



**BRAVEN, INC.**

FINANCIAL STATEMENTS

June 30, 2023 and 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Braven, Inc.  
Chicago, Illinois

### Opinion

We have audited the accompanying financial statements of Braven, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Braven, Inc. as of June 30, 2023 and 2022, 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 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 Braven, Inc. 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.

### Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Braven, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all subsequently issued clarifying ASUs as of July 1, 2022. Our opinion is not modified with respect to this matter.

### 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 Braven, Inc.'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 Braven, Inc.'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 Braven, Inc.'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.



Wegner CPAs, LLP  
New York, New York  
November 20, 2023

**BRAVEN, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 33,415,821	\$ 19,053,213
Unconditional promises to give, net	6,911,886	7,615,823
Accounts receivable	68,000	103,904
Other receivables	203,500	12,940
Prepaid expenses	308,872	287,673
Security deposits	118,415	46,803
Website development, equipment, and leasehold improvements, net	356,387	98,413
Operating lease right-of-use assets	1,576,732	-
Finance lease right-of-use assets	92,269	-
Total assets	<u>\$ 43,051,882</u>	<u>\$ 27,218,769</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 453,957	\$ 322,918
Accrued payroll and other expenses	474,469	174,380
Deferred revenue	4,104	1,333
Deferred lease liability	-	47,592
Lease incentive liability	-	57,701
Operating lease liabilities	1,720,688	-
Finance lease liabilities	92,418	-
Refundable advance	491,666	33,333
Total liabilities	3,237,302	637,257
<b>NET ASSETS</b>		
Without donor restrictions	24,397,066	10,893,756
With donor restrictions	15,417,514	15,687,756
Total net assets	<u>39,814,580</u>	<u>26,581,512</u>
<b>Total liabilities and net assets</b>	<u>\$ 43,051,882</u>	<u>\$ 27,218,769</u>

See accompanying notes.

**BRAVEN, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions	\$ 3,116,666	\$ 14,171,389	\$ 17,288,055
One-time gift	11,000,000	-	11,000,000
Employee retention credit	372,850	-	372,850
In-kind contributions	5,100,400	-	5,100,400
Program service revenue	1,573,567	-	1,573,567
Interest income	604,763	-	604,763
Net assets released from restrictions			
Purpose restrictions	12,484,131	(12,484,131)	-
Time restrictions	1,957,500	(1,957,500)	-
<b>Total revenues</b>	<b>36,209,877</b>	<b>(270,242)</b>	<b>35,939,635</b>
<b>EXPENSES</b>			
Program services	17,013,229	-	17,013,229
Management and general	3,918,480	-	3,918,480
Fundraising	1,774,858	-	1,774,858
<b>Total expenses</b>	<b>22,706,567</b>	<b>-</b>	<b>22,706,567</b>
<b>Change in net assets</b>	<b>13,503,310</b>	<b>(270,242)</b>	<b>13,233,068</b>
Net assets at beginning of year	10,893,756	15,687,756	26,581,512
<b>Net assets at end of year</b>	<b>\$ 24,397,066</b>	<b>\$ 15,417,514</b>	<b>\$ 39,814,580</b>

See accompanying notes.

**BRAVEN, INC.**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Contributions	\$ 2,836,915	\$ 17,722,601	\$ 20,559,516
Paycheck Protection Program	935,761	-	935,761
In-kind contributions	2,352,314	-	2,352,314
Program service revenue	865,968	-	865,968
Net assets released from restrictions			
Purpose restrictions	7,336,734	(7,336,734)	-
Time restrictions	5,421,276	(5,421,276)	-
<b>Total revenues</b>	<b>19,748,968</b>	<b>4,964,591</b>	<b>24,713,559</b>
<b>EXPENSES</b>			
Program services	11,033,534	-	11,033,534
Management and general	2,935,362	-	2,935,362
Fundraising	826,349	-	826,349
<b>Total expenses</b>	<b>14,795,245</b>	<b>-</b>	<b>14,795,245</b>
<b>Change in net assets</b>	<b>4,953,723</b>	<b>4,964,591</b>	<b>9,918,314</b>
Net assets at beginning of year	5,940,033	10,723,165	16,663,198
<b>Net assets at end of year</b>	<b>\$ 10,893,756</b>	<b>\$ 15,687,756</b>	<b>\$ 26,581,512</b>

See accompanying notes.

