

TOGETHER WE BAKE

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022



Certified Public Accountants

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Certified Public Accountants

Independent Auditor's Report

To the Board of Trustees of
Together We Bake

Opinion

We have audited the accompanying financial statements of **Together We Bake** (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and 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 **Together We Bake** 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 **Together We Bake** 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 **Together We Bake'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.

To the Board of Trustees of
Together We Bake

In performing an audit in accordance with generally accepted auditing standards, we:signature page page 2

- 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 **Together We Bake'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 **Together We Bake'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.

Kositzka, Wicks and Company

Alexandria, Virginia
April 18, 2024

Together We Bake

Statements of Financial Position

December 31,	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 324,176	\$ 931,473
Investments	738,461	6,813
Accounts receivable	6,989	16,023
Grants receivable and promises to give	47,474	76,927
Due from employee	150	3,250
Prepaid expenses	-	2,750
	<u>1,117,250</u>	<u>1,037,236</u>
Property and equipment, net	<u>1,653</u>	<u>4,172</u>
Total assets	<u>\$ 1,118,903</u>	<u>\$ 1,041,408</u>
Liabilities and net assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 36,707	\$ 21,959
Total liabilities	<u>36,707</u>	<u>21,959</u>
Net assets		
Without donor restrictions	962,769	912,522
With donor restrictions	<u>119,427</u>	<u>106,927</u>
Total net assets	<u>1,082,196</u>	<u>1,019,449</u>
Total liabilities and net assets	<u>\$ 1,118,903</u>	<u>\$ 1,041,408</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Together We Bake

Statement of Activities

for the year ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
Public support and revenue			
Contributions			
Grants	\$ 292,454	\$ 67,500	\$ 359,954
Individual and corporate	377,704	-	377,704
In-kind contributions	61,578	-	61,578
Other income	3,903	-	3,903
Net assets released from restrictions	55,000	(55,000)	-
	<u>790,639</u>	<u>12,500</u>	<u>803,139</u>
Earned revenues			
Special events, net of \$14,130 direct benefits to donors	104,294	-	104,294
Product sales, net of discounts	170,145	-	170,145
Cost of goods sold	(68,971)	-	(68,971)
	<u>205,468</u>	<u>-</u>	<u>205,468</u>
Investment income, net	34,917	-	34,917
	<u>1,031,024</u>	<u>12,500</u>	<u>1,043,524</u>
Expenses			
Program services	705,710	-	705,710
Administrative	159,940	-	159,940
Fundraising	115,127	-	115,127
	<u>980,777</u>	<u>-</u>	<u>980,777</u>
Change in net assets	50,247	12,500	62,747
Net assets, beginning of year	912,522	106,927	1,019,449
Net assets, end of year	<u>\$ 962,769</u>	<u>\$ 119,427</u>	<u>\$ 1,082,196</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Together We Bake

Statement of Activities for the year ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Public support and revenue			
Contributions			
Grants	\$ 269,978	\$ 50,000	\$ 319,978
Individual and corporate	303,114	-	303,114
In-kind contributions	44,724	-	44,724
Other Income	3,019		3,019
Net assets released from restrictions	43,073	(43,073)	-
	<u>663,908</u>	<u>6,927</u>	<u>670,835</u>
Earned revenues			
Special events, net of \$18,160 direct benefits to donors	16,591	-	16,591
Product sales, net of discounts	172,523	-	172,523
Cost of goods sold	(87,719)	-	(87,719)
	<u>101,395</u>	<u>-</u>	<u>101,395</u>
Investment loss, net	(114)	-	(114)
	<u>765,189</u>	<u>6,927</u>	<u>772,116</u>
Expenses			
Program services	620,345	-	620,345
Administrative	111,796	-	111,796
Fundraising	45,414	-	45,414
	<u>777,555</u>	<u>-</u>	<u>777,555</u>
Change in net assets	(12,366)	6,927	(5,439)
Net assets, beginning of year	924,888	100,000	1,024,888
Net assets, end of year	<u>\$ 912,522</u>	<u>\$ 106,927</u>	<u>\$ 1,019,449</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Together We Bake

