



Kelly Vitale Raffol LLC  
CERTIFIED PUBLIC ACCOUNTANTS

**SPARKYOUTH NYC, INC.**



*Financial Statements*

*For the Years Ended December 31, 2023 and 2022*

4238 Washington Street, Suite 307, Boston, Massachusetts 02131  
*Member, American Institute of Certified Public Accountants*  
*Member, Association of Fraud Examiners*

**SPARKYOUTH NYC, INC.**

***Financial Statements***

***For the Years Ended December 31, 2023 and 2022***

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***Independent Auditors' Report***

To the Board of Directors  
SparkYouth NYC, Inc.  
New York, New York

***Opinion***

We have audited the accompanying financial statements of SparkYouth NYC, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, the related statements of activities, cash flows, and functional expenses 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 SparkYouth NYC, Inc. as of December 31, 2023, 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 SparkYouth NYC, 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 SparkYouth NYC, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' 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 SparkYouth NYC, 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 SparkYouth NYC, 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.

***KellyVitaleRaffol, LLC***

New York, New York  
June 27, 2024

SPARKYOUTH NYC, INC.

*Statements of Financial Position*

*As of December 31, 2023 and 2022*

|   | <u>2023</u>         | <u>2022</u>         |
|---|---------------------|---------------------|
| <b>Assets</b>                           |                     |                     |
| Cash and cash equivalents               | \$ 1,154,349        | \$ 1,443,248        |
| Accounts receivable                     | 191,976             | 152,166             |
| Fixed assets, net                       | 987                 | 1,542               |
| Prepaid expenses                        | 97,500              | 60,000              |
| Investments                             | 29,331              | 20,026              |
| Security deposit                        | 1,650               | 1,650               |
| Right-of-use asset                      | 90,020              | -                   |
|   | <hr/>               | <hr/>               |
| <b>Total assets</b>                     | <b>\$ 1,565,813</b> | <b>\$ 1,678,632</b> |
|   | <hr/> <hr/>         | <hr/> <hr/>         |
| <b>Liabilities and Net Assets</b>       |                     |                     |
| <b>Liabilities:</b>                     |                     |                     |
| Accounts payable                        | \$ 25,374           | \$ 9,958            |
| Accrued expenses                        | 626                 | -                   |
| Lease liability                         | 90,020              | -                   |
|   | <hr/>               | <hr/>               |
| <b>Total liabilities</b>                | <b>116,020</b>      | <b>9,958</b>        |
|   | <hr/>               | <hr/>               |
| <b>Net Assets:</b>                      |                     |                     |
| Net assets without donor restrictions   | 1,449,793           | 1,668,674           |
|   | <hr/>               | <hr/>               |
| <b>Total net assets</b>                 | <b>1,449,793</b>    | <b>1,668,674</b>    |
|   | <hr/>               | <hr/>               |
| <b>Total liabilities and net assets</b> | <b>\$ 1,565,813</b> | <b>\$ 1,678,632</b> |
|   | <hr/> <hr/>         | <hr/> <hr/>         |

See accompanying notes to financial statements.

**SPARKYOUTH NYC, INC.**

*Statements of Activities*

*For the Years Ended December 31, 2023 and 2022*

|   | <b>2023</b>         | <b>2022</b>         |
|---|---------------------|---------------------|
| <b><i>Support and Revenue:</i></b>                  |                     |                     |
| Contributions and other support:                    |                     |                     |
| Grants and contributions                            | \$ 604,846          | \$ 423,787          |
| Interest and dividend income                        | 1,307               | 2,809               |
|   | <b>606,153</b>      | <b>426,596</b>      |
| <b><i>Total contributions and other support</i></b> |                     |                     |
| Special event revenue                               | 1,697,935           | 1,863,340           |
| Less: direct special event expenses                 | (435,832)           | (395,288)           |
|   | <b>1,262,103</b>    | <b>1,468,052</b>    |
| <b><i>Special event revenue, net</i></b>            |                     |                     |
| <b><i>Total support and revenue</i></b>             | <b>1,868,256</b>    | <b>1,894,648</b>    |
| <b><i>Expenses:</i></b>                             |                     |                     |
| Program services                                    | 1,865,911           | 1,546,299           |
| General and administration                          | 67,028              | 79,771              |
| Fundraising   | 154,198             | 135,396             |
|   | <b>2,087,137</b>    | <b>1,761,466</b>    |
| <b><i>Total expenses</i></b>                        |                     |                     |
| <b><i>Change in net assets</i></b>                  | <b>(218,881)</b>    | <b>133,182</b>      |
| <b><i>Net Assets, beginning</i></b>                 | <b>1,668,674</b>    | <b>1,535,492</b>    |
| <b><i>Net Assets, ending</i></b>                    | <b>\$ 1,449,793</b> | <b>\$ 1,668,674</b> |

See accompanying notes to financial statements.

