Literacy Together

Audited Financial Statements

For the Years Ended
June 30, 2023 and 2022

Literacy Together
Asheville, North Carolina

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Literacy Together

Opinion

We have audited the accompanying financial statements of Literacy Together (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 Literacy Together as of June 30, 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 Literacy Together 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.

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 Literacy Together's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Literacy Together'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 Literacy Together'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.

Goldsmith Molis & Gray, PLLC

Goldsmith Molis & Gray, PLLC
Asheville, North Carolina
August 23, 2023

Literacy Together

Statements of Financial Position

June 30, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash - unrestricted	$ 132,315	$ 209,167
Cash - restricted	44,000	184,000
Investments - restricted	99,965	-
Grants receivable	17,300	-
Sales tax receivable	2,124	2,308
Prepaid expenses	4,644	4,153
Total current assets	300,348	399,628
Other assets:		
Property and equipment, net	2,101	426
Total assets	$ 302,449	$ 400,054
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$ 3,555	$ 582
Deferred revenue	44,000	184,000
Total current liabilities	47,555	184,582
Net assets:		
Without donor restrictions	254,894	215,472
With donor restrictions	-	-
Total net assets	254,894	215,472
Total liabilities and net assets	$ 302,449	$ 400,054

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

Literacy Together
Statements of Activities
For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:						
Contributions	$ 110,138	$ 7,500	$ 117,638	$ 121,145	$ 12,410	$ 133,555
Grants	176,077	220,292	396,369	17,109	189,929	207,038
CARES Act funding	-		-	-	40,975	40,975
Special events	38,625	-	38,625	77,615	-	77,615
Other income and fees	4,702	-	4,702	3,109	-	3,109
Interest income	2,402	-	2,402	133	-	133
Contributed services	582,703	-	582,703	489,143	-	489,143
Loss on disposal of fixed assets	(36)		(36)	-	-	-
Net assets released from restrictions	227,792	(227,792)	-	253,314	(253,314)	-
Total public support and revenues	1,142,403	-	1,142,403	961,568	(10,000)	951,568
Expenses:						
Program activities	1,006,161	-	1,006,161	833,640	-	833,640
Supporting services:						
General and administrative	70,802	-	70,802	54,897	-	54,897
Fundraising	26,018	-	26,018	43,701	-	43,701
Total supporting services	96,820	-	96,820	98,598	-	98,598
Total expenses	1,102,981	-	1,102,981	932,238	-	932,238
Change in net assets	39,422	-	39,422	29,330	(10,000)	19,330
Net assets, beginning of year	215,472	-	215,472	186,142	10,000	196,142
Net assets, end of year	$ 254,894	-	$ 254,894	$ 215,472	-	$ 215,472

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

Literacy Together

Statements of Functional Expenses

For the Years Ended June 30, 2023 and 2022

	2023				2022			
	Program	General & Administrative	Fundraising	Totals	Program	General & Administrative	Fundraising	Totals
Contributed services	$ 582,703	$ -	$ -	$ 582,703	$ 489,143	$ -	$ -	$ 489,143
Salaries	276,888	32,986	14,949	324,823	227,767	32,829	32,399	292,995
Materials	39,089	-	-	39,089	34,436	-	-	34,436
Program expenses	37,650	-	148	37,798	14,315	-	-	14,315
Rent	32,400	1,800	1,800	36,000	32,400	1,800	1,800	36,000
Payroll taxes	17,194	3,071	1,143	21,408	16,320	2,811	2,477	21,608
Executive Director transition costs	-	17,196	-	17,196	-	-	-	-
Professional fees	2,598	7,793	-	10,391	2,610	7,830	-	10,440
Miscellaneous	4,637	2,623	403	7,663	248	1,804	-	2,052
Printing	-	1,493	3,438	4,931	1,982	1,558	2,257	5,797
Supplies	3,174	1,268	-	4,442	3,282	930	-	4,212
Insurance	2,626	146	146	2,918	2,400	133	134	2,667
Information technology	856	-	1,997	2,853	750	-	1,751	2,501
Telephone and internet	2,133	119	119	2,371	3,368	187	187	3,742
Postage	452	304	1,218	1,974	1,311	500	2,001	3,812
Professional development	1,772	25	-	1,797	936	60	695	1,691
Travel	1,620	-	-	1,620	-	-	-	-
Payroll service	-	1,315	-	1,315	-	1,901	-	1,901
Contract labor	-	-	657	657	1,900	-	-	1,900
Depreciation	-	425	-	425	-	448	-	448
Dues and subscriptions	369	-	-	369	472	105	-	577
Credit card fees	-	238	-	238	-	2,001	-	2,001
Totals	$ 1,006,161	$ 70,802	$ 26,018	$ 1,102,981	$ 833,640	$ 54,897	$ 43,701	$ 932,238

