

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

FINANCIAL STATEMENTS

Year Ended December 31, 2022

**Independent Auditors' Report**

To the Board of Directors of  
School on Wheels, Inc.

***Opinion***

We have audited the accompanying financial statements of School on Wheels, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 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 School on Wheels, Inc. as of December 31, 2022, 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 School on Wheels, Inc. 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 representation of these 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 School on Wheels, 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 School on Wheels, 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 School on Wheels, 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.

***Report on Summarized Comparative Information***

We have previously audited the School on Wheels, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 5, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
Encino, California  
April 19, 2023

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

STATEMENT OF FINANCIAL POSITION

December 31, 2022  
With Summarized Totals at December 31, 2021

	2022	2021
<b>Current Assets:</b>		
Cash and cash equivalents - without donor restrictions	\$ 2,071,469	\$ 2,072,315
Cash and cash equivalents - with donor restrictions	244,451	318,292
Investments	339,748	-
Prepaid expenses	-	12,000
	2,655,668	2,402,607
<b>Total Current Assets</b>		
Right of use, net of accumulated amortization of \$158,680	149,525	204,474
Fixed assets, at cost	25,480	-
Deposits	8,760	8,760
	2,839,433	2,615,841
<b>Total Assets</b>	<b>\$ 2,839,433</b>	<b>\$ 2,615,841</b>
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 116,840	\$ 242,822
Accrued vacation	52,841	63,640
Lease liability, current portion	58,587	56,064
	228,268	362,526
<b>Total Current Liabilities</b>		
Lease liability, less current portion	87,033	145,621
	315,301	508,147
<b>Total Liabilities</b>	<b>\$ 315,301</b>	<b>\$ 508,147</b>
<i>(See commitments - Note 7)</i>		
<b>Net Assets:</b>		
Without Donor Restrictions	\$ 2,279,681	\$ 1,789,402
With Donor Restrictions	244,451	318,292
	2,524,132	2,107,694
<b>Total Net Assets</b>		
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,839,433</b>	<b>\$ 2,615,841</b>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022  
With Summarized Totals at December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	2022	2021
<b>Support and Revenues:</b>				
Grant income	\$ 1,896,774	\$ 597,714	\$ 2,494,488	\$ 2,024,981
Contributions	678,826	7,350	686,176	616,505
Donated materials	282,278	-	282,278	330,419
Realized and unrealized gains/losses on investments	(39,732)	-	(39,732)	(5,118)
Special events, net of direct expenses	-	-	-	119,682
Interest income	15,378	-	15,378	5,155
Net Assets released from restrictions	678,905	(678,905)	-	-
<b>Total Support and Revenues</b>	<b>3,512,429</b>	<b>(73,841)</b>	<b>3,438,588</b>	<b>3,091,624</b>
<b>Other Income:</b>				
SBA Payroll Protection Loan forgiveness	-	-	-	279,715
<b>Total Support, Revenues and Other Income</b>	<b>3,512,429</b>	<b>(73,841)</b>	<b>3,438,588</b>	<b>3,371,339</b>
<b>Expenses:</b>				
Program Services	2,774,762	-	2,774,762	3,071,213
Fundraising	99,448	-	99,448	123,028
Supporting Services	147,940	-	147,940	132,705
<b>Total Expenses</b>	<b>3,022,150</b>	<b>-</b>	<b>3,022,150</b>	<b>3,326,946</b>
<b>Increase (Decrease) in Net Assets</b>	<b>490,279</b>	<b>(73,841)</b>	<b>416,438</b>	<b>44,393</b>
Net assets, beginning of year	1,789,402	318,292	2,107,694	2,063,301
<b>Net assets, end of year</b>	<b>\$ 2,279,681</b>	<b>\$ 244,451</b>	<b>\$ 2,524,132</b>	<b>\$ 2,107,694</b>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022  
With Summarized Totals at December 31, 2021