**SPARKYOUTH NYC, INC.**

*Statements of Cash Flows*

*For the Years Ended December 31, 2023 and 2022*

|  | <b>2023</b>         | <b>2022</b>         |
|--|---------------------|---------------------|
| <b><i>Cash Flows from Operating Activities:</i></b>  |                     |                     |
| Change in net assets   | \$ (218,881)        | \$ 133,182          |
| Adjustments to reconcile change in net assets<br>to net cash used in operating activities: |                     |                     |
| Depreciation expense   | 555                 | 1,143               |
| Change in:   |                     |                     |
| Accounts receivable  | (39,810)            | 64,568              |
| Prepaid expenses   | (37,500)            | (60,000)            |
| Accounts payable   | 15,416              | (18,597)            |
| Grants payable   | -                   | (175,000)           |
| Accrued expenses   | 626                 | (8,412)             |
|  | <b>(279,594)</b>    | <b>(63,116)</b>     |
| <b><i>Net cash provided by operating activities</i></b>                                    |                     |                     |
| <b><i>Cash flows from investing activities:</i></b>  |                     |                     |
| Investment activity  | (9,305)             | -                   |
|  | <b>(9,305)</b>      | <b>-</b>            |
| <b><i>Net increase in cash and cash equivalents</i></b>                                    | <b>(288,899)</b>    | <b>(63,116)</b>     |
| <b><i>Cash and Cash Equivalents, beginning</i></b>   | <b>1,443,248</b>    | <b>1,526,390</b>    |
| <b><i>Cash and Cash Equivalents, ending</i></b>  | <b>\$ 1,154,349</b> | <b>\$ 1,443,248</b> |

**SPARKYOUTH NYC, INC.**

*Statement of Functional Expenses*

*For the Year Ended December 31, 2023*

|  | <i>Program<br/>Services</i> | <i>General and<br/>Administration</i> | <i>Fundraising</i> | <i>Total</i> |
|--|-----------------------------|---------------------------------------|--------------------|--------------|
| Salaries   | \$ 292,430                  | \$ 35,950                             | \$ 103,620         | \$ 432,000   |
| Payroll taxes  | 21,123                      | 2,486                                 | 7,455              | 31,064       |
| Fringe benefits  | 14,611                      | 1,720                                 | 5,155              | 21,486       |
| Bank and credit card fees  | 21,543                      | 1,918                                 | 7,576              | 31,037       |
| Depreciation expenses  | -                           | 555                                   | -                  | 555          |
| Technology expenses  | 16,614                      | 1,955                                 | 5,863              | 24,432       |
| Grant expenses   | 1,243,790                   | -                                     | -                  | 1,243,790    |
| Grantee technical assistance   | 142,840                     | -                                     | -                  | 142,840      |
| SparkYouth scholarships  | 71,920                      | -                                     | -                  | 71,920       |
| Insurance  | 3,589                       | 422                                   | 1,267              | 5,278        |
| Occupancy  | 13,464                      | 1,584                                 | 4,752              | 19,800       |
| Office expense   | 4,597                       | 275                                   | 822                | 5,694        |
| Printing and postage   | 1,305                       | 153                                   | 461                | 1,919        |
| Professional fees  | 5,514                       | 17,930                                | 13,393             | 36,837       |
| Special event expense  | 300,178                     | -                                     | 135,654            | 435,832      |
| Telecommunications   | 2,556                       | 902                                   | 300                | 3,758        |
| Travel and mileage   | 10,015                      | 1,178                                 | 3,534              | 14,727       |
|  |                             |                                       |                    |              |
| <b><i>Total expenses</i></b>   | 2,166,089                   | 67,028                                | 289,852            | 2,522,969    |
| Special event expense  | (300,178)                   | -                                     | (135,654)          | (435,832)    |
|  |                             |                                       |                    |              |
| <b><i>Total expenses included in<br/>statement of activities</i></b> | \$ 1,865,911                | \$ 67,028                             | \$ 154,198         | \$ 2,087,137 |

See accompanying notes to financial statements.