**BRAVEN, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended June 30, 2023 and 2022

	2023			
	Program Services	Management and General	Fundraising	Total Expenses
Personnel	\$ 8,975,710	\$ 1,602,160	\$ 1,400,501	\$ 11,978,371
Professional fees	4,573,692	1,508,005	118,926	6,200,623
Assistance to program participants	1,546,865	-	-	1,546,865
Travel	514,802	135,976	131,884	782,662
Occupancy	271,621	60,529	22,414	354,564
Supplies and equipment	636,328	138,368	55,514	830,210
Publications and promotions	200,671	421,678	7,624	629,973
Communications and shipping	61,021	15,945	13,397	90,363
Insurance	44,785	7,994	6,988	59,767
Amortization	26,810	5,974	2,212	34,996
Other expenses	160,924	21,851	15,398	198,173
<b>Total expenses</b>	<b>\$ 17,013,229</b>	<b>\$ 3,918,480</b>	<b>\$ 1,774,858</b>	<b>\$ 22,706,567</b>

  

	2022			
	Program Services	Management and General	Fundraising	Total Expenses
Personnel	\$ 7,180,376	\$ 954,886	\$ 681,210	\$ 8,816,472
Professional fees	1,882,645	1,571,581	67,920	3,522,146
Assistance to program participants	621,920	-	-	621,920
Travel	193,145	119,263	9,740	322,148
Occupancy	197,126	15,680	11,200	224,006
Supplies and equipment	475,257	112,904	18,648	606,809
Publications and promotions	193,689	120,274	18,185	332,148
Communications and shipping	41,762	24,840	6,636	73,238
Insurance	38,694	3,198	1,855	43,747
Amortization	17,831	1,474	855	20,160
Other expenses	191,089	11,262	10,100	212,451
<b>Total expenses</b>	<b>\$ 11,033,534</b>	<b>\$ 2,935,362</b>	<b>\$ 826,349</b>	<b>\$ 14,795,245</b>

See accompanying notes.

**BRAVEN, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 13,233,068	\$ 9,918,314
Adjustments to reconcile net assets to net cash flows from operating activities		
Amortization of long-term promises to give	(20,690)	-
Forgiveness of Paycheck Protection Program loan	-	(935,761)
Amortization	34,996	20,160
Amortization of right-of-use assets	205,405	-
(Increase) decrease in assets		
Unconditional promises to give	724,627	(3,292,171)
Accounts receivable	35,904	104,846
Other receivables	(190,560)	(12,940)
Prepaid expenses	(21,199)	(170,953)
Security deposits	(71,612)	3,465
Increase (decrease) in liabilities		
Accounts payable	131,039	240,530
Accrued payroll and other expenses	300,089	(183,163)
Deferred revenue	2,771	387
Deferred lease liability	-	3,811
Lease incentive liability	-	(15,737)
Operating lease liabilities	(164,315)	-
Refundable advance	458,333	33,333
Net cash flows from operating activities	14,657,856	5,714,121
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of website, equipment, and leasehold improvements	(292,970)	(45,136)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on finance lease liabilities	(2,278)	-
<b>Net change in cash and cash equivalents</b>	14,362,608	5,668,985
Cash and cash equivalents at beginning of year	19,053,213	13,384,228
<b>Cash and cash equivalents at end of year</b>	<u>\$ 33,415,821</u>	<u>\$ 19,053,213</u>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Noncash financing activities		
Paycheck Protection Program loan forgiveness	\$ -	\$ 935,761

See accompanying notes.

**BRAVEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Braven, Inc. (Braven) is a nonprofit charitable organization established in 2013 with a mission to empower promising, underrepresented young people—first-generation college students, students from low-income backgrounds, and students of color—with the skills, confidence, experiences and networks necessary to transition from college to strong first jobs, which lead to meaningful careers and lives of impact. Braven's primary sources of revenues include contributions from corporations and foundations and program service fees.

**Promises to Give**

Unconditional promises to give are recognized as revenue or gains 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 and the promises become unconditional. Promises to give due in more than one year are discounted at an interest rate commensurate with the risk involved if material to the financial statements.

**Accounts Receivable**

Accounts receivable primarily consists of program revenue due from service recipients. Based on historical experience, Braven considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made.

**Website Development, Equipment, and Leasehold Improvements**

Expenditures for website development, equipment, and leasehold improvements are capitalized at cost. Amortization and depreciation for website development and equipment is computed using the straight-line method over the assets useful life. Amortization for leasehold improvements is computed using the straight-line method over the shorter of the estimated life of the improvement or the lease term.

**Contributions**

Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

**Donated Services**

Donated services are recognized as revenue if the services create or enhance nonfinancial assets, require specialized skills, are performed by people with those skills, and would otherwise be purchased by Braven.

**BRAVEN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Revenue Recognition**

Braven supports untapped students from college to career by partnering with universities and employers to offer a two-part program that begins with a credit-bearing college course followed by a post-course experience that lasts through graduation. Fellows emerge from Braven with the skills, experiences, and networks they need to land a strong first job and get on a path to economic freedom. Program service revenue consists of performance obligations that are satisfied over time within the designated contract period.

Accounts receivable from contracts for June 30, 2023 and 2022 were as follows:

	2023	2022
Beginning of year	\$ 103,904	\$ 208,750
End of year	68,000	103,904

Braven does not have any significant financing components. Costs incurred to obtain a contract will be expensed as incurred when the amortization period is less than a year.

**Expense Allocation**

The financial statements report certain expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, travel, occupancy, insurance, and amortization, which are allocated on the basis of estimates of time and effort. All other expenses are directly charged based upon the types of services performed and expenses incurred.

**Leases**

Braven does not recognize short-term leases in the statements of financial position. For these leases, Braven recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. Braven also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, Braven uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**BRAVEN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Adoption of New Accounting Guidance**

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The guidance in this Update and all subsequently issued clarifying Updates supersede the guidance in FASB Accounting Standards Codification (ASC) Topic 840, Leases, and creates FASB ASC Topic 842, Leases. The main difference between previous guidance and Topic 842 is the recognition of assets and liabilities by lessees for those leases classified as operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Also, under Topic 842, disclosures are required by lessees and lessors to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from leases.

Braven adopted the requirements of Topic 842 as of July 1, 2022, using the optional transition method that allows Braven to initially apply the new guidance at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. Braven's reporting for the year ended June 30, 2022, is in accordance with the previous guidance in Topic 840.

Braven elected the package of practical expedients permitted under the transition guidance within Topic 842. This package allowed Braven to account for its leases that commenced before the adoption date without reassessing whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases.

The adoption of Topic 842 resulted in the recognition of operating lease right-of-use assets of \$422,283 and operating lease liabilities of \$527,577 as of July 1, 2022. The adoption of Topic 842 did not have a material effect on the Organization's change in net assets or cash flows.

**Reclassifications**

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

**Income Tax Status**

Braven is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management's Review**

Management has evaluated subsequent events through **December 7, 2023** November 20, 2023, the date which the financial statements were available to be issued.

**BRAVEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023 and 2022

**NOTE 2 – CONCENTRATIONS OF CREDIT RISK**

Braven maintains its cash balances in four financial institutions located in the United States. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2023 and 2022, Braven's uninsured cash balances totaled approximately \$32,640,000 and \$18,300,000, respectively. Braven places its cash balances with reputable financial institutions. Braven has not experienced any losses and believes it is not exposed to any significant credit risk on cash balances.

