

*Freedom School Partners, Inc.*

*Financial Statements*

*December 31, 2022*

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***FREEDOM SCHOOL PARTNERS, INC.***

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Freedom School Partners, Inc.  
Charlotte, North Carolina

### Opinion

We have audited the accompanying financial statements of Freedom School Partners, Inc. (the "Organization" - a nonprofit organization), 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 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 Freedom School Partners, 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 of 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 Freedom School Partners, 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 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 Freedom School Partners, 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 auditors' 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.

Freedom School Partners, Inc.  
Charlotte, North Carolina

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 purposes of expressing an opinion on the effectiveness of Freedom School Partners, 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 Freedom School Partners, 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 Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 15, 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.

*Foard & Company, P.A.*

June 15, 2023

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**FREEDOM SCHOOL PARTNERS, INC.****STATEMENT OF FINANCIAL POSITION****December 31, 2022, With Prior Year Comparative Totals**

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|  | <u>2022</u>                | <u>2021</u>                |
|--|----------------------------|----------------------------|
| <b><u>ASSETS</u></b>                                       |                            |                            |
| Cash   | \$ 1,568,974               | \$ 1,140,596               |
| Receivables:   |                            |                            |
| Promises to give, net                                      | 48,173                     | 24,248                     |
| Sales tax refund   | 6,397                      | 6,871                      |
| Prepaid expenses   | 31,130                     | 45,403                     |
| Investments:   |                            |                            |
| Beneficial interest in assets held in trust by third party | 442,462                    | 269,668                    |
| Operating right of use asset                               | 89,246                     | -                          |
| Property and equipment, net of accumulated depreciation    | 10,533                     | 8,559                      |
| <b><u>TOTAL ASSETS</u></b>                                 | <b><u>\$ 2,196,915</u></b> | <b><u>\$ 1,495,345</u></b> |
| <b><u>LIABILITIES AND NET ASSETS</u></b>                   |                            |                            |
| Liabilities:   |                            |                            |
| Accounts payable and accrued expenses                      | \$ 46,644                  | \$ 40,959                  |
| Deferred sponsorship revenue                               | -                          | 10,000                     |
| Operating lease liability                                  | 90,186                     | -                          |
| <u>Total Liabilities</u>                                   | <u>136,830</u>             | <u>50,959</u>              |
| Net Assets:  |                            |                            |
| Without donor restrictions:                                |                            |                            |
| Undesignated   | 1,339,655                  | 932,640                    |
| Designated   | 300,000                    | 300,000                    |
| <u>Total Net Assets Without Donor Restrictions</u>         | <u>1,639,655</u>           | <u>1,232,640</u>           |
| With donor restrictions                                    | 420,430                    | 211,746                    |
| <u>Total Net Assets</u>                                    | <u>2,060,085</u>           | <u>1,444,386</u>           |
| <b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>             | <b><u>\$ 2,196,915</u></b> | <b><u>\$ 1,495,345</u></b> |

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**FREEDOM SCHOOL PARTNERS, INC.****STATEMENT OF ACTIVITIES****Year Ended December 31, 2022, With Prior Year Comparative Totals**