	Program Services	Fundraising	Supporting Services	2022	2021
Accounting	\$ -	\$ -	\$ 10,511	\$ 10,511	\$ 10,505
Automobile	15,312	-	-	15,312	7,757
Bank Charges	-	-	25,043	25,043	30,780
Contract Labor/Consulting	8,900	5,209	41,179	55,288	76,759
Depreciation	8,890	-	-	8,890	21,880
Donated Materials	282,278	-	-	282,278	330,419
Dues	4,426	100	1,409	5,935	5,135
Employee Benefits	95,881	7,537	14,779	118,197	165,060
Insurance	4,698	-	14,189	18,887	16,908
Lease Expense	92,502	-	179	92,681	64,639
Marketing and Advertising	20,089	935	300	21,324	3,417
Miscellaneous	11,970	-	136	12,106	3,107
Office Expense	10,631	-	-	10,631	4,794
Payroll	1,702,670	68,123	26,731	1,797,524	1,817,710
Payroll Taxes	136,152	9,750	4,400	150,302	150,774
Postage	10,223	1,424	1,010	12,657	10,254
Printing	3,328	-	-	3,328	4,963
Professional Development	10,346	-	468	10,814	12,084
Repairs and Maintenance	1,102	-	3,090	4,192	396
Scholarships	16,333	-	-	16,333	17,171
Staff Recognition and Recruiting	37,482	70	1,619	39,171	13,250
Student Expenses	162,423	-	-	162,423	342,111
Technology	49,451	6,262	875	56,588	112,621
Telephone	18,639	-	-	18,639	19,834
Travel and Meals	6,329	38	-	6,367	814
Utilities	5,994	-	-	5,994	3,176
Volunteer Expenses	58,713	-	2,022	60,735	80,628
<b>Total Functional Expenses</b>	<b>\$ 2,774,762</b>	<b>\$ 99,448</b>	<b>\$ 147,940</b>	<b>\$ 3,022,150</b>	<b>\$ 3,326,946</b>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022  
With Summarized Totals at December 31, 2021

	2022	2021
<b>Cash flows from Operating Activities:</b>		
Increase/(Decrease) in Net Assets	\$ 416,438	\$ 44,393
Reconciliation of increase in net assets to net cash provided by operating activities:		
Depreciation	8,890	21,880
Amortization, right of use	54,949	50,972
Net investment income	(24,354)	-
(Increase)/Decrease in prepaid expenses	12,000	5,890
Increase/(Decrease) in accounts payable and accrued expenses	(134,258)	60,336
SBA Payroll Protection Plan loan forgiveness	-	(279,700)
Net cash provided by (used by) operating activities	333,665	(96,229)
<b>Cash Flow from investing activities:</b>		
Purchase of fixed assets	(34,358)	-
Purchase of securities	(317,929)	-
Net cash used by investing activities	(352,287)	-
<b>Cash Flow from financing activities:</b>		
Principle payments on lease liability	(56,065)	(50,972)
Net cash used by financing activities	(56,065)	(50,972)
Net increase (decrease) in cash and cash equivalents	(74,687)	(147,201)
Cash, cash equivalents and restricted cash at beginning of year	2,390,607	2,537,808
Cash, cash equivalents and restricted cash at end of year	\$ 2,315,920	\$ 2,390,607

**Supplemental disclosure of cash flow information:**

School on Wheels, Inc. did not pay interest or taxes in 2022 or 2021.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 1 - NATURE OF ACTIVITIES**

Since 1993, School on Wheels has provided tutoring and mentoring for children who live in shelters, motels, group foster homes, vehicles, campgrounds or on the streets. The mission of School on Wheels is the enhancement of educational opportunities for children experiencing homelessness from kindergarten through twelfth grade. Their goal is to shrink the gaps in their learning and provide them with the highest quality education possible.

School on Wheels is the only organization in Southern California exclusively dedicated to serving the educational needs of unhoused children, the only one to focus on eliminating the specific barriers that stand between these children and the education they need and deserve to escape a life on the streets. Children without a home need extra time and attention if the educational system is to do its job, but they often have no one in their lives who can give it to them. School on Wheels brings the message to these students that they are cared about and important, and their programs serve as a consistent support system at a time of great stress and fear. Every child needs an education to have hope and a chance for success. If School on Wheels can close the gap for these kids, their program has the potential to help stop the cycle of homelessness and to relieve school districts of a tremendous capacity and resource burden.

Since April 2020, when the pandemic forced School on Wheels to adapt their strategies to new realities, their focus has been on limiting the burden placed on their unhoused students who are already academically behind and experiencing massive trauma. With schools closed, these students were shut out of not only academics, but also the counseling and emotional support that schools provide, not to mention daily nutrition and regular referrals to important medical services. In 2022, School on Wheels continued to adapt their practices for the pandemic circumstances – and in doing so found new and important ways to help their students, such as supporting their social emotional needs, bringing their parents into the process to foster a love of learning, providing Chromebooks/devices and Wi-Fi services, and improving their proficiency with digital tools and strategies. And, as always, School on Wheels staff and volunteers provided connection at a time when other connections were impossible. For their students, they are trusted adults, who teach, mentor, and assist their educational lives and provide a regular environment of reinforcement, positive modeling, and constructive feedback.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements



**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 1 - NATURE OF ACTIVITIES (cont.)**

Despite all of these difficulties and restrictions, School on Wheels accomplished the following in 2022:

- Tutored 1,738 unhoused students remotely and in person
- Trained and matched 1,303 volunteers to tutor online and in person
- Provided 1,271 Chromebooks/devices and hotspots to students
- Distributed 2,630 backpacks, 743 hard copy books; and 800 grocery/gift cards valued at \$100 each
- Tutored in six counties in Southern California.

