

AUSTIN EXPLORE, INC.
dba EXPLORE AUSTIN
(A Nonprofit Corporation)

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS

DECEMBER 31, 2021

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FINANCIAL STATEMENTS

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Allman & Associates, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

9600 GREAT HILLS TRAIL
SUITE 150W
AUSTIN, TX 78759
(512) 502-3077
FAX: 888-512-7990
WWW.ALLMANCPAS.COM

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Austin Explore, Inc. dba Explore Austin
Austin, Texas

Opinion

We have audited the accompanying financial statements of Austin Explore, Inc. dba Explore Austin (“Explore Austin”) (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2021, 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 Explore Austin 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 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 Explore Austin 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 Explore Austin’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, 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 Explore Austin'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 Explore Austin'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Austin Explore, Inc. dba Explore Austin as of December 31, 2021, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Allman & Associates, Inc.

Austin, Texas
June 7, 2022

AUSTIN EXPLORE, INC.
 dba EXPLORE AUSTIN
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STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

Assets

Current Assets:

Cash and cash equivalents	\$ 1,662,760
Accounts receivable	6,778
Contributions receivable, current portion, net of \$10,000 allowance for doubtful accounts	16,403
Contributions receivable from related party - current portion	15,000
Grants receivable	55,000
Prepaid expenses	23,015
Total current assets	1,778,956
Investment held by Austin Community Foundation	30,365
Contributions receivable, net of discount and current portion	83,386
Contributions receivable from related party, net of discount and current portion	9,710
Grants receivable, net of discount and current portion	38,840
Security deposit	12,422
Property and equipment, net	72,146
Total Assets	\$ 2,025,825

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ 13,643
Accrued payroll liabilities	9,341
Total current liabilities	22,984
Total Liabilities	22,984

Net Assets:

Without donor restrictions	
Undesignated	1,784,503
Total net assets without donor restrictions	1,784,503
With donor restrictions	
Time restricted	218,338
Total net assets with donor restrictions	218,338
Total Net Assets	2,002,841
Total Liabilities and Net Assets	\$ 2,025,825

See accompanying auditor's report and notes to financial statements.

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STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support, revenues and gains:			
Contributions	\$ 568,632	\$ 304,942	\$ 873,574
Loan forgiveness revenue	265,917	-	265,917
Other income	3,352	-	3,352
In-kind contributions	30,406	-	30,406
Special events:			
Special events revenue	495,912	-	495,912
Cost of direct benefit to donors	(38,800)	-	(38,800)
Special events, net	457,112	-	457,112
Net assets released from restriction	248,953	(248,953)	-
Total support, revenues, and gains	1,574,372	55,989	1,630,361
Expenses:			
Program services	1,012,244	-	1,012,244
General and administrative	122,438	-	122,438
Fundraising	154,147	-	154,147
Total expenses	1,288,829	-	1,288,829
Change in Net Assets	285,543	55,989	341,532
Net assets, beginning of year	1,498,960	162,349	1,661,309
Net assets, end of year	\$ 1,784,503	\$ 218,338	\$ 2,002,841

See accompanying auditor's report and notes to financial statements.

AUSTIN EXPLORE, INC.
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STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	Program Services	General and Administrative	Fundraising	Total
Communications	\$ 3,625	\$ -	\$ 3,625	\$ 7,250
Contract labor	43,718	3,142	4,713	51,573
Credit card and bank fees	-	(31)	11,901	11,870
Depreciation	27,534	-	-	27,534
Development expenses	-	-	17,710	17,710
Employee insurance	52,752	7,034	10,551	70,337
Insurance	43,500	935	2,339	46,774
Mentor training and recruitment	11,873	-	-	11,873
Mileage	350	-	24	374
Office supplies and IT services	12,107	1,614	2,421	16,142
Other	6,911	11,712	1,403	20,026
Phone and internet	2,687	358	537	3,582
Pledge adjustments	-	23,175	-	23,175
Professional services	11,332	8,550	-	19,882
Rent	40,184	5,358	8,036	53,578
Retirement benefits	10,036	1,338	2,007	13,381
Salaries and payroll taxes	524,020	57,758	86,638	668,416
Saturday events	19,954	-	-	19,954
Staff development	11,208	1,495	2,242	14,945
Summer wilderness trips	146,935	-	-	146,935
Supplies and gear	43,518	-	-	43,518
	<u>\$ 1,012,244</u>	<u>\$ 122,438</u>	<u>\$ 154,147</u>	<u>\$ 1,288,829</u>
Total expenses	<u>\$ 1,012,244</u>	<u>\$ 122,438</u>	<u>\$ 154,147</u>	<u>\$ 1,288,829</u>

See accompanying auditor's report and notes to financial statements.

