RANDLE & ASSOCIATES, LLC
Certified Public Accountants

KIDS IN THE MIDDLE, INC.

Financial Statements

December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

KIDS IN THE MIDDLE, INC.

FINANCIAL STATEMENTS

December 31, 2023 and 2022

Table of Contents

	Page
Independent Auditors' Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 7
Notes to the Financial Statements	8 - 19

RANDLE & ASSOCIATES, LLC, CPA
Certified Public Accountant
(314) 731-8085
www.randlecpa.com

70 Black Jack Ct.
Florissant, MO 63033

INDEPENDENT AUDITORS' REPORT

Board of Directors
Kids In The Middle, Inc.

Opinion

We have audited the accompanying financial statements of Kids In The Middle, Inc. (a nonprofit organization), which comprise of the statements of financial position as of December 31, 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 Kids In The Middle, Inc. as of December 31, 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 Kids In The Middle, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, for the year ended December 31, 2022, Kids In The Middle, Inc. adopted new accounting guidance *ASU 2016-02, Leases (Topic 842)*. Our opinions are 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 Kids In The Middle, 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Kids In The Middle, 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 Kids In The Middle, 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.

Randle & Associates, LLC, CPAs

Florissant, Missouri
May 21, 2024

KIDS IN THE MIDDLE, INC.
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 120,789	$ 255,884
Unconditional promises to give	188,939	198,302
Accounts receivable	76,128	37,910
Prepaid expenses and deposits	3,363	17,310
Total current assets	389,219	509,406
Cash restricted for scholarship	1,501	1,501
Operating lease right-of-use asset	710,793	885,704
Fixed assets - net	27,949	41,008
Total Assets	$ 1,129,462	$ 1,437,619
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 9,329	$ 995
Accrued salaries and related liabilities	37,290	40,301
Line of credit	60,047	-
Current portion of right-of-use operating lease liability	176,018	174,910
Total current liabilities	282,684	216,206
Right-of-use operating lease liability, net of current portion	534,775	710,794
Total Liabilities	$ 817,459	$ 927,000
Net Assets		
Without donor restrictions		
Investment in fixed assets	27,949	41,008
Operations	88,614	272,308
Total without donor restrictions	116,563	313,316
With donor restrictions	195,440	197,303
Total Net Assets	312,003	510,619
Total Liabilities and Net Assets	$ 1,129,462	$ 1,437,619

The accompanying notes are an integral part of these financial statements.

KIDS IN THE MIDDLE, INC.
Statements of Activities
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Public support:						
Contributions	$ 422,172	$ 5,000	$ 427,172	$ 393,914	$ 17,944	$ 411,858
In-kind donations	4,627	-	4,627	4,047	-	4,047
United Way	-	188,939	188,939	-	195,802	195,802
Revenue:						
Fees for services:						
Local government fees	329,884	-	329,884	270,257	-	270,257
Client fees	250,252	-	250,252	221,091	-	221,091
Special events (net of direct expenses of $64,911 and $59,469)	86,844	-	86,844	100,576	-	100,576
Realized gain/(loss) on investments	128	-	128	(33)	-	(33)
Unrealized loss on investments	(44)	-	(44)	-	-	-
Net investment income	244	-	244	87	1	88
Other	631	-	631	1,346	-	1,346
Total	1,094,738	193,939	1,288,677	991,285	213,747	1,205,032
Net assets released from restrictions	195,802	(195,802)	-	211,121	(211,121)	-
Total support and revenue	1,290,540	(1,863)	1,288,677	1,202,406	2,626	1,205,032
EXPENSES:						
Program Services						
Agency based services	1,007,306	-	1,007,306	1,023,571	-	1,023,571
Court programs	32,440	-	32,440	26,482	-	26,482
Community education and outreach	16,503	-	16,503	16,169	-	16,169
Total program services	1,056,249	-	1,056,249	1,066,222	-	1,066,222
Supporting Services						
Management and general	184,839	-	184,839	176,045	-	176,045
Development and fundraising	246,205	-	246,205	189,231	-	189,231
Total supporting services	431,044	-	431,044	365,276	-	365,276
Total expenses	1,487,293	-	1,487,293	1,431,498	-	1,431,498
Change in net assets	(196,753)	(1,863)	(198,616)	(229,092)	2,626	(226,466)
Net assets, beginning of year	313,316	197,303	510,619	542,408	194,677	737,085
Net assets, end of year	$ 116,563	$ 195,440	$ 312,003	$ 313,316	$ 197,303	$ 510,619