**NOTE 3 – UNCONDITIONAL PROMISES TO GIVE**

Unconditional promises to give consist of the following:

	2023	2022
Receivable in less than one year	\$ 6,031,276	\$ 5,880,523
Receivable in one to five years	975,000	1,809,000
Unconditional promises to give	7,006,276	7,689,523
Discounts to net present value	(94,390)	(73,700)
Unconditional promises to give, net	<u>\$ 6,911,886</u>	<u>\$ 7,615,823</u>

Unconditional promises to give receivable in more than one year at June 30, 2023 and 2022 are discounted at an effective rate between 3.92% and 5.89% depending on the year the unconditional promise to give was originated in.

**NOTE 4 – CONDITIONAL PROMISES TO GIVE**

As of June 30, 2023, Braven had promises to give of \$6,115,000 that contained donor conditions upon meeting specific milestones. The conditional promise to give will be recognized as revenue when the conditions are substantially met.

**NOTE 5 – WEBSITE DEVELOPMENT, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS**

Website development, equipment, and leasehold improvements consist of the following:

	2023	2022
Website development	\$ 30,000	\$ 30,000
Leasehold improvements	85,240	85,240
Equipment	177,609	45,136
Construction in progress	160,497	-
Accumulated amortization	(96,959)	(61,963)
Website development, equipment, and leasehold improvements, net	<u>\$ 356,387</u>	<u>\$ 98,413</u>

**BRAVEN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 6 – LINE OF CREDIT**

Braven has a line of credit with a banking institution in the amount of \$2,000,000, with interest calculated at 3% per annum. As of June 30, 2023 and 2022, there was no outstanding balance.

**NOTE 7 – DONOR CONCENTRATION**

Braven received 38% of its total contribution revenue from one donor during the year ended June 30, 2023.

**NOTE 8 – PAYCHECK PROTECTION PROGRAM LOANS**

Braven received loans totaling \$1,777,261 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loans accrue interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by Braven during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over five years. On April 1, 2021, the SBA preliminarily approved forgiveness of Braven's first draw loan. On April 19, 2022, the SBA preliminarily approved forgiveness of Braven's second draw loan. Braven must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review Braven's good-faith certification concerning the necessity of its loan request, whether Braven calculated the loan amount correctly, whether Braven used loan proceeds for the allowable uses specified in the CARES Act, and whether Braven is entitled to loan forgiveness in the amount claimed on its application. If SBA determines Braven was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**NOTE 9 – EMPLOYEE RETENTION CREDIT**

During the year ended June 30, 2023, Braven claimed Employee Retention Credits (ERC) totaling \$372,850 under the provisions the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. Braven determined it had a significant decline in gross receipts and claimed the ERC for the second calendar quarter of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit Braven's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines Braven was ineligible for the ERC, Braven could be required to repay the amount claimed along with penalties and interest.

**NOTE 10 – RETIREMENT PLAN**

Braven provides a 401(k) plan through its payroll provider to eligible employees. Employees become eligible for the plan upon hire. Braven generally makes discretionary contributions to the plan equal to 5% of participants' annual compensation. Plan expenses for the years ended June 30, 2023 and 2022 were \$364,518 and \$256,568, respectively.

**BRAVEN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 11 – IN-KIND CONTRIBUTIONS**

In-kind contributions recognized within the accompanying statements of activities include:

	2023	2022
Legal	\$ 210,789	\$ 67,577
Consulting services	3,080,501	1,577,619
Advertising	262,245	84,198
Assistance to program participants	1,546,865	621,920
Donated computer equipment	-	1,000
	<u>                    </u>	<u>                    </u>
Total in-kind contributions	<u>\$ 5,100,400</u>	<u>\$ 2,352,314</u>

Braven recognized in-kind contributions within revenue on the accompanying statements of activities. Unless otherwise noted, the in-kind contributions did not have donor-imposed restrictions.