AUSTIN EXPLORE, INC.
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STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

Cash Flows From Operating Activities:	
Change in Net Assets	\$ 341,532
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	27,534
Loan forgiveness revenue	(265,917)
Change in assets and liabilities:	
Accounts receivable	(6,778)
Contributions receivable, net	(10,220)
Contributions receivable from related party, net	(1,930)
Grants receivable	(43,840)
Prepaid expenses	26,651
Accounts payable	10,037
Accrued payroll liabilities	(4,027)
	73,042
Net Cash Provided by Operating Activities	
Cash Flows From Financing Activities:	
Proceeds from note payable	124,117
	124,117
Net Cash Provided by Financing Activities	
Net Change in Cash and Cash Equivalents	
	197,159
Cash and Cash Equivalents at beginning of year	
	1,465,601
Cash and Cash Equivalents at end of year	
	\$ 1,662,760
Supplemental Information:	
Interest paid	\$ -
Income taxes paid	\$ -

See accompanying auditor's report and notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

1. Organization

Austin Explore, Inc. dba Explore Austin (“Explore Austin”) is a non-profit corporation that exists to empower youth to their full potential through leadership, mentoring, and outdoor adventure. Through a leadership based outdoor adventure curriculum coupled with social-emotional learning components and long-term mentoring, Explore Austin improves the well-being of each participant, their families, and the community.

Explore Austin matches high potential, 6th grade “Explorers” with caring and committed adult mentors and starts them on a six-year journey including Saturday Challenges and a week-long Summer Wilderness Trip that increases in difficulty and distance from home each year. Mentors stay with the Explorers from 6th grade through high school graduation and into their adult lives. Over the course of the six-year program, each Explorer spends more than 1,300 hours with their mentors and fellow Explore teammates, creating lifelong growth in character, integrity, courage, and grit.

Explore Austin is primarily supported by contributions and grants.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of Explore Austin is presented to assist in understanding Explore Austin’s financial statements. The financial statements and notes are representations of Explore Austin’s management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with GAAP and accordingly, reflect all significant receivables, payables and other liabilities. Revenue and expenses are recognized in the period earned or incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that 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 revenues and expenses during the reporting period. Significant estimates include those used in the functional allocation of expenses and depreciation. Accordingly, actual results could differ from those estimates.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor-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 certain grantor) restrictions.

Net assets with donor restrictions – Net assets subject to donor (or certain 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 and require that the assets 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 resource was restricted has been fulfilled, or both. When the donor 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.

Cash and Cash Equivalents

Explore Austin considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments are carried at fair market value on the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Receivables

Accounts receivable represent amounts due for reimbursements to Explore Austin under a cost-reimbursement grant.

Contributions receivable are recognized at the estimated present value of the future cash flows. Management determined the allowance for uncollectible contributions based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable. The allowance reported in the financial statement is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and an adjustment could be significant. At December 31, 2021, the allowance was \$10,000.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Summary of Significant Accounting Policies (continued)

Grants receivable are amounts awarded to Explore Austin that had not been funded by December 31, 2021. Grants receivable are recognized at the estimated present value of the future cash flows. Explore Austin considers all grants receivable to be fully collectible, and accordingly, no allowance for uncollectible accounts has been recorded in these financial statements for grants.

Property and Equipment

Property and equipment are stated at cost if purchased or fair value if contributed. Depreciation is calculated using the straight-line method over estimated lives of the assets. Explore Austin capitalizes the costs of significant assets that will benefit the organization for more than one year. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period of disposal. Maintenance and repairs are charged to expense as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses that can be identified with a specific program or that relate to a specific source of revenue are allocated directly to that program. Expenses that are not specifically identifiable to a function are allocated based on management's estimate of time and resources devoted to that function. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support of Explore Austin.

Federal Income Taxes

Explore Austin is a nonprofit organization qualifying for tax exempt status under Section 501(c)(3) of the Internal Revenue Code, and, as such, is subject to income taxes only on unrelated business income in excess of \$1,000. Explore Austin owes no federal income tax for the year ending December 31, 2021.