The accompanying notes are an integral part of these financial statements.

KIDS IN THE MIDDLE, INC.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (198,616)	$ (226,466)
Adjustments to reconcile change in net assets :		
Depreciation and amortization	14,654	18,358
Realized and unrealized (gain)/loss on investments	(61)	33
(Increase)/decrease in accounts receivable	(38,218)	723
(Increase)/decrease in promises to give	9,363	(4,789)
Decrease in prepaid expenses	13,947	7,945
Decrease in deferred rent	-	(8,716)
Donated securities	(12,191)	(1,774)
Increase/(Decrease) in accounts payable and accrued expenses	5,323	(5,641)
Net cash used in operating activities	(205,799)	(220,327)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	12,252	1,741
Purchase of fixed assets	(1,595)	(4,511)
Net cash provided by/ (used) in investing activities	10,657	(2,770)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments made on line of credit	(141,442)	-
Proceeds from line of credit	201,489	-
Net cash provided by financing activities	60,047	-
Net increase/ (decrease) in cash and cash equivalents	(135,095)	(223,097)
Beginning cash, cash equivalents, and restricted cash	257,385	480,482
Ending cash, cash equivalents, and restricted cash	$ 122,290	$ 257,385
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the years for:		
Interest	$ 2,380	$ -
Non-cash investing and financing activities:		
Addition of right-of-use assest-operating	$ -	885,704
Addition of lease liability-operating	$ -	885,704

The accompanying notes are an integral part of these financial statements.

KIDS IN THE MIDDLE, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services			Supporting Services		
	Agency Based Services	Court Programs	Community Education & Outreach	Management and General	Development and Fundraising	2023 Total
Salaries	$ 594,074	$ 22,578	$ 10,280	$ 82,944	$ 132,768	$ 842,644
Employee benefits	69,598	2,676	1,219	9,995	15,704	99,192
Payroll taxes	44,330	1,705	777	6,365	10,003	63,180
Occupancy	171,487	1,927	1,927	11,561	5,780	192,682
Technology	46,472	1,764	1,455	6,869	15,032	71,592
Professional fees	15,733	69	35	57,484	41,795	115,116
In-kind services	-	-	-	-	-	-
Supplies	9,401	74	43	348	388	10,254
Liability Insurance	17,233	663	302	2,475	3,889	24,562
Marketing	6,868	90	41	337	2,311	9,647
Board/volunteer	1,830	32	23	153	141	2,179
Printing	1,884	-	-	-	-	1,884
Staff expenses	9,184	180	88	3,002	1,375	13,829
Phone	5,577	214	98	801	1,258	7,948
Postage	248	6	4	259	937	1,454
Equipment maintenance	812	10	5	127	59	1,013
Travel expense	784	-	-	-	-	784
Other fund development expenses	-	-	-	-	12,109	12,109
Depreciation and amortization	10,282	395	180	1,477	2,320	14,654
Miscellaneous	182	6	3	(38)	37	190
Interest expense	1,327	51	23	680	299	2,380
Total	$ 1,007,306	$ 32,440	$ 16,503	$ 184,839	$ 246,205	$ 1,487,293

The accompanying notes are an integral part of these financial statements.