The donated legal and consulting services are recorded at the estimated fair market value of hourly rates charged. Advertising is valued at the amount charged for similar space online. Assistance to program participants are subscriptions provided to participants for premium accounts and are valued at the amount charged for a premium subscription.

**NOTE 12 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Purpose restrictions		
Bay Area	\$ 2,482,888	\$ 1,954,491
New Jersey	176,240	462,200
Chicago	438,181	287,812
New York	866,468	1,193,223
Technology, data, and research	-	981,100
Braven X	591,776	1,213,609
Reserve fund	-	250,000
Multi-region	5,158,206	4,424,863
Spelman College	405,421	741,667
Delaware	410,316	-
Subsequent periods' activities	<u>4,888,018</u>	<u>4,178,791</u>
	<u>                    </u>	<u>                    </u>
Net assets with donor restrictions	<u>\$ 15,417,514</u>	<u>\$ 15,687,756</u>

**BRAVEN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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**NOTE 13 – LEASING ARRANGEMENTS**

Braven leases office space pursuant to various shared space agreements and long-term arrangements with terms ranging from 1 to 66 months. In June 2020, Braven signed a lease for office space with a lease start date of October 1, 2020. Pursuant to the lease agreement, an allowance for improvements made to the space would be reimbursed for costs incurred up to \$85,240. At June 30, 2022, Braven has a lease incentive liability for the amount of capitalized leasehold improvements less amortization.

Braven also leases office equipment pursuant to various finance leases with terms ranging from 1 to 5 years. Lease expense, including various office usage charges, was \$224,006 for the year ended June 30, 2022.

The components of total lease cost for the year ended June 30, 2023 are as follows:

Finance lease cost	
Amortization of right-of-use assets	\$ 2,428
Interest of on lease liabilities	306
Operating lease cost	<u>237,725</u>
Total lease cost	<u><u>\$ 240,459</u></u>

Other information related to leases at June 30, 2023 is as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 175,037
Right-of-use assets obtained for new finance lease liabilities	92,113
Right-of-use assets obtained for new operating lease liabilities	1,860,977
Weighted-average remaining lease term	
Finance leases	3.17 years
Operating leases	4.14 years
Weighted-average discount rate	
Finance leases	3.98%
Operating leases	3.61%

**BRAVEN, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

NOTE 13 – LEASING AGREEMENTS (continued)

The maturities of lease liabilities as of June 30, 2023 are as follows:

	Finance Leases	Operating Leases
2024	\$ 31,008	\$ 388,543
2025	31,008	450,795
2026	31,008	408,948
2027	5,168	313,851
2028	-	283,034
Thereafter	-	38,469
Total minimum lease payments	98,192	1,883,640
Imputed interest	(5,774)	(162,952)
Total lease liabilities	<u>\$ 92,418</u>	<u>\$ 1,720,688</u>

NOTE 14 – LIQUIDITY AND AVAILABILITY

The following represents Braven's financial assets as of June 30, 2023 and 2022, reduced by amounts not available for general expenditures within one year because of contractual or donor-imposed restrictions.

	2023	2022
Cash and cash equivalents	\$ 33,415,821	\$ 19,053,213
Unconditional promises to give, net	6,911,886	7,615,823
Accounts receivable	68,000	103,904
Other receivables	203,500	12,940
Financial assets at year-end	40,599,207	26,785,880
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time and purpose restrictions	(15,417,514)	(15,687,756)
Add back amounts available for general expenditures within one year	3,913,018	2,369,791
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 29,094,711</u>	<u>\$ 13,467,915</u>

Braven's cash flows have seasonal variations during the year attributable to cash receipts for contributions received. Braven has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As a not-for-profit, donor-funded organization, Braven regularly receives contributions from donors that are available to meet annual cash needs for general operating expenditures.