Statement of Functional Expenses for the year ended December 31, 2023

	Program services	Administrative	Fundraising	Cost of direct benefit to	Total
Expenses					
Depreciation	\$ 2,519	\$ -	\$ -	\$ -	\$ 2,519
Development	14,119	-	16,943	-	31,062
Donation	-	100	-	-	100
Employee benefits	34,330	8,916	6,450	-	49,696
Insurance	7,709	2,001	1,448	-	11,158
Licenses and fees	1,512	5,858	-	-	7,370
Meals and entertainment	-	-	-	14,130	14,130
Occupancy	34,719	9,016	6,523	-	50,258
Office expenses	12,219	4,337	-	-	16,556
Payroll taxes	30,395	7,894	5,711	-	44,000
Professional and consulting fees	5,779	13,938	-	-	19,717
Product sales costs of goods sold	68,971	-	-	-	68,971
Program expenses	71,730	-	-	-	71,730
Salaries	415,399	107,880	78,052	-	601,331
Staff development	11,785	-	-	-	11,785
Travel and auto expense	1,917	-	-	-	1,917
	<u>713,103</u>	<u>159,940</u>	<u>115,127</u>	<u>14,130</u>	<u>1,002,300</u>
In-kind rental space	55,578	-	-	-	55,578
In-kind legal services	6,000	-	-	-	6,000
	<u>61,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,578</u>
Total expenses by function	<u>774,681</u>	<u>159,940</u>	<u>115,127</u>	<u>14,130</u>	<u>1,063,878</u>
Less expenses included with revenues on the statement of activities					
Product sales cost of goods sold	(68,971)	-	-	-	(68,971)
Cost of direct benefits to donors	-	-	-	(14,130)	(14,130)
	<u>(68,971)</u>	<u>-</u>	<u>-</u>	<u>(14,130)</u>	<u>(83,101)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 705,710</u>	<u>\$ 159,940</u>	<u>\$ 115,127</u>	<u>\$ -</u>	<u>\$ 980,777</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Together We Bake

Statement of Functional Expenses for the year ended December 31, 2022

	Program services	Administrative	Fundraising	Cost of direct benefit to	Total
Expenses					
Depreciation	\$ 2,845	\$ -	\$ -	\$ -	\$ 2,845
Development	14,156	-	12,239	-	26,395
Employee benefits	42,758	8,660	2,706	-	54,124
Insurance	8,182	1,657	518	-	10,357
Licenses and fees	1,335	4,694	-	-	6,029
Meals and entertainment	-	-	-	18,160	18,160
Occupancy	27,089	5,486	1,715	-	34,290
Office expenses	7,628	3,071	-	-	10,699
Payroll taxes	29,593	5,993	1,872	-	37,458
Professional and consulting fees	9,603	5,938	-	-	15,541
Product sales costs of goods sold	87,719	-	-	-	87,719
Program expenses	33,823	466	-	-	34,289
Salaries	387,029	75,831	26,364	-	489,224
Staff development	10,615	-	-	-	10,615
Travel and auto expense	965	-	-	-	965
	<u>663,340</u>	<u>111,796</u>	<u>45,414</u>	<u>18,160</u>	<u>838,710</u>
In-kind rental space	38,724	-	-	-	38,724
In-kind legal services	6,000	-	-	-	6,000
	<u>44,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,724</u>
Total expenses by function	<u>708,064</u>	<u>111,796</u>	<u>45,414</u>	<u>18,160</u>	<u>883,434</u>
Less expenses included with revenues on the statement of activities					
Product sales cost of goods sold	(87,719)	-	-	-	(87,719)
Cost of direct benefits to donors	-	-	-	(18,160)	(18,160)
	<u>(87,719)</u>	<u>-</u>	<u>-</u>	<u>(18,160)</u>	<u>(105,879)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 620,345</u>	<u>\$ 111,796</u>	<u>\$ 45,414</u>	<u>\$ -</u>	<u>\$ 777,555</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Together We Bake

Statements of Cash Flows

for the years ended December 31,

2023

2022

Cash flows from operating activities

Change in net assets	\$ 62,747	\$ (5,439)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	2,519	2,845
Donated stock	(2,367)	(4,316)
Realized and unrealized (gains) losses	(18,992)	3,571
(Increase) decrease in operating assets		
Accounts receivable	9,034	(6,656)
Grants receivable and promises to give	29,453	23,073
Due from employee	3,100	(627)
Prepaid expenses	2,750	-
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	14,748	14,392
Net cash provided by operating activities	<u>102,992</u>	<u>26,843</u>

Cash flows from investing activities

Purchase of investments and reinvestments	<u>(710,288)</u>	<u>7</u>
Net cash used in investing activities	<u>(710,288)</u>	<u>7</u>

Net change in cash and cash equivalents

Cash and cash equivalents - beginning of year

Cash and cash equivalents - end of year

(607,296)	26,850
<u>931,473</u>	<u>904,623</u>
<u>\$ 324,177</u>	<u>\$ 931,473</u>

Supplemental disclosure of cash flow information

Cash paid for interest	\$ -	\$ -
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Together We Bake

Notes to Financial Statements for the years ended December 31, 2023 and 2022

1. Organization and purpose

Together We Bake (the Organization) is a nonprofit, empowerment-based workforce training program for underserved and underrepresented women. The program is centered around a small baking business through which women actively learn and participate in food production, food safety education, and business administration. Teaching empowerment and life-skills classes helps women develop self-confidence, healthy coping strategies, and a strong support network as they move toward self-sufficiency. Each woman graduates job-ready, empowered, and with a nationally-recognized ServSafe certificate, resulting in preferential hiring and higher wages. Together We Bake is supported through individual contributions, grants and product sales.