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

Literacy Together

Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 39,422	$ 19,330
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	425	448
Forgiveness of Paycheck Protection Program loan	-	(40,975)
Loss on disposal of assets	36	-
Change in operating assets and liabilities:		
Grants receivable	(17,300)	-
Sales tax receivable	184	(1,804)
Prepaid expenses	(491)	(1,153)
Accounts payable and accrued expenses	2,973	(479)
Deferred revenue	(140,000)	169,000
Net cash provided by (used in) operating activities	(114,751)	144,367
Cash flows from investing activities:		
Purchase of property and equipment	(2,136)	-
Purchase of investments, net	(99,965)	-
Net cash used in investing activities	(102,101)	-
Net change in cash and restricted cash	(216,852)	144,367
Cash and restricted cash, beginning of year	393,167	248,800
Cash and restricted cash, end of year	$ 176,315	$ 393,167

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

Note 1 – Summary of Significant Accounting Policies

General
Literacy Together (the "Organization"), formerly The Literacy Council of Buncombe County, is a private, non-profit corporation established in 1987 after a merger between the Altrusa Literacy Council and the Asheville-Buncombe Literacy Council. The Organization is dedicated to increasing comprehensive literacy and English language skills through specialized instruction by trained tutors and access to literacy resources.

Basis of Presentation
The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations
The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Non-operating activities are limited to resources and other activities considered to be of a more unusual or nonrecurring nature.

Promises to Give
Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Conditional promises to give are not include as support until the conditions are met. There were no unconditional promises to give at June 30, 2023 and 2022.

Note 1 - Summary of Significant Accounting Policies - continued

Use of Estimates

Preparation of financial statements in accordance with U.S. GAAP requires the Organization's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The Organization discloses for each class of financial instruments the methods, and when a valuation technique is used, the significant assumptions applied in determining the fair values of financial assets and liabilities. If there is a change in the valuation technique, then the Organization discloses both the change and the reasons for the change.

The Organization estimates that the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statements of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. The Organization's financial instruments consist primarily of cash, receivables, prepaid expenses, accounts payable and accrued expenses, and deferred revenue.

Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, the Organization includes all cash investments which are not subject to withdrawal restrictions or penalties and certificates of deposit with maturity of three months or less as cash and cash equivalents. The Organization did not have any cash equivalents at June 30, 2023 and 2022.

The Organization maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). The coverage is $250,000 for substantially all other depository accounts. Deposit accounts, at times, may exceed federally insured limits, but the Organization has not experienced any such losses.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from five to seven years. The Organization's policy is to capitalize property and equipment acquired for greater than $500 and expense normal repairs and maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Investments

The Organization reports its investments in accordance with U.S. GAAP for not-for-profit organizations. The guidance prescribes that covered instruments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities. Investment income is recognized as revenue in the period it is earned and gains and losses are recognized as changes in net assets in the accounting period in which they occur.

Note 1 - Summary of Significant Accounting Policies – continued

Contributions
Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Revenue and Revenue Recognition
The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable state and private grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

For special events, funds received in advance are recognized as deferred revenue until the event takes place, at which time they are recognized as revenue.

In-Kind Contributions
The organization receives in-kind contributions from a substantial number of volunteers. This consists of a significant amount of time volunteered to the Organization's program services. Contributed services that create or enhance nonfinancial assets or require specialized skills and are provided by individuals possessing those skills are recognized as support. Contributed services of $582,703 and $489,143 (management's estimate of the fair value) have been reflected in the accompanying financial statements as in-kind contributions for services contributed by skilled tutors at the Organization for the years ended June 30, 2023 and 2022, respectively.