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|   | December 31, 2022             |                            |                            | Prior Year<br>Comparative<br>Totals |
|---|-------------------------------|----------------------------|----------------------------|-------------------------------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Totals                     |                                     |
| <b><u>SUPPORT AND REVENUE</u></b>           |                               |                            |                            |                                     |
| Contributions:                              |                               |                            |                            |                                     |
| Cash  | \$ 2,518,675                  | \$ 334,496                 | \$ 2,853,171               | \$ 2,055,596                        |
| In-kind                                     | 107,844                       | -                          | 107,844                    | 106,210                             |
| Investment income (loss)                    | (39,334)                      | -                          | (39,334)                   | 21,439                              |
| Program service fees                        | 9,630                         | -                          | 9,630                      | 5,040                               |
| Loss on disposal of property                | -                             | -                          | -                          | (1,876)                             |
| Net assets released from restrictions:      |                               |                            |                            |                                     |
| Satisfaction of time restrictions           | 21,175                        | (21,175)                   | -                          | -                                   |
| Satisfaction of purpose restriction         | 104,637                       | (104,637)                  | -                          | -                                   |
| <b><i>TOTAL SUPPORT<br/>AND REVENUE</i></b> | <b><i>2,722,627</i></b>       | <b><i>208,684</i></b>      | <b><i>2,931,311</i></b>    | <b><i>2,186,409</i></b>             |
| <b><u>EXPENSES</u></b>                      |                               |                            |                            |                                     |
| Program services                            | 1,652,607                     | -                          | 1,652,607                  | 1,524,976                           |
| Supporting services:                        |                               |                            |                            |                                     |
| Management and general                      | 191,339                       | -                          | 191,339                    | 201,353                             |
| Fundraising                                 | 471,666                       | -                          | 471,666                    | 499,942                             |
| Total Supporting Services                   | 663,005                       | -                          | 663,005                    | 701,295                             |
| <b><i>TOTAL EXPENSES</i></b>                | <b><i>2,315,612</i></b>       | <b><i>-</i></b>            | <b><i>2,315,612</i></b>    | <b><i>2,226,271</i></b>             |
| <b><i>CHANGE IN NET ASSETS</i></b>          | <b><i>407,015</i></b>         | <b><i>208,684</i></b>      | <b><i>615,699</i></b>      | <b><i>(39,862)</i></b>              |
| <b><i>NET ASSETS, BEGINNING</i></b>         | <b><i>1,232,640</i></b>       | <b><i>211,746</i></b>      | <b><i>1,444,386</i></b>    | <b><i>1,484,248</i></b>             |
| <b><i>NET ASSETS, ENDING</i></b>            | <b><i>\$ 1,639,655</i></b>    | <b><i>\$ 420,430</i></b>   | <b><i>\$ 2,060,085</i></b> | <b><i>\$ 1,444,386</i></b>          |

**FREEDOM SCHOOL PARTNERS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2022, With Prior Year Comparative Totals**

|                              | Program<br>Services | Supporting Services       |                   | Totals              | Prior Year<br>Comparative<br>Totals |
|------------------------------|---------------------|---------------------------|-------------------|---------------------|-------------------------------------|
|                              |                     | Management<br>and General | Fund<br>Raising   |                     |                                     |
| <b><u>PERSONNEL</u></b>      |                     |                           |                   |                     |                                     |
| Salaries and wages           | \$ 730,146          | \$ 93,972                 | \$ 285,780        | \$ 1,109,898        | \$ 1,127,041                        |
| Payroll taxes                | 50,336              | 6,390                     | 18,620            | 75,346              | 84,622                              |
| Employee benefits            | 53,553              | 10,687                    | 35,525            | 99,765              | 97,054                              |
| <b><i>Total</i></b>          | <b>834,035</b>      | <b>111,049</b>            | <b>339,925</b>    | <b>1,285,009</b>    | <b>1,308,717</b>                    |
| <b><u>OTHER EXPENSES</u></b> |                     |                           |                   |                     |                                     |
| Curriculum and training      | 273,913             | -                         | -                 | 273,913             | 306,001                             |
| Bus rental                   | 176,400             | -                         | -                 | 176,400             | 118,300                             |
| Occupancy                    | 91,046              | 32,024                    | 31,165            | 154,235             | 151,330                             |
| Field trips/activities       | 37,069              | -                         | -                 | 37,069              | 9,099                               |
| Supplies                     | 41,540              | 8,936                     | 8,624             | 59,100              | 61,451                              |
| Food                         | 30,129              | -                         | -                 | 30,129              | 13,184                              |
| Travel and meetings          | 14,953              | 3,110                     | 5,054             | 23,117              | 15,421                              |
| Evaluations                  | 63,745              | -                         | -                 | 63,745              | 59,109                              |
| Uniforms                     | 9,229               | -                         | -                 | 9,229               | 10,570                              |
| Site technology              | 4,055               | -                         | -                 | 4,055               | 7,616                               |
| Year-round engagement        | 8,753               | -                         | -                 | 8,753               | 5,706                               |
| Professional fees            | 5,350               | 18,030                    | 5,587             | 28,967              | 30,426                              |
| Telephone                    | 7,404               | 3,439                     | 3,483             | 14,326              | 9,932                               |
| Liability insurance          | 12,020              | 4,283                     | 4,283             | 20,586              | 20,478                              |
| Marketing                    | 3,150               | 1,576                     | 45,192            | 49,918              | 43,989                              |
| Printing                     | 2,398               | 796                       | 796               | 3,990               | 4,082                               |
| Depreciation                 | 1,843               | 615                       | 615               | 3,073               | 3,173                               |
| Equipment and vehicle        | 6,093               | 2,065                     | 2,141             | 10,299              | 10,256                              |
| Postage                      | 76                  | 191                       | 2,258             | 2,525               | 1,882                               |
| Dues and subscriptions       | 2,933               | 3,377                     | 18,762            | 25,072              | 24,055                              |
| Celebrations                 | 14,221              | -                         | -                 | 14,221              | -                                   |
| Parent meetings              | 12,060              | -                         | -                 | 12,060              | -                                   |
| Service charges              | 192                 | 1,848                     | 3,781             | 5,821               | 4,651                               |
| Bad debt                     | -                   | -                         | -                 | -                   | 6,843                               |
| <b><i>TOTAL</i></b>          | <b>\$ 1,652,607</b> | <b>\$ 191,339</b>         | <b>\$ 471,666</b> | <b>\$ 2,315,612</b> | <b>\$ 2,226,271</b>                 |

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**FREEDOM SCHOOL PARTNERS, INC.****STATEMENT OF CASH FLOWS****Year Ended December 31, 2022, With Prior Year Comparative Totals**

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|   | <u>2022</u>             | <u>2021</u>           |
|---|-------------------------|-----------------------|
| <b><u>OPERATING ACTIVITIES</u></b>  |                         |                       |
| Change in net assets  | \$ 615,699              | \$ (39,862)           |
| Adjustments to reconcile change in net assets<br>to net cash flows from operating activities: |                         |                       |
| Depreciation  | 3,073                   | 3,173                 |
| Loss on disposal of property  | -                       | 1,876                 |
| Change in value of beneficial interest in assets held in<br>trust by third party              | 39,761                  | (21,738)              |
| Operating right of use asset and lease liability  | 940                     | -                     |
| (Increase) decrease in operating assets:  |                         |                       |
| Prepaid expenses  | 14,273                  | (30,437)              |
| Promises to give  | (23,925)                | 57,783                |
| Sales tax refund  | 474                     | (520)                 |
| Increase (decrease) in operating liabilities:   |                         |                       |
| Accounts payable and accrued expenses   | 5,685                   | 10,080                |
| Deferred sponsorship revenue  | (10,000)                | 10,000                |
| <b><i>Cash Flows From Operating Activities</i></b>  | <b><i>645,980</i></b>   | <b><i>(9,645)</i></b> |
| <b><u>INVESTING ACTIVITIES</u></b>  |                         |                       |
| Purchases of investments  | (214,500)               | -                     |
| Sales of investments  | 1,945                   | 1,979                 |
| Purchases of property and equipment   | (5,047)                 | (2,989)               |
| <b><i>Cash Flows From Investing Activities</i></b>  | <b><i>(217,602)</i></b> | <b><i>(1,010)</i></b> |
| <b>CHANGE IN CASH</b>   | <b>428,378</b>          | <b>(10,655)</b>       |
| <b>CASH, BEGINNING</b>  | <b>1,140,596</b>        | <b>1,151,251</b>      |
| <b>CASH, ENDING</b>   | <b>\$ 1,568,974</b>     | <b>\$ 1,140,596</b>   |



**NOTE 1 - NATURE OF ORGANIZATION AND ACTIVITIES**

Freedom School Partners, Inc. (the Organization) is a non-profit organization formed on November 29, 1999, in the State of North Carolina. Its mission is to inspire scholars to love reading and learning, believe in themselves, and create extraordinary futures. The Organization's funding primarily comes from private grants and contributions.

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

Basis of presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, the Organization is required to report information regarding its financial position and activities according to the following two classes of net assets:

- *Net assets without donor restrictions:* Net assets that are not subject to any donor-imposed stipulations and which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Designated net assets represent funds designated by the Organization for specific purposes. However, these funds have not been restricted by donors and are available for any purpose at the Organization's discretion.
- *Net assets with donor restrictions:* Net assets subject to donor-imposed stipulations. These stipulations may be temporary in nature, with the restriction being met either by actions of the Organization or the passage of time, or permanent, such that the net assets must be held in perpetuity by the Organization. During the year, the Organization had no net assets with donor restrictions to be held in perpetuity.

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Restricted support received is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the 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. Restricted grants and contributions whose restrictions are met in the same reporting period as received are reported in support without donor restrictions.

Promises to give

The Organization recognizes promises of grants and contributions as support in the year the promise is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management has set up an allowance for doubtful pledges receivable based on an identification of specific pledges receivable which may be uncollectible.

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**FREEDOM SCHOOL PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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Investments

Investments are reported at fair value.

Donated services and goods

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated goods, if significant, are included in support at fair value. During the year, the Organization recorded no donated services or goods.

The Organization receives a substantial amount of donated services from unpaid volunteers in carrying out its program activities. No amounts have been reflected in the financial statements for these services since they generally do not meet the criteria for recognition described above.

Donated facilities

Donated facilities are recorded as contributions at the estimated fair rental value based on advertised rental rates for similar office space in the area. For the year ended December 31, 2022, the fair value of this donated rent has been calculated at \$107,844 with a like amount included in occupancy expense. This amount is for the Organization's corporate offices, which are leased from Covenant Presbyterian Church.

Functional allocation of expenses

The Organization's activities are focused in three functional areas. Program services represent the primary focus of the Organization's activities. Supporting services are fundraising activities and general and administrative activities. The expenses that are allocated include personnel, which are allocated on the basis of estimates of time and effort. Occupancy, supplies, travel and meetings, professional fees, telephone, liability insurance, marketing, printing, depreciation, equipment and vehicle, postage, dues and subscriptions, and service charges are allocated based on similar percentages as total personnel expenses, except that if a cost relates to a specific employee, that cost is allocated the same way that their salary is. Curriculum and training, bus rental, field trips/activities, food, evaluations, uniforms, site technology, celebrations, and parent meetings are fully allocated to program services. The costs of providing the various programs and other activities are summarized in the accompanying financial statements.

Income tax status

Freedom School Partners, Inc. is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not classified as a private foundation as defined by Section 509(a)(1) of the IRC.

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 support, revenues and expenses during the reporting period. Actual results could differ from those estimates.

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**FREEDOM SCHOOL PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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Prior-year comparative totals

The financial statements include certain prior-year summarized information in total, but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's December 31, 2021 financial statements, from which the summarized information was derived.

**NOTE 3 – INVESTMENTS**

The Foundation for the Carolinas (FFTC) holds funds in trust accounts for the benefit of the Organization. The Organization may request annual distributions of accumulated income from these accounts. Recommendations for distribution of principal, as considered necessary by the Board of Directors of the Organization, may be made to FFTC. FFTC has complete discretion as to the timing and amounts of distributions from these funds; however, FFTC has no variance power to distribute any portion of these funds to another not-for-profit entity. Assets at FFTC with a year-end fair value of \$305,828 are held in an investment pool with a fund type of *Quasi-Endowed Designated* and an asset investment strategy of *Passive Long-Term*, and assets at FFTC with a year-end fair value of \$136,634 are held in an investment pool with a fund type of *Quasi-Endowed Designated* and an asset investment strategy of FFTC – Income & Growth.

**NOTE 4 - FAIR VALUE MEASUREMENTS**

Current accounting standards require fair value to be determined based on the exchange price that would be received for an asset in the most advantageous market. Assets are classified utilizing a three-level valuation hierarchy based upon observable and unobservable inputs. Level 1 assets are those assets for which unadjusted quoted prices for identical instruments in active markets are available as of the measurement date. Level 2 assets are those assets which do not have quoted market prices but have values that are observable either directly or indirectly. Level 3 assets do not have observable values.

The Organization's investments are classified as Level 3 assets. Values of the Organization's investments held at FFTC are determined by FFTC based on the fair value of the underlying assets, which consists of assets, some of which are publicly traded and some of which are not publicly traded. The value of the other investment is estimated.

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the year.

|                            |                   |
|----------------------------|-------------------|
| Balance, beginning of year | \$ 269,668        |
| Purchases                  | 214,500           |
| Sales                      | (1,945)           |
| Net decrease in value      | <u>(39,761)</u>   |
| Balance, end of year       | <u>\$ 442,462</u> |

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**FREEDOM SCHOOL PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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**NOTE 5 – PLEDGES RECEIVABLE**

Pledges receivable of \$55,016 as of year-end are expected to be collected in 2023. They are presented net of an allowance for doubtful pledges receivable of \$6,843.

**NOTE 6 - PROPERTY AND EQUIPMENT**

Purchased fixed assets are carried at cost, and donated fixed assets are recorded at their fair value at the date of the gift, when the cost or the fair value exceeds \$500. Depreciation expense is provided using the straight-line method over the estimated useful lives, which range from 3 to 7 years.

At December 31, 2022, property and equipment are composed of the following:

|                                 |                         |
|---------------------------------|-------------------------|
| Machinery and equipment         | \$ 85,602               |
| Leasehold improvements          | <u>45,220</u>           |
| Total                           | 130,822                 |
| Less - accumulated depreciation | <u>120,289</u>          |
| Total                           | <u><u>\$ 10,533</u></u> |

**NOTE 7 - NET ASSETS**

Designated

The Board of Directors of Freedom School Partners, Inc. designates funds for sponsoring partner reserves and working capital reserves. At December 31, 2022, the designated amount to support general operating needs was \$300,000.

With donor restrictions

The Organization's net assets with donor restrictions at December 31, 2022, are as follows:

|  |                          |
|--|--------------------------|
| Purpose Restricted – for proprietary software update | \$ 240,000               |
| Time Restricted:                                     |                          |
| 2023 summer programming                              | 135,430                  |
| Pledges receivable in future years                   | <u>45,000</u>            |
|  | <u><u>\$ 420,430</u></u> |

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**FREEDOM SCHOOL PARTNERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2022**

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**NOTE 8 - LEASE COMMITMENTS**

The Organization adopted the new lease standard ASC 842, *Leases*, during the year-ended December 31, 2022. The Organization leases office equipment and storage space under non-cancelable lease agreements, both of which were entered into during the year. The leases expire April 30, 2025 and February 28, 2025, respectively. The storage space lease provides for increases in future minimum annual rental payments. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. The weighted-average discount rate was 1.44 percent and the weighted average remaining lease term was 3.09 years at year-end.

At December 31, 2022, the operating lease right-of-use asset balance was \$89,246, and the operating lease liability was \$90,186. The Organization did not have any operating leases with a term of 12 months or less.

Total lease costs for the year ended December 31, 2022, excluding in-kind donated rent expense of \$107,844, was \$37,385.

Future minimum lease payments required under the operating leases are as follows:

| Year ended December 31,      |                  |
|------------------------------|------------------|
| 2023                         | \$ 34,248        |
| 2024                         | 35,880           |
| 2025                         | 12,180           |
| 2026                         | 7,380            |
| 2027                         | <u>2,460</u>     |
| Total lease payment          | 92,148           |
| Less: present value discount | <u>(1,962)</u>   |
| Present value of liability   | <u>\$ 90,186</u> |

**NOTE 9 – RETIREMENT PLAN**

The Organization maintains a SIMPLE IRA Plan. The Organization makes matching contributions up to three percent of a participating employee's annual salary. The Organization's contributions to this plan were \$13,195 for the year ended December 31, 2022.

**NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization has \$1,645,576 of financial assets available within one year of the balance sheet date to meet cash needs for expenditures, consisting of cash of \$1,568,974, investments of \$442,462, and receivables of \$54,570. These receivables are expected to be collected within one year of year-end. Of these financial assets, \$375,430 are subject to donor restrictions that make them unavailable for general expenditure. The Organization has a goal to maintain financial assets, which consist of cash and receivables, on hand to meet one year of normal operating expenses, which are budgeted to be approximately \$2,450,000 for 2023.

**NOTE 11 - CONCENTRATIONS OF CREDIT RISK**

Cash

Cash held in bank accounts is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The total cash held by the Organization as of December 31, 2022, includes \$988,103 in excess of insured limits covered by the FDIC. However, the Organization believes it is not exposed to any significant credit risk related to these accounts.

Geographic location

The Organization operates in a limited geographic area and as a result is sensitive to changes in the local economy.

Revenue and receivables

For the year ended December 31, 2022, contributions from five donors comprise 29 percent of all cash contributions.

**NOTE 12 - SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events from the date of the statement of financial position through the date of the independent auditors' report, which is the date the audited financial statements were available for issuance. During this period, no material recognizable subsequent events were identified.