Explore Austin has adopted the recognition requirements for uncertain income tax positions as required by GAAP, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. Explore Austin has analyzed the tax positions taken in its filings with the Internal Revenue Service and state jurisdictions where it operates. Explore Austin believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on their financial position, changes in net assets or cash flows. Accordingly, Explore Austin has not recorded any reserves, or related

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

2. Summary of Significant Accounting Policies (continued)

accruals for interest and penalties for uncertain income tax positions at December 31, 2021. Explore Austin is subject to income tax audits for the previous three years which are open. There are currently no audits for any tax periods in progress.

Credit Risk

Financial instruments which potentially subject Explore Austin to credit risk principally consist of cash and cash equivalents, receivables, and investments. To minimize risk, Explore Austin places its temporary cash investments with high credit quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or Security Investment Protection Corporation (SIPC). As of December 31, 2021, Explore Austin's deposits exceeded the federal insurance limits by \$1,400,221. Explore Austin generally does not maintain collateral for its receivables and does not believe significant credit risk exists as of December 31, 2021.

Revenue Recognition

Contributions, including unconditional promises to give and grants, are recorded when received. In accordance with FASB ASC 958-605, *Not-For-Profit Entities Revenue Recognition*, contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as net assets with donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

A portion of Explore Austin's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Explore Austin has incurred expenditures in compliance with specific contract or grant provisions.

Change in Accounting Not-for-Profit Standards

In September 2020, the FASB issued ASU 2020-07, *Not-for Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* ("ASU 2021-07"), to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU 2020-07 is effective for annual period beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. Explore Austin is currently considering the impact of ASU 2021-07.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases*. This guidance impacts the presentation of an entity's leasing activities and will require the recognition of lease (right-of-use) assets and related lease liabilities on the statement of

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DECEMBER 31, 2021

2. Summary of Significant Accounting Policies (continued)

financial position and disclosure of key information about leasing arrangements. ASU 2016-02 was scheduled to become effective for fiscal years beginning after December 15, 2019, but has been delayed until annual periods beginning after December 15, 2021. Explore Austin is currently evaluating the impact the adoption of this guidance will have on its financial statements.

3. Contributions and Grants Receivable

Contributions and grants receivable are recorded at present value using a discount rate of 3%. Grants and contributions receivable are estimated to be collected as follows at December 31, 2021:

	Contributions Receivable	Contributions Receivable - Related Party	Grants Receivable
Amounts due in:			
Less than one year	\$ 26,403	\$ 15,000	\$ 55,000
One to five years	87,000	10,000	40,000
Total	113,403	25,000	95,000
Less discount to present value	(3,614)	(290)	(1,160)
Less allowance for doubtful accounts	(10,000)	-	-
Receivables, net	\$ 99,789	\$ 24,710	\$ 93,840

4. Property and Equipment

At December 31, 2021, property and equipment consisted of the following:

Vehicles and trailers	\$ 183,289
Less: accumulated depreciation	(111,143)
Property and equipment, net	\$ 72,146

Total depreciation expense was \$27,534 for the year ended December 31, 2021.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

5. Loan Forgiveness Revenue

On April 20, 2020 Explore Austin was approved for a Paycheck Protection Program (PPP) promissory note in the amount of \$141,800, with an interest rate of 1% per annum based on a year of 365 days until maturity. Explore Austin used the proceeds of the loan only for purposes authorized by the PPP and applied for forgiveness of the loan. Explore Austin was released from the loan obligation and recognized loan forgiveness revenue of \$141,800 on January 7, 2021.

On February 2, 2021, Explore Austin was approved for a second Paycheck Protection Program (PPP) promissory note in the amount of \$124,117, with an interest rate of 1% per annum until maturity. Explore Austin used the proceeds of the loan only for the purposed authorized by the PPP and received full forgiveness of the loan on August 20, 2021. Explore Austin recognized loan forgiveness revenue of \$124,117 on August 20, 2021.

Total loan forgiveness revenue for the year ended December 31, 2021, was \$265,917.

6. Simple IRA Retirement Plan

Since 2016, Explore Austin has offered a Simple IRA qualified retirement plan to its employees. The plan calls for Explore Austin to make matching contributions equal to 100% of each participating employees' contribution up to a maximum of 3% of compensation. Explore Austin employees must meet various eligibility requirements before being eligible to participate in the plan. The employer plan contribution for the year ended December 31, 2021 was \$13,381.

7. Related Parties

Explore Austin received donations totaling \$301,385 from members of the Board of Directors during the year ended December 31, 2021. Contributions receivable from related parties was \$24,710 net of discount at December 31, 2021.