2. Summary of significant accounting policies

Basis of presentation

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets, revenues, gains, and losses are classified based on the existence or absence of restrictions imposed by donors or grantors. Accordingly, net assets and changes therein are classified and reported in two categories as described below.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of reporting on the statements of cash flows, the Organization includes all cash accounts that are not subject to withdrawal restrictions or penalties and all highly liquid debt instruments purchased with a maturity of three months or less as cash and cash equivalents on the accompanying statement of financial position. Cash and cash equivalents held in investment accounts are excluded from cash and cash equivalents.

The Organization maintains its cash in one institution, the 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. FDIC insurance is \$250,000 per depositor, per insured bank. Cash balances exceeded the FDIC limits by \$2,413 and \$648,965 for the years ended December 31, 2023 and 2022, respectively.

See independent auditor's report.

Together We Bake

Notes to Financial Statements for the years ended December 31, 2023 and 2022

Accounts receivable

Accounts receivable are recorded when invoices are issued. At year-end, accounts receivable are stated at the amounts management expects to collect on outstanding balances. The carrying amounts of these receivables are reduced by an allowance, if needed, which reflects management's best estimate of the amounts that will not be collected. Management monitors the aging of all receivable balances; and based on an assessment of historical customer experience, current creditworthiness, balance collections subsequent to year-end, and reasonable and supportable forecasts, and estimates the portion, if any, of the balance that will not be collected. Following the adoption of ASC 326, beginning January 1, 2023, the allowance is established for expected credit losses to be recognized over the life of the receivable. Any allowance for credit losses is charged against earnings in the period the receivable is recorded and revised in subsequent periods to reflect changes in the Organization's estimate of expected credit losses. Based on this assessment, management determined no allowance for credit losses was necessary as of December 31, 2023.

Grants receivable and promises to give

Grants receivable and unconditional promises to give are recognized as revenue in the period promised and are expected to be received within one year. Conditional promises to give include both a measurable performance or other barrier and a right of return, and they are recognized when the conditions on which they depend are substantially met.

Property and equipment

Property and equipment additions exceeding \$1,000 are recorded at cost if purchased or, if donated, at fair market value at the date of the gift. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets; generally five to eight years. Property and equipment acquired from funds received from grants in which the grantor retains a reversionary interest in the assets at the end of the grant period are expensed in the year of acquisition.

Support and revenue recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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 statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

Contracts with customers were evaluated using the practical expedient of a portfolio approach because each contract is with an individual person or company. Each type of contract has similar characteristics and corresponds to a revenue stream that is carried out on a consistent basis.

Sources of revenue from contracts with customers include an exchange element of tickets purchased for the Organization's annual special event, which is recognized at the point in time when the special event occurs. Product sales are exchange transactions and recognized as revenue upon shipment of the merchandise. All remaining sources of support and revenue are contribution transactions.

In-kind contributions

Contributed legal services are provided by attorneys who advise the Organization on various administrative legal matters. Contributed legal services are used for management and general activities and are recognized at fair value based on current rates for similar legal services.

See independent auditor's report.

Together We Bake

Notes to Financial Statements for the years ended December 31, 2023 and 2022

The Organization also receives the use of donated facilities for its program operations and supporting services. The Organization recognized in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Fair value is estimated using the average price per square foot of rental listings in the Organization's service area. The total amount recognized for donated facilities totaled approximately \$55,578 and \$38,724 for the years ended December 31, 2023 and 2022, respectively, and is allocated among program and supporting services based upon the square footage occupied. See Note 5 for additional information.

Investments

Investments are presented at fair value based on quoted market prices. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in without donor restrictions net assets unless the income or loss is restricted by donor or law. Net investment income (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Compensated absences

Employees of the Organization are entitled to paid vacation depending on job classification, length of service and other factors. As of December 31, 2023 and 2022, compensated absences of \$8,953 and \$6,516, respectively, are included in accounts payable and accrued expenses in the accompanying statements of financial position.