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

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of School on Wheels, Inc. and changes therein are classified and reported as follows:

Contributions are recorded in the period received. Contributions received are recorded as net assets without donor restrictions, or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor by time or purpose are reported as an increase in net assets with 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 statement of activities as net assets released from restrictions. The related expense or cost of assets purchased in order to satisfy the donor restriction is expensed or capitalized.

When restrictions are satisfied in the same accounting period that the contribution is received, both revenue and expenses are reported in the net assets without donor restrictions class.

When a donor makes a contribution but does not stipulate a restriction of any kind on the use of funds, the transaction is reported as an increase in net assets without donor restriction.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Although management believes its estimates are appropriate, changes in assumptions utilized in preparing such estimates could cause these estimates to change in the future. Accordingly, actual results could differ from those estimates. Significant estimates include allocation of overhead expense to program, fund-raising, and supporting services and determination of value of In Kind donations.

Cash and cash equivalents

School on Wheels, Inc. maintains its cash and cash equivalents in bank deposit accounts and other investment accounts which, at times, may exceed federally insured limits. The charity has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and cash equivalents include donor restricted cash and cash equivalents of \$244,451 and \$318,292 at December 31, 2022 and 2021, respectively.

Investments

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

Leases

In 2022, School on Wheels, Inc. adopted the new lease accounting standard ASC 842 whereby the lessee recognizes and records to its balance sheet a liability to make lease payments and a corresponding right of use asset representing School on Wheels, Inc.'s right to use the leased asset for the lease term. As monthly lease payments are made, the liability is amortized to zero by the end of the lease term. At the same time, the right of use asset is amortized to zero by the end of the least term. Corresponding entries are posted to rent expense (Type B operating leases). Prior to adoption of ASC 842, the lessee's obligation to make noncancellable lease payments was the only footnote in the notes to the financial statements.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Building, furniture, equipment and right of use asset

Building, furniture and equipment are recorded at cost and depreciated using straight-line method over the estimated useful lives of the assets of 3 to 7 years. Maintenance, repairs and small property donations are expensed. Larger property donations and purchases for which there is a reasonable basis to measure value are capitalized and depreciated. Right of use assets are amortized over the life of the related noncancellable lease term.

Contributions in-kind

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at an estimated fair value in the period received. Total value of these in-kind donations includes the following:

Backpacks and school supplies	\$112,153
Books	13,666
Computers and accessories	6,281
Other items	<u>150,178</u>
	<u>\$282,278</u>

Value of volunteer time

In 2022, we had the honor of 1,303 volunteers who donated a total of 50,000 hours in support of School on Wheels, Inc.'s program services. The value of these services in 2022 was estimated to be \$37.32 per hour in California, for a total of \$1,866,000.

The value of volunteer time is based on the hourly earnings (approximated from yearly values) of all production and non-supervisory workers on private non-farm payrolls average (based on yearly earnings provided by the Bureau of Labor Statistics). Independent Sector indexes this figure to determine state values and increases it by 15.4 percent to estimate for fringe benefits.

Allocating functional expenses

Certain indirect natural expenses are allocated among the programs, supporting services, and fund-raising based upon management's estimates of employee hours incurred with respect to the various programs, supporting services and fund-raising.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Comparison of financial statements to prior year**

School on Wheels, Inc. adopted the new lease accounting standard ASC 842. The new standard requires School on Wheels, Inc. to record the retroactive effects to the balance sheet for each year presented in the financial statements. Accordingly, these financial statements for 2021 include the effects of the new lease accounting standard. Net effect to net assets in 2021 was an increase of \$2,789.

**NOTE 3 - TAX STATUS**

School on Wheels, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and California Revenue and Taxation Code Section 23701(d). Accordingly, no provision has been made for Federal and state income taxes.

School on Wheels, Inc. accounts for income taxes by evaluating its tax positions and recognizes a liability for any positions that would not be considered “more likely than not” to be upheld under a tax authority examination. If such issues exist, School on Wheels, Inc.’s policy will be to recognize any tax liability so recorded, including applicable interest and penalties, as a component of income tax expense.

School on Wheels, Inc. has reviewed its tax positions and determined that an accrual for uncertain income tax positions and adjustment to the tax provision was not necessary. With few exceptions, School on Wheels, Inc. is no longer subject to U. S. Federal and state income tax examinations for fiscal years before 2019.

See Accompanying Independent Auditor’s Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 4 - INVESTMENTS**

Investment in marketable securities are all Level 1 type investments and are measured at fair value. As of December 31, 2022, marketable equity and debt securities consisted of the following:

	<u>2022</u>	
	<u>Cost</u>	<u>Fair Value</u>
Fixed income corporate bonds	\$ <u>383,080</u>	\$ <u>339,748</u>

The fair values of marketable securities within Level 1 inputs were obtained based on quoted market prices for identical assets at the closing of the last business day of the fiscal year.