KIDS IN THE MIDDLE, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services			Supporting Services		
	Agency Based Services	Court Programs	Community Education & Outreach	Management and General	Development and Fundraising	2022 Total
Salaries	$ 540,642	$ 18,035	$ 8,408	$ 127,680	$ 102,301	$ 797,066
Employee benefits	58,644	2,327	2,367	11,649	10,667	85,654
Payroll taxes	40,127	1,345	645	9,549	7,695	59,361
Occupancy	185,068	2,080	2,080	12,476	6,238	207,942
Technology	42,513	1,563	1,563	7,338	11,608	64,585
Professional fees	88,728	465	440	3,384	35,968	128,985
In-kind services	4,047	-	-	-	-	4,047
Supplies	4,035	26	26	175	217	4,479
Liability Insurance	20,296	228	227	1,368	684	22,803
Marketing	8,136	-	-	2	1,321	9,459
Board/volunteer	883	10	10	60	30	993
Printing	1,072	-	-	-	-	1,072
Staff expenses	6,065	42	42	251	124	6,524
Phone	4,887	219	219	1,030	957	7,312
Postage	199	2	2	13	295	511
Equipment maintenance	728	7	7	37	30	809
Travel expense	-	-	-	-	-	-
Other fund development expenses	-	-	-	-	10,249	10,249
Depreciation and amortization	16,943	129	129	771	386	18,358
Miscellaneous	558	4	4	262	461	1,289
Interest expense	-	-	-	-	-	-
Total	$ 1,023,571	$ 26,482	$ 16,169	$ 176,045	$ 189,231	$ 1,431,498

The accompanying notes are an integral part of these financial statements.

NOTE 1 – Summary of Significant Accounting Policies

Nature of Activities

Kids in The Middle, Inc. (the "Organization") is a not-for-profit organization formed for the purpose of providing services for children and parents experiencing the effects of separation, divorce, remarriage and other family transitions. The Organization is supported primarily through client fees, contributions, grants, and the United Way.

Change in Accounting Principles

For the year ended December 31, 2022, the Organization implemented FASB, *ASU 2016-02, Leases (Topic 842)*. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. These changes were incorporated in the Organization's December 31, 2022 financial statements, but did not have an effect on the beginning net assets.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect significant receivables, payables, and other assets and liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

> Net Assets without Donor Restrictions: Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
>
> Net Assets with Donor Restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations or donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization currently has a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents
For the purpose of the statements of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization's cash and cash equivalents consist of demand accounts, cash management funds and money market accounts. Cash and cash equivalents are stated at fair value. Earnings on the cash and equivalents are reflected in the statement of activities.

Right to Use Leased Asset
The Organization has recorded right to use lease assets as a result of implementing *ASU 2016-02, Leases (Topic 842).* The right to use assets are initially measured at an amount to the initial measurement of the related lease liability. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Investments
Investments are reported at fair value. For contributed investments, fair value of the gift is determined by the market value at the date of donation.

Contributions
Contributions are considered available for unrestricted use unless specifically restricted by the donor. The Organization reports gifts of cash, grants and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or a purpose restriction is fulfilled, 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.

Prepaid Expenses and Deposits
Prepaid expenses include rent, insurance, deposits, and other unexpired user fees. Upon the expiration of the costs, the prepayments are expensed.

Fixed Assets
Fixed assets are stated at cost, if purchased, and fair value at the time of donation, if donated. According to the Organization's capitalization policy, all fixed assets purchased or donated exceeding $500 are capitalized. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets ranging from 3 to 10 years.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Allocation of Expenses

The costs of providing the various programs and activities and in-kind expenses have been allocated among the program services and supporting services benefitted and are summarized on a functional basis in the statement of activities and changes in net assets. These allocations are based on estimates determined by management. All other expenses are directly charged to the functions they benefit.

The expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries and payroll taxes	Estimated time and effort
Employee benefits	Estimated time and effort
Professional fees	Square footage
Supplies	Square Footage
Equipment expenses, technology, and phone	FTE/Square Footage
Occupancy	Square Footage
All other operating expenses	Square Footage

Contributions

The Organization reports contributions received and promises to give as increases in net assets without donor restrictions or donor-restricted net assets, depending on the existence and/or nature of any donor restrictions.