Functional expenses

The statements of functional expenses present the natural classification detail of expenses by function. Expenses are charged to program services, administrative, or fundraising based on a combination of specific identification and allocation by management. Certain categories of expenses are attributed to more than one function and have been allocated on a reasonable basis that is consistently applied. Expenses that are allocated on a time-and-effort basis include salaries, payroll taxes, insurance and occupancy.

Advertising

Advertising and marketing costs are expensed as incurred and included in the statement of functional expenses.

Shipping and handling costs

Shipping and handling costs of \$15,926 and \$19,664 are included in cost of goods sold on the accompanying statements of activities at December 31, 2023 and 2022, respectively.

Fair value of financial assets and liabilities

Financial assets with carrying values approximating fair value include cash and cash equivalents, investments, accounts receivable, grants receivable and promises to give and prepaid expenses. Financial liabilities with carrying values approximating fair value include accounts payable and accrued expenses. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

Income taxes

The Organization is exempt from federal income tax as nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. The Organization did not have a liability for unrelated business income taxes for the years ended December 31, 2023 and 2022.

The material jurisdictions subject to potential examination by taxing authorities include the U.S. and Virginia. Management does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on the Organization's results of operations. Tax years that remain subject to examination by the IRS are 2020 through 2023.

See independent auditor's report.

Together We Bake

Notes to Financial Statements for the years ended December 31, 2023 and 2022

Recently adopted accounting pronouncements

The Organization has adopted the Financial Accounting Standards Board (FASB) Accounting Standard Codification – *Financial Instruments- Credit Losses* (ASC 326) which implements the current expected credit loss (CECL) model. The CECL model requires a financial asset or a group of financial assets (including trade receivables, contract assets, lease receivables, financial guarantees, loans and loan commitments, and held-to-maturity debt securities) measured at amortized cost basis to be presented at the net amount expected to be collected. The statement of activities will reflect the measurement of credit losses for newly recognized financial assets, as well as the increases or decreases of expected credit losses that have taken place during the period. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

3. Property and equipment

A summary of property at December 31, 2023 and 2022 is as follows:

	2023	2022	Useful life
Furniture and fixtures	\$ 4,627	\$ 4,627	5 - 7 years
Vehicle	19,830	19,830	8 years
	<u>24,457</u>	<u>24,457</u>	
Accumulated depreciation	(22,804)	(20,285)	
	<u>\$ 1,653</u>	<u>\$ 4,172</u>	

Depreciation expense for the years ended December 31, 2023 and 2022 was \$2,519 and \$2,845, respectively.

4. Lease commitments

The Organization maintains a lease for a kitchen and additional office space from a local church. Effective August 14, 2020 the Organization negotiated new lease terms with additional square footage requiring monthly rental payments of \$3,032 on a month-to-month basis. Effective April 1, 2023 the Organization negotiated new lease terms requiring monthly rental payments of \$4,632 on a month-to-month basis with rental payments totaling \$50,258 in 2023 and \$34,290 in 2022, with an additional \$55,578 and \$38,724 recognized in 2023 and 2022, respectively, as an in-kind donation. with an additional recognized in each year as an in-kind donation.

Together We Bake

Notes to Financial Statements for the years ended December 31, 2023 and 2022

5. In-kind contributions

Together We Bake receives in-kind contributions from various sources. In-kind contributions are recorded at fair market value of the services received. The revenue and expenses associated with these services have been recorded in these financial statements. In-kind contributions for the years ended December 31, 2023 and 2022 consisted of the following:

	2023	2022
In-kind rental space	\$ 55,578	\$ 38,724
In-kind legal services	6,000	6,000
	<u>\$ 61,578</u>	<u>\$ 44,724</u>

6. Liquidity and availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, with one year of the balance sheet date, comprise of the following at December 31:

	2023	2022
Cash and cash equivalents	\$ 324,176	\$ 931,473
Investments	738,461	6,813
Accounts receivable	6,989	16,023
Grants receivable and promises to give	47,474	76,927
Due from employee	150	3,250
Prepaid expenses	-	2,750
	<u>1,117,250</u>	<u>1,037,236</u>
Less amounts unavailable for general expenditures within one year due to:		
Time restrictions	<u>(106,927)</u>	<u>(106,927)</u>
	<u>\$ 1,010,323</u>	<u>\$ 930,309</u>

7. Concentration of income and disaggregation of revenue

In 2023, the Organization did not have any concentration of revenue from a certain customer. In 2022, the Organization received 17 percent of its product sales revenue from one customer.

The Organization's service revenue is based on the timing of satisfaction of performance obligations for the year. All service revenue is included under performance obligations satisfied at a point in time. The performance obligations satisfied at a point in time comprise of the following at December 31:

	2023	2022
Special events- ticket and other sales	\$ 3,825	\$ 3,075
Product sales	170,145	172,