreement auto-renews every January unless otherwise terminated. On December 9, 2021, BBB WGA renegotiated the office service agreement increasing the term to two years. The agreement is effective January 1, 2022 through December 31, 2023 and provides for 8 hours monthly conference room use, including the provided furnishings and technology solutions. According to the terms of the agreement, the hoteling arrangement is a license agreement and creates no tenancy interest, leasehold estate or other real property interest with respect to the accommodation nor a relationship of landlord and tenant between the parties. Even though the agreement lists the specific office space allocated for BBB WGA's use, the space provider may allocate a different office of equal size from time to time with at least a 30 days' notice to BBB WGA. In the event the center where the office space is located is no longer available, the space provider would provide suitable alternative accommodations for BBB WGA at another center, or the agreement may be terminated with no penalties or other obligations.

The monthly occupancy expense is \$4,085. For the years ended December 31, 2022 and 2021 the occupancy expense totaled \$49,156 and \$50,685, respectively.

**NOTE 6 – CONCENTRATIONS, RISKS AND UNCERTANTIES**

**Credit Risk**

BBB WGA maintains its cash balances at a financial institution and at times these balances may exceed the federal insured limits. BBB WGA has not experienced any losses with respect to its bank balances in excess of government provided insurance and management believes there is no significant concentration of credit risk as a result of maintaining these accounts. Non-interest and interest-bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.

**Commitments**

In the course of normal business operations, BBB WGA is faced with routine legal matters. In the opinion of management, all matters are adequately covered by insurance, or the costs have been accrued.

**Covid-19 Impact**

The COVID-19 pandemic, whose effects first became known in January 2020, had a broad and negative impact on commerce and financial markets around the world, leading to economic uncertainties and significant volatility in the investment markets. The resulting impact on the BBB WGA's operational and financial performance may continue for an extended period of time.

**BBB WISE GIVING ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2022 and 2021**

**NOTE 7 - LIQUIDITY**

BBB WGA’s financial assets available for general expenditures consisted of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,543,765	\$ 1,598,017
Accounts receivable	<u>53,354</u>	<u>39,600</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 1,597,119</u>	<u>\$ 1,637,617</u>

As part of BBB WGA's liquidity management, BBB WGA has a policy to structure its financial assets to be available and liquid as its obligations become due. BBB WGA has no debt on the statements of financial position as of December 31, 2022 and 2021 and typically pays its obligations using cash. As of December 31, 2022 and 2021, BBB WGA had financial assets equal to approximately nine months of operating expenses.

**NOTE 8 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 8, 2023 the date the financial statements were available to be issued.