8. Operating Leases

Explore Austin is obligated under operating lease agreements covering office facilities, warehouse space, and copiers. Explore Austin signed a 60-month lease for office space beginning in June 2019. The lease expires May 31, 2024. Explore Austin pays a monthly base rent of \$2,340 in the third year plus its proportional share of utilities. The rent increases each year. Total office rental expense including utilities was approximately \$53,578 for the year ended December 31, 2021.

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

8. Operating Leases (continued)

Explore Austin leases warehouse space on a month-to-month basis. Total warehouse rent expense for the year ended December 31, 2021 was \$14,954.

Explore Austin entered into a 60-month copier lease in May, 2016 with monthly payments of \$222. The copier lease expired in April 2021. Explore Austin entered into a new 36 month lease with monthly payments of \$221.13. The lease expires in April 2024. Total copier rent expense for the year ended December 31, 2021 was \$2,622.

The following is a schedule of future minimum lease payments as of December 31:

2022	\$	31,063
2023		31,604
2024		13,262
Thereafter		<u>-</u>
Total future minimum lease payments	\$	<u><u>75,929</u></u>

9. Fair Value Measurements and Disclosures

The requirements of *Fair Value Measurements and Disclosures* of the ASC apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement is the same in both cases – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (an exit price). *Fair Value Measurements and Disclosures* also establish a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
- Level 2 Inputs – Inputs other than quoted prices included with Level 1 that are observable for the asset or liability either directly or indirectly.

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9. Fair Value Measurements and Disclosures (continued)

- Level 3 Inputs – Unobservable inputs for the asset or liability.

Description	Amount	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment held by Austin Community Foundation	\$ 30,365	\$ -	\$ -	\$ 30,365
Total Investments	<u>\$ 30,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,365</u>

There was no change in the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable input (Level 3) for the year ended December 31, 2021.

The fair value of Explore Austin’s remaining current assets and liabilities approximate the carrying amounts of such instruments due to their short maturity.

10. Investment Held by the Austin Community Foundation

During 2016, Explore Austin created a Quasi-Endowed Fund (the “Fund”) with Austin Community Foundation (ACF). The purpose of the Fund was to provide general support for Explore Austin. Funds may be withdrawn at any time with no restriction. There was no activity in the fund during the year. The balance of the Fund at December 31, 2021 was \$30,365.

11. Net Assets with Donor Restrictions

Explore Austin had the following activity in net assets with donor restrictions during the year ended December 31, 2021:

	Beginning Balance	Additions	Releases	Ending Balance
Specified Purpose:				
Program services	\$ -	\$ 85,000	\$ (85,000)	\$ -
Program services in Texas	-	6,778	(6,778)	-
Total purpose restricted	<u>-</u>	<u>91,778</u>	<u>(91,778)</u>	<u>-</u>

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11. Net Assets with Donor Restrictions (continued)

	Beginning Balance	Additions	Releases	Ending Balance
Time Restriction:				
Grants	50,000	133,840	(90,000)	93,840
Related Parties	22,780	19,855	(17,925)	24,710
Individuals	89,569	59,469	(49,250)	99,788
Total time restricted	<u>162,349</u>	<u>213,164</u>	<u>(157,175)</u>	<u>218,338</u>
Total net assets with donor restrictions	<u>\$ 162,349</u>	<u>\$ 304,942</u>	<u>\$ (248,953)</u>	<u>\$ 218,338</u>

12. Liquidity and Availability

Explore Austin's working capital and cash flows are dependent on the timing of receipts of grants and donations. Excess funds are invested to provide income with preservation of capital and liquidity.

The following reflect Explore Austin's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date. Amounts available include donor-restricted funds that are available for general expenditure in the following year.

Cash and cash equivalents	\$ 1,662,760
Accounts receivable	6,778
Contributions receivable, current portion	16,403
Contributions receivable from related parties, current portion	15,000
Grants receivable	<u>55,000</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 1,755,941</u>

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

13. In-kind Contributions

In-kind contributions are recognized in accordance with the *Contributions Received* subsection of FASB ASC 958. Contributed services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed goods are recorded at their fair value in the period received. During the year ended December 31, 2021, Explore Austin recorded the following in-kind donations.

Gift cards	\$ 8,000
Program supplies	<u>22,406</u>
Total in-kind contributions	<u>\$ 30,406</u>

14. Risks and Uncertainties

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact future activities of Explore Austin. The continuing disruption is having a broad and negative impact on the US economy. The related financial impact of this and other business disruptions cannot be reasonably estimated at this time.

15. Subsequent Events

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. Management has evaluated subsequent events through the issuance date of the auditors' report, June 7, 2022, and there were no significant subsequent events to be disclosed.