Note 1 - Summary of Significant Accounting Policies – continued

Income Taxes
The Organization is established as a not-for-profit entity and has been recognized as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

FASB ASC 740, "Accounting for Uncertainty in Income Taxes" clarified the accounting for the recognition and measurement of uncertainties in income taxes recognized in an entity's financial statements and prescribes a threshold of more likely-than-not for recognition of tax positions taken or expected to be taken in a tax return. The Organization's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions and other evidence.

The Organization's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of June 30, 2023, years subject to examination include the fiscal years ended 2020, 2021, and 2022.

Functional Expenses
Expenses that are inherently program, general and administrative, or fundraising, are charged directly to those functions. Rent expense is allocated based on the estimated square footage utilized by that function. All other expenses are allocated to program services, general and administrative, and fundraising based on management's estimates of time spent.

New Accounting Pronouncement
In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 842, *Leases* (ASC 842) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities within a lessee entity's financial statements. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. ASC 842 requires disclosures to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Leases are classified as finance or operating with classification effecting both the pattern and classification of expense recognition.

Effective January 1, 2022, the Organization adopted ASC 842, using the modified retrospective transition method. Upon adoption, the Organization applied certain practical expedients available to not-for-profit entities.

Upon adoption, the Organization elected the practical expedients in transition, which permit the Organization to not reassess prior conclusions pertaining to lease identification, lease classification, and initial direct costs on leases commenced prior to the adoption of the new standard. The Organization also elected the ongoing practical expedient to not recognize operating lease ROU assets and operating lease liabilities related to short-term leases. The Organization has elected not to apply the practical expedient available to combine lease and non-lease components (i.e., maintenance) into a single component for all asset classes. The contract consideration of non-lease components, if any, is allocated on a relative standalone price basis.

Note 1 - Summary of Significant Accounting Policies – continued

The cumulative effect of the adoption method resulted in no adjustment to the opening balance of net assets as of July 1, 2022, and did not have an impact on the Organization's statement of activities or cash flows.

Note 2 – Availability and Liquidity

The following represents the Organization's financial assets at June 30, 2023:

Financial assets at year-end:		
Cash and restricted cash	$	176,315
Investments - restricted		99,965
Receivables		19,424
Total financial assets		295,704
Less amounts unavailable for general expenditures within one year, due to:		
Board designations:		
Programming		(115,795)
Total financial assets available to meet general expenditures over the next twelve months	$	179,909

The following represents the Organization's financial assets at June 30, 2022:

Financial assets at year-end:		
Cash and restricted cash	$	393,167
Sales tax receivable		2,308
Total financial assets available to meet general expenditures over the next twelve months	$	395,475

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments including money market accounts.

Note 3 – Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash consists of the following:

June 30:	2023	2022
Cash- unrestricted	$ 132,315	$ 209,167
Cash- restricted	44,000	184,000
Cash and restricted cash shown in the statement of cash flows	$ 176,315	$ 393,167

Note 3 – Cash, Cash Equivalents, and Restricted Cash

Restricted cash represents cash received with a donor-imposed restriction that limits the use of those funds for expenses incurred for a specific program.

Note 4 - Fair Value Measurements

The Financial Accounting Standards Board ("FASB") issued a statement that defines fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs that are derived principally from or corroborated by observable market data

If the asset or liabilities has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

U.S. Treasury Bills
These investments are public investment vehicles valued using actual quoted market prices. The quoted price is in an active market and classified within Level 2 of the valuation hierarchy. Level 2 assets at June 30, 2023 totaled $99,965.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 5 – Investments

At June 30, 2023, investments consist of an eight-week US Treasury bill totaling $99,965, which matured on August 1, 2023, and was reinvested into another eight-week US Treasury bill that matures on September 26, 2023. The interest earnings on investments during the year ended June 30, 2023 totaled $2,264. The Organization had no investments at June 30, 2022.

Note 6 – Property and Equipment

A description of property and equipment is as follows:

June 30:	2023	2022
Computers	$ 2,136	$ 5,191
Less: accumulated depreciation	(35)	(4,765)
Property and equipment, net	$ 2,101	$ 426

Depreciation expense for the years ended June 30, 2023 and 2022 was $425 and $448, respectively.