For the year ended December 31, 2022, investment income consists of interest and dividend income of \$8,080.

**NOTE 5 - FIXED ASSETS**

Fixed assets at December 31, 2022 are summarized as follows:

Database Software	\$ 156,555
Office Equipment and Computers	90,592
Office Furniture and Fixtures	83,257
Leasehold Improvements	<u>149,314</u>
	479,718
Less accumulated depreciation	(454,238)
Net fixed assets	\$ <u>25,480</u>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 6 - LEASE LIABILITY**

School on Wheels, Inc. leases office space with a lease term ending May 2025. The lease is a Type B operating lease.

The weighted average lease term and interest rate is 29 months and 5% respectively.

Average minimum gross lease payments by year is as follows:

<u>December 31</u>	
2023	\$ 64,891
2024	66,810
2025	<u>28,175</u>
	159,876
Adjustment to present value at 5%	<u>(14,256)</u>
Total Lease Liability	\$ <u>145,620</u>

**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are summarized as follows:

	<u>2022</u>
Literacy program	\$103,290
Scholarships funds	86,120
Board reserve fund	12,500
Bus program	37,695
Technology	<u>4,846</u>
	\$ <u>244,451</u>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 8 - RELATED PARTY TRANSACTIONS**

The former Executive Director of School on Wheels, Inc. continues to provide executive advisory services on a pro bono basis.

A member of the Board of Directors was paid \$5,175 for Development Consulting services.

**NOTE 9 - COMMITMENTS**

School on Wheels, Inc. operates three facilities. The administrative office is occupied under a month to month lease. A second location lease expired on December 31, 2022 and was not extended. A third location lease expires in May 2025 and is capitalized as a Type B operating lease.

**NOTE 10 - GOVERNING BOARD DESIGNATIONS**

School on Wheels, Inc.'s governing Board has designated certain amounts of net assets without donor restriction for specific purposes. Unlike donor restricted funds, Board designated funds are decided upon for any purpose by the governing Board. The Board may change or alter designation of funds at any time.

The following designation was in place as of December 31, 2022:

	<u>2022</u>
Operating Reserve Fund	<u>\$ 87,500</u>

The Board established this designation to fulfill its agreement with a grantor who donated \$12,500 towards the same purpose. Total operating reserve fund between Board designation and donor restricted funds is \$100,000.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 11 - EMPLOYEE BENEFIT PLANS**

School on Wheels, Inc. sponsors an IRC sec 403 (b) Tax-Sheltered Annuity Plan in which all employees are eligible to participate. All employees are eligible to make elective contributions, up to \$20,500, into the plan from the first date of employment. Employees ages 50 or over may make catch up contributions of an additional \$6,500. School on Wheels, Inc. may make matching contributions.

For the year ended December 31, 2022, School on Wheels, Inc. made matching contributions totaling \$10,176.

**NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects School on Wheels, Inc.'s financial assets as of the balance sheet date, reduced by amounts not available for general use within one year or because of contractual or donor-imposed restrictions.

	<u>2022</u>	<u>2021</u>
Financial assets at year end—		
Cash	\$2,315,920	\$2,390,607
Investments	<u>339,748</u>	<u>-</u>
Total financial assets at year end	2,655,668	2,390,607
Less financial assets unavailable for general expenditures within one year—		
Donor restricted funds	(244,451)	(318,292)
Board designation (see footnote 8)—		
Operating reserve fund	<u>(87,500)</u>	<u>(87,500)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$2,323,717</u>	<u>\$1,984,815</u>

As part of School on Wheels, Inc.'s liquidity management, it establishes detailed budgets before the start of the year, then, on a monthly basis, closely monitor actual financial performance compared to budgets. Financial assets are maintained in very liquid accounts available at all times for use to cover costs.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements



**SCHOOL ON WHEELS, INC.**  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2022

**NOTE 13 - SUBSEQUENT EVENT**

School on Wheels, Inc. has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2022 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through April 19, 2023, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

**NOTE 14 - CONCENTRATION OF RISK**

School on Wheels, Inc. maintains its cash and cash equivalents in bank deposit accounts and other investment accounts which, at times, may exceed federally insured limits. School on Wheels, Inc. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**NOTE 15 - SBA - PAYROLL PROTECTION PLAN LOAN**

School on Wheels, Inc. received \$279,700 from the SBA under the Federal Payroll Protection Plan whereby interest and principal payments of \$11,776 were due monthly until the loan was paid in full in April 2023. On April 26, 2021, the SBA forgave the loan. The full amount of forgiveness debt was recorded as other income on the statement of activities in 2021.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements