



FINANCIAL STATEMENTS

December 31, 2022 and 2021

**EMPIRICAL RESOLUTION, INC. dba QUILL**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 4,669,293	\$ 4,236,115
Unconditional promises to give	543,750	-
Employee Retention Tax Credit receivable	196,000	-
Accounts receivable	333,128	246,314
Prepaid expenses	51,716	84,124
Security deposit	225	225
	<u>5,794,112</u>	<u>4,566,778</u>
<b>LONG-TERM ASSETS</b>		
Unconditional promises to give, less current portion	200,000	-
<b>TECHNOLOGY AND EQUIPMENT</b>		
Web application information technology	6,843,619	5,115,342
Furniture and computer equipment	59,821	49,679
Less accumulated depreciation and amortization	<u>(3,615,180)</u>	<u>(2,381,293)</u>
	<u>3,288,260</u>	<u>2,783,728</u>
Technology and equipment, net		
	<u>3,488,260</u>	<u>2,783,728</u>
	<u>3,488,260</u>	<u>2,783,728</u>
<b>Total assets</b>	<u><u>\$ 9,282,372</u></u>	<u><u>\$ 7,350,506</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 42,842	\$ 67,282
Accrued payroll liabilities	442,137	297,731
Deferred revenue	331,173	336,400
	<u>816,152</u>	<u>701,413</u>
Total liabilities	816,152	701,413
<b>NET ASSETS</b>		
Without donor restrictions	7,568,426	6,431,380
With donor restrictions	897,794	217,713
	<u>8,466,220</u>	<u>6,649,093</u>
Total net assets	8,466,220	6,649,093
<b>Total liabilities and net assets</b>	<u><u>\$ 9,282,372</u></u>	<u><u>\$ 7,350,506</u></u>

See accompanying notes.

**EMPIRICAL RESOLUTION, INC. dba QUILL**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2022 and 2021

	2022	2021
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
REVENUES		
Program service fees	\$ 3,534,824	\$ 3,585,157
Contributions	1,708,812	671,923
Employee Retention Tax Credit	196,000	-
In-kind contributions	94,967	47,586
Other	9,886	4,731
Total revenues without donor restrictions	5,544,489	4,309,397
EXPENSES		
Program services	3,975,416	3,846,788
Supporting activities		
Management and general	322,142	313,809
Fundraising	327,598	244,902
Total expenses	4,625,156	4,405,499
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	192,713	587,686
Satisfaction of time restrictions	25,000	-
Change in net assets without donor restrictions	1,137,046	491,584
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	897,794	36,262
Net assets released from restrictions	(217,713)	(587,686)
Change in net assets with donor restrictions	680,081	(551,424)
<b>Change in net assets</b>	1,817,127	(59,840)
Net assets at beginning of year	6,649,093	6,708,933
<b>Net assets at end of year</b>	<b>\$ 8,466,220</b>	<b>\$ 6,649,093</b>

See accompanying notes.

**EMPIRICAL RESOLUTION, INC. dba QUILL**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
Years Ended December 31, 2022 and 2021

	<b>2022</b>			
	Program Services	Supporting Activities		Total
		Management and General	Fundraising	
Personnel	\$ 1,980,102	\$ 203,084	\$ 243,703	\$ 2,426,889
Depreciation and amortization	1,232,236	1,237	414	1,233,887
Professional fees	269,543	74,235	75,200	418,978
Software and technology	456,481	5,444	6,804	468,729
Occupancy	4,636	206	254	5,096
Miscellaneous	27,064	11,240	929	39,233
Travel and meetings	5,354	236	294	5,884
Insurance	-	26,460	-	26,460
<b>Total expenses</b>	<b>\$ 3,975,416</b>	<b>\$ 322,142</b>	<b>\$ 327,598</b>	<b>\$ 4,625,156</b>

	<b>2021</b>			
	Program Services	Supporting Activities		Total
		Management and General	Fundraising	
Personnel	\$ 2,255,549	\$ 189,873	\$ 237,227	\$ 2,682,649
Depreciation and amortization	890,745	940	313	891,998
Professional fees	316,984	59,915	-	376,899
Software and technology	303,995	3,692	4,613	312,300
Occupancy	3,179	154	194	3,527
Miscellaneous	44,407	33,729	1,850	79,986
Grants to others	20,350	-	-	20,350
Travel and meetings	11,579	565	705	12,849
Insurance	-	24,941	-	24,941
<b>Total expenses</b>	<b>\$ 3,846,788</b>	<b>\$ 313,809</b>	<b>\$ 244,902</b>	<b>\$ 4,405,499</b>

See accompanying notes.

**EMPIRICAL RESOLUTION, INC. dba QUILL**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,817,127	\$ (59,840)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	1,233,887	891,998
(Increase) decrease in assets		
Unconditional promises to give	(743,750)	-
Employee Retention Tax Credit receivable	(196,000)	-
Accounts receivable	(86,814)	276,222
Prepaid expenses	32,408	(49,058)
Increase (decrease) in liabilities		
Accounts payable	(24,440)	45,452
Accrued payroll liabilities	144,406	61,781
Deferred revenue	(5,227)	72,421
	<u>2,171,597</u>	<u>1,238,976</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for development of web application information technology	(1,728,276)	(1,659,373)
Purchase of furniture and computer equipment	(10,143)	(8,926)
	<u>(1,738,419)</u>	<u>(1,668,299)</u>
<b>Net change in cash</b>	433,178	(429,323)
Cash at beginning of year	<u>4,236,115</u>	<u>4,665,438</u>
<b>Cash at end of year</b>	<u><u>\$ 4,669,293</u></u>	<u><u>\$ 4,236,115</u></u>

See accompanying notes.