Note 7 – Beneficially Owned Funds

The Organization is the beneficial owner, but not the legal owner, of certain donated funds held and controlled by the Community Foundation of Western North Carolina (the "Foundation"). These funds are not reflected in the accompanying statement of financial position. The Organization retains certain percentages of beneficial interests in the component fund of the Foundation. The total market value of these funds at June 30, 2023 and 2022 was $110,284 and $108,608, respectively.

Note 8 – Deferred Revenue

At times, the Organization may receive advanced funding, whereby the donor-imposed conditions are not met before year end. At June 30, 2023 and June 30, 2022, $44,000 and $184,000, respectively, was recorded as deferred revenue. During the years ended June 30, 2023 and June 30, 2022, the Organization recognized $184,000 and $15,000 into income from deferred revenue and expected to recognize $44,000 during the year ended June 30, 2024.

Note 9 – Lease Commitment

In July 2019, the Organization entered into a three-year operating lease for office space located in Asheville, North Carolina. This lease expired on July 31, 2022 and was not renewed. Beginning in August 2022, the Organization began leasing the space on a month-to-month basis at a rate of $3,000 per month.

Management determines whether an arrangement is, or contains, a lease at inception. Specifically, a contract is or contains a lease when 1) the contract contains an explicitly or implicitly identified asset and 2) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract in exchange for consideration.

Note 9 – Lease Commitment - continued

Short-Term Leases—ASC 842 defines a short-term lease as a lease that, at the commencement date, has a lease term of twelve months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. Short-term leases are recognized as rent expense in the statements of activities as incurred. Short-term leases totaled $36,000 and $36,000 for the years ended June 30, 2023 and 2022, respectively.

Immaterial Leases—The Organization has adopted an accounting policy to forgo applying the requirements for recognition of right-of-use (ROU) assets and lease liabilities for immaterial leases. Immaterial leases are those whose ROU assets and related lease liabilities are determined to be immaterial to the financial statements overall, individually and in the aggregate. For such immaterial leases, the lease payments will be recognized as rent expense in the statements of activities as incurred.

Right-of-Use Assets and Lease Liabilities—ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The calculation of the operating lease ROU asset also includes any lease payments made to the lessor prior to the lease commencement date and excludes lease incentives received. The estimated lease term may include options to extend or terminate the lease when it is reasonably certain that management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Remeasurement—In general, if changes in the lease payments occur requiring a remeasurement of the lease liability, an adjustment is made to the ROU asset, and if the ROU asset is zero, then an adjustment to change in net assets. Upon remeasurement of lease liability, the discount rate will be updated as of that date on the basis of the remaining lease term.

Risk-Free Rate—For leases for which the implicit interest rate cannot be readily determined, the Organization uses the risk-free rate based on the information available at the commencement date in determining the present value of lease payments. In determining the risk-free rate, management uses the daily U.S. Treasury Rate in effect at the commencement date of the lease and is for a term that approximates the estimated lease term.

Note 10 – Net Assets

Net assets without donor restrictions totaled $254,894 and $215,472 at June 30, 2023 and 2022, respectively. Included in net assets without donor restrictions at June 30, 2023 and 2022 is $115,795 and $0, respectively, which is board designated for the purposes of meeting future programming needs.

Net assets with donor restrictions relating to the satisfaction of purpose restrictions totaled $0 and $0 at June 30, 2023 and 2022, respectively.

Note 10 – Net Assets - continued

Net assets released from net assets with donor restrictions associated with the satisfaction of purpose restrictions for program activities totaled $227,792 and $253,314, during the years ended June 30, 2023 and 2022, respectively.

Note 11 – Concentration of Credit Risk

Two agencies provided grant revenue totaling $150,098 or 39% of total grant revenues during the year ended June 30, 2023. Three agencies provided grant revenue totaling $100,429 or 49% of total grant revenues during the year ended June 30, 2022.

Note 12 – Related Party Transactions

During the years ended June 30, 2023 and 2022, management and members of the Board of Directors made contributions to the Organization totaling $9,880 and $10,910, respectively.

Note 13 – Subsequent Events

The Organization evaluated the effect that all subsequent events would have on the financial statements through August 23, 2023, which is the date the financial statements were available to be issued.