Counseling Services

Fees for services are derived from contracts with customers under ASC 606. Client fees consist of revenue from counseling services and is recorded when earned. In addition, fees are also incurred from providing counseling services to children and families and is recognized over time as counseling services are provided. The Organization bills local government agencies on a monthly basis based on the number of units provided for that month, and payment is due upon invoice. The Organization has determined that they act as a principal when providing counseling services and, accordingly, revenue and expenses associated with the services provided are recorded on a gross basis.

Contributed Goods and Services

Contributed services are recognized at fair value if the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Accordingly, the fair value of legal services donated to the Organization have been recorded in the financial statements and totaled $4,627 and $4,047 in 2023 and 2022, respectively.

NOTE 1 – Summary of Significant Accounting Policies (continued)

Contributed Goods and Services (continued)
Many additional individuals volunteer their time and perform a variety of tasks that assist the Organization in carrying out its mission. The value of these contributed services does not meet the criteria for recognition in the financial statements, accordingly, no amount is recognized related to the contributed time.

New Accounting Standards Implemented
In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842),* which require a lessee to recognize assets and liabilities for leases with terms of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a financing or operating lease. However, unlike current GAAP-which requires only capital leases to be recognized on the statement of financial position- the new ASU will require both financing and operating leases to be recognized on the statement of financial position. Various subsequent accounting standards have been issued by the FASB that clarify, modify, or expand the guidance for Topic 842. In November 2019, the FASB issued ASU No. 2019-10, *Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates for Certain E*ntities, which provide certain entities that had not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of Topic 842 with an additional year deferral of implementation of topic 842. The guidance set forth in Topic 842 is now effective for private companies for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. For the year ended December 31, 2022, the Organization implemented FASB, *ASU 2016-02, Leases (Topic 842).*

Income Tax Status
The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Service Code. As such, the Organization is only taxed on income from any activities unrelated to its charitable purpose. The Program did not have any unrelated business income for 2023 or 2022; therefore, the statements do not include any provision for income taxes. Additionally, the Organization qualifies for charitable contribution deductions under Section 170(b)(1)(A).

The Organization has adopted the standards for accounting for uncertainty in income taxes and management is not aware of any uncertain tax provisions of the Organization related to the tax filings.

The Organization continually evaluates the effects of all tax positions taken including expiring statues of limitations, tax examinations, unrelated business income and new authoritative rulings. The Organization files federal information returns (Form 990). The statutes of limitations for information returns filed for the years ended December 31, 2020, through 2023 have not expired and therefore are subject to examination.

NOTE 1 – Summary of Significant Accounting Policies (continued)

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. Accordingly, actual results could differ from those estimates.

Reclassifications
Certain amounts in the prior year statement of activities and functional expenses presented have been reclassified to conform to the current year financial statement presentation. These reclassifications have no effect on previously reported net assets.

NOTE 2 – Concentration of Credit Risk

The Organization maintains cash deposits in bank accounts insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. The Organization's cash deposit accounts, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Organization generates receivables and revenues from grant agencies and services provided in the normal course of business. The Organization does not require collateral to secure receivables from these agencies or its clients.

NOTE 3 – Investments

Investments are measured and recorded on a recurring basis at fair value and have been categorized based upon the fair value hierarchy for the years ended December 31, 2023 and 2022. The Organization did not hold any investments at December 31, 2023 and 2022.

The Organization generated net investment income of $328 and $55 for the years ended December 31, 2023 and 2022, respectively, consisting of realized and unrealized gains and losses and interest income.

NOTE 4 – Accounts Receivable

The Organization has receivables related to fees from clients and governmental entities for services performed. Management evaluates the collectability of the receivables on a continuous basis and based upon this analysis, no allowance is recognized at December 31, 2023 and 2022, respectively.

NOTE 5 – Unconditional Promises to Give

Unconditional promises to give are recorded as without donor restrictions or with donor restrictions, depending on the existence or nature of any donor-imposed restrictions. The Organization received promises from the United Way and other donors in which payments are scheduled to be made for future operations.

Future payments pursuant to the promises are as follows:

Year Ended December 31,	**2023**	2022
2023	**$ -**	$ 198,302
2024	**188,939**	-
Total	**$ 188,939**	$ 198,302

NOTE 6 – Special Events

Income from special events for the years ended December 31, 2023 and 2022, consist of the following:

Annual Gala

	2023 Gala	2022 Gala
Revenues	$ 151,755	$ 160,045
Expenses	64,911	59,469
Net Income	**$ 86,844**	$ 100,576

NOTE 7 – Fixed Assets

Fixed assets consist of the following at December 31,

	2023	2022
Furniture and equipment	**$ 138,691**	$ 137,096
Software and license	**27,500**	27,500
	166,191	164,596
Less: Accumulated depreciation	**(138,242)**	(123,588)
Net fixed assets	**$ 27,949**	$ 41,008

Depreciation and amortization charged against revenues amounted to $14,654 and $18,358 during the years ended December 31, 2023 and 2022, respectively.

NOTE 8 – Operating Lease Commitments

In June 2012, the Organization entered into an operating lease agreement to house all of its administrative and clinical services. The lease term of 120 months, commenced January 1, 2013, with two five-year options. The monthly base rent ranges from $14,167 to $17,692 per month. The lease was amended to extend the lease for a 60-month period with payments of $15,000 per month. The Organization has the right to terminate the lease any time after December 30, 2025.

Supplemental cash flow information related to the lease is as follows:

	For the Year Ended December 31,	
	2023	2022
Short term lease cost	$ -	$ 206,775
Operating lease cost	**189,061**	-
Total operating cost	$ **189,061**	-

Supplemental cash flow information related to the lease is as follows:

	For the Year Ended December 31,	
	2023	2022
Right-of-use assets obtained in exchange for lease obligations:		
Operating lease	$ -	$ 885,704

Supplemental statement of financial position related to leases are as follows:

	For the Year Ended December 31,	
	2023	2022
Operating lease:		
Operating lease right-of-use asset	$ **710,793**	$ 885,704
Other current liabilities	$ **176,018**	$ 174,910
Operating lease liabilities	**534,775**	710,794
Total operating lease liabilities	$ **710,793**	$ 885,704
Weighted Average Remaining Lease Term		
Operating lease	**4 years**	5 years
Weighted Average Discount Rate		
Operating lease	**3.16%**	3.16%

NOTE 8 – Operating Lease Commitments (continued)

Maturities of lease liabilities are as follows:

Year Ended December 31,	Operating Lease
2024	$ 180,000
2025	180,000
2026	180,000
2027	180,000
Total lease payments	720,000
Less imputed interest	(9,207)
Total	$ 701,793

NOTE 9 – Line of Credit

During 2023, the Organization had an open-end line of credit in the amount of $50,000 with PNC bank. Advances on the line of credit were subject to finance charges from the date of transaction to the date payment is made to the lender. The periodic rate of the finance charge was subject to change, based on the value of the prime rate index and expired-on May 19, 2023.

On July 28, 2023, the Organization entered into a new secured line of credit with PNC Bank for $100,000. Advances on the line of credit are subject to finance charges from the date of transaction to the date payment is made to the lender. The periodic rate of the charge is subject to change, based on the value of a prime rate index.

The outstanding balance as of December 31, 2023 and 2022 on the line of credit was $60,047 and $0, respectively.

NOTE 10 – Donated Services and Goods

The values of noncash donations included in contributions in the financial statements and the corresponding expenses are as follows:

	For the year ended December 31,	
	2023	2022
Contribution services – in-kind	**$ 4,627**	$ 4,047
Professional services	**$ 4,627**	$ 4,047

NOTE 11 – Net Assets

The Organization's net assets at December 31, 2023 and 2022 were comprised of the following:

	2023	2022
Net Assets		
Without donor restrictions		
Undesignated	$ 96,563	$ 293,316
Board-designated funds for medical insurance deductible reimbursement plan	20,000	20,000
Subtotal	116,563	313,316
With donor restrictions:		
Time restricted for future operations	193,939	195,802
Purpose restricted for scholarship funds	501	501
Perpetual restriction	1,000	1,000
Subtotal	195,440	$ 197,303
Total Net Assets	$ 312,003	$ 510,619

The Organization subsidizes a portion of the annual deductible for its employees under its medical insurance coverage. Board-designated net assets are funds used to pay for claims made by employees under this plan.

Net assets restricted for future operations are comprised of contributions and promises to give for program services and events beyond 2023 and 2022 for the respective years.

Purpose restricted net assets are earmarked as scholarships used to assist with the payment of client service fees for individuals that are in need. Perpetually restricted net assets are maintained in an interest-bearing money market account. Interest earned on this account is used to fund these scholarships.

NOTE 12 – Employee Retention Credit

The Organization faced economic hardship as a result of the COVID-19 pandemic, chose to keep their W-2 employees on the payroll; accordingly, the Organization applied for refundable credits as follows:

Period Covered by the Filing	Amount Claimed (including interest)
Second Quarter 2020	$ 74,464
Third Quarter 2020	$ 2,610
Fourth Quarter 2020	$ 10,096
First Quarter 2021	$ 91,915
Second Quarter 2021	$ 57,656
Third Quarter 2021	$ 100,806

NOTE 13 – Liquidity and Availability of Resources

The Organization's liquidity management policy is to structure its financial assets so that they are available as general expenditures, liabilities and other obligations come due. As part of this policy, the Organization invests cash in excess of daily requirements in money market funds and certificates of deposits. The Organization has a goal to maintain financial assets on hand sufficient to meet 90 days of normal operating expenses.

As of December 31, 2023 and 2022, financial assets available for general expenses within one year consist of the following:

	2023	2022
Cash and cash equivalents	$ 120,789	$ 255,884
Unconditional promises to give	188,939	198,302
Accounts receivable	76,128	37,910
Total financial assets	385,856	492,096
Less:		
Perpetually restricted net assets	(1,000)	(1,000)
Board-designated funds for medical insurance deductible reimbursement plan	(20,000)	(20,000)
Financial assets available to meet cash needs for general expenses within one year	$ 364,856	$ 687,794

As more fully described in Note 9, the Organization also has a line of credit in the amount of $100,000, which could be drawn upon in the event of an unanticipated liquidity need.

NOTE 14 – Related Party Transaction

The Organization engaged a company to assist with the production of its annual gala. A board member is the company's managing partner. Cost incurred for these services totaled $12,640 and $16,490 for the years ended December 31, 2023 and 2022, respectively.

NOTE 15 – Retirement Plan

The Organization offers employees the opportunity to participate in a Simple Plan. Generally, employees are eligible to participate in the plan if they expect to receive at least $5,000 in annual compensation. The Organization matches employee contributions from 1% to 3% of the employee's compensation for the calendar year. The Organization matched employee contributions up to 3% in 2023 and 2022. Retirement plan expenses for the calendar years 2023 and 2022 were $22,421 and $21,481, respectively.

NOTE 16 – Contingencies

The Organization is subject to oversight and audits by various granting organizations, as a condition of contracting with the grant agencies. Such oversight or audits could lead to the disallowance of services and repayment of revenues earned. Management elects not to establish an allowance of potential contingencies, as it believes there is only a minimum likelihood of services being disallowed or cost being repaid.

NOTE 17 – Subsequent Events

The Organization has evaluated subsequent events through May 21, 2024, the date the financial statements were available for issue.

Subsequent to the year-end, the Organization made net draws on the line of credit totaling $55,529.