**SPARKYOUTH NYC, INC.**

*Statement of Functional Expenses*

*For the Year Ended December 31, 2022*

|  | <i>Program<br/>Services</i> | <i>General and<br/>Administration</i> | <i>Fundraising</i> | <i>Total</i>        |
|--|-----------------------------|---------------------------------------|--------------------|---------------------|
| Salaries   | \$ 301,021                  | \$ 51,604                             | \$ 77,405          | \$ 430,030          |
| Payroll taxes  | 21,951                      | 3,763                                 | 5,645              | 31,359              |
| Fringe benefits  | 11,716                      | 2,008                                 | 3,013              | 16,737              |
| Bank and credit card fees  | -                           | -                                     | 36,365             | 36,365              |
| Depreciation expenses  | 739                         | 210                                   | 194                | 1,143               |
| Equipment rental and maintenance                                     | 16,725                      | 4,969                                 | 4,443              | 26,137              |
| Grant expenses   | 1,143,647                   | -                                     | -                  | 1,143,647           |
| Insurance  | 3,353                       | 992                                   | 889                | 5,234               |
| Occupancy  | 8,645                       | 2,567                                 | 2,297              | 13,509              |
| Office expense   | 1,911                       | 568                                   | 508                | 2,987               |
| Printing and postage   | 1,282                       | 779                                   | 340                | 2,401               |
| Professional fees  | 30,430                      | 10,863                                | 3,000              | 44,293              |
| Special event expense  | 395,288                     | -                                     | -                  | 395,288             |
| Telephone  | 1,692                       | 502                                   | 450                | 2,644               |
| Travel and mileage   | 3,187                       | 946                                   | 847                | 4,980               |
|  |                             |                                       |                    |                     |
| <b><i>Total expenses</i></b>   | 1,941,587                   | 79,771                                | 135,396            | 2,156,754           |
|  |                             |                                       |                    |                     |
| Special event expense  | (395,288)                   | -                                     | -                  | (395,288)           |
|  |                             |                                       |                    |                     |
| <b><i>Total expenses included in<br/>statement of activities</i></b> | <u>\$ 1,546,299</u>         | <u>\$ 79,771</u>                      | <u>\$ 135,396</u>  | <u>\$ 1,761,466</u> |

# SPARKYOUTH NYC, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2023 and 2022*

#### **Note 1. Organization and Background**

SparkYouth NYC, Inc. (the Organization), formerly known as The Catalog for Giving, Inc., is a nonprofit organization that ignites growth in community-based programs to expand opportunities for the young people of New York City.

For 29 years SparkYouth has invested in organizations at a pivotal moment in their trajectory, utilizing a unique model – The Cofactor Lab - that helps nonprofits build their infrastructure, increase sustainability, and expand to reach more young people from under-resourced communities in New York City.

SparkYouth’s member organizations represent the best of the best in youth-centered nonprofits, who are utilizing the power of sports, STEM, the arts, leadership, civic engagement, and community to stoke the brilliance of the young people who will be our future leaders.

SparkYouth’s model provides multi-year, unrestricted financial support alongside key professional and technical assistance to help organizations invest in strategic planning, impact evaluation, and leadership development.

#### **Note 2. Summary of Significant Accounting Policies**

##### ***Basis of Accounting and Financial Statement Presentation***

The financial statements have been prepared in accordance with generally accepted accounting standards and principles established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC). The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

##### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net assets with donor restrictions:* Net assets subject to donor-imposed restrictions. Contributions are restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions.

# SPARKYOUTH NYC, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2023 and 2022*

#### **Note 2. Summary of Significant Accounting Policies (Continued)**

##### ***Use of Estimates and Assumptions***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Organization's 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 revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

##### ***Functional Expenses***

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

##### ***Basis of Allocation***

Salary and benefit expense is allocated by full-time equivalents; occupancy is allocated by square footage.

##### ***Cash and Cash Equivalents***

The Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Money market deposits maintained in checking and saving accounts are available for current operations. For the purposes of the statements of cash flows, the Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

##### ***Accounts Receivable***

Accounts receivable are presented net of the allowance for doubtful accounts. The Organization's periodic evaluation of the adequacy of the allowance is based on its past loss experience. All of the accounts receivable are expected to be fully collected within one year; therefore, no allowance for doubtful accounts has been recorded.

##### ***Fixed Assets***

Purchased fixed assets are carried at costs. Equipment, furniture and improvements are capitalized at cost, if purchased, or if donated, at fair market value at the date of receipt. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred, while betterments are capitalized. When items are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in revenues. The capitalization policy is any item over \$1,500.

# SPARKYOUTH NYC, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2023 and 2022*

#### **Note 2. Summary of Significant Accounting Policies (Continued)**

##### ***Income Tax Status***

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an Organization that is not a private foundation under Section 509(a)(1). The Organization is also exempt from New York state taxes. However, the Organization remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption.

##### ***Contributions***

The Organization follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards, *Accounting for Contributions Received and Contributions Made*. This financial accounting standard requires that contributions be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, stock or other securities, collection items, or promises to give.

##### ***Revenue Recognition***

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as assets without donor restrictions. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material. The Organization reports gifts of cash and other assets as assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, 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 Organization reports gifts of land, building, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

The Organization has adopted Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. ASU 2014-09 eliminated the transaction and industry-specific revenue recognition guidance under previous U.S. GAAP and replaced it with a principle-based approach for determining revenue recognition. The core principle of ASU 2014-09 is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard improves the usefulness and understandability of the Organization's financial reporting.

# SPARKYOUTH NYC, INC.

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2023 and 2022*

#### **Note 2. Summary of Significant Accounting Policies (Continued)**

Analysis of various provisions of this ASU resulted in no significant changes in the way the Organization recognizes revenue; therefore, no changes to the previously issued audited financial statements were required. The presentation and disclosures of revenue have been enhanced in accordance with the standards.

The Organization has adopted ASU 2018-08, Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605), as amended. ASU 2018-08 was issued to make it easier for not-for-profit organizations to evaluate whether gifts, grants or contracts should be accounted for as contributions, or as reciprocal (exchange) transactions accounted for under ASU 2014-09. Under the new guidance, all organizations are required to evaluate whether the resource provider (i.e., federal agency, foundation, corporation, etc.) is receiving commensurate value in a transfer of resources (i.e., assets or reduction/settlement of liabilities) and whether contributions are conditional or unconditional. If commensurate value is received by the resource provider, the transaction is to be accounted for as an exchange transaction by applying ASU 2014-09. If commensurate value is not received by the resource provider (i.e., the transaction is nonexchange), the recipient organization would determine the transaction to be a contribution and determine whether the contribution is unconditional or conditional. The standard improves the usefulness and understandability of the Organization's financial reporting.

#### ***New Accounting Pronouncements***

ASU 2016-02, *Leases (Topic 842)*, sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

#### **Note 3. Commitments**

The Organization occupies office space under a tenant-at-will lease agreement in New York, New York. Since this agreement is less than 12 months, the Organization has selected the practical expedient to leave the lease implementation out of the balance sheet. Rent expense totaled \$19,800 and \$13,510 for the years ended December 31, 2023 and 2022, respectively.

# SPARKYOUTH NYC, INC.

## Notes to Financial Statements

### For the Years Ended December 31, 2023 and 2022

#### Note 4. Fixed Assets

Fixed assets consisted of the following as of December 31:

|                                | <u>2023</u>          | <u>2022</u>            |
|--------------------------------|----------------------|------------------------|
| Furniture and fixtures         | \$ 1,880             | \$ 1,880               |
| Computer equipment             | 31,126               | 31,126                 |
| Data migration                 | 24,225               | 24,225                 |
| <b>Subtotal</b>                | <b>57,231</b>        | <b>57,231</b>          |
| Less: Accumulated depreciation | <u>56,244</u>        | <u>55,689</u>          |
| <b>Total fixed assets</b>      | <b><u>\$ 987</u></b> | <b><u>\$ 1,542</u></b> |

Depreciation expense was \$555 and \$1,143 for the years ended December 31, 2023 and 2022, respectively.

#### Note 5. Concentration of Credit Risk

The Organization maintains its cash balances at a financial institution in New York, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on its cash and cash equivalents. The Organization had amounts in excess of the FDIC insurance limits of \$752,546 and \$1,242,069 for the years ended December 31, 2023 and 2022, respectively.

#### Note 6. Available Resources and Liquidity

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The following table shows the total financial assets held by the Organization at December 31 and the amounts of those financial assets could readily be made available within one year of the statement of financial position dates to meet general expenditures:

|  |                            |
|--|----------------------------|
| Financial assets at year-end:  |                            |
| Cash and cash equivalents  | \$ 1,154,349               |
| Accounts receivable  | <u>191,976</u>             |
| <b>Financial assets available to meet general expenditures over the next 12 months</b> | <b><u>\$ 1,346,325</u></b> |

# SPARKYOUTH NYC, INC.

## *Notes to Financial Statements*

*For the Years Ended December 31, 2023 and 2022*

### **Note 6. Available Resources and Liquidity (Continued)**

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of programing, exhibits and membership as well as the conduct of services undertaken to support those activities to be general expenditures.

### **Note 7. Right-of-Use and lease liability**

|  |           |                      |
|--|-----------|----------------------|
| Operating lease cost                                   | \$        | 19,800               |
| Weighted-average remaining lease term, operating lease |           | 5.00 years           |
| Weighted-average discount rate, operating lease        |           | 3.94%                |
| Years ending June 30:                                  |           |                      |
| 2024   | \$        | 19,800               |
| 2025   |           | 19,800               |
| 2026   |           | 19,800               |
| 2027   |           | 19,800               |
| 2028   |           | 19,800               |
|  |           | <hr/>                |
| Total undiscounted operating lease payments            |           | 99,000               |
| Less: discount to net present value                    |           | <hr/> (8,980)        |
|  |           | <hr/>                |
| <b><i>Present value of lease liability</i></b>         | <b>\$</b> | <b><u>90,020</u></b> |

### **Note 8. Subsequent Events**

The Organization has evaluated subsequent events after the statement of financial position date of December 31, 2023, through June 27, 2024, the date the financial statements were available to be issued, noting that there were no material events during this period that would impact the results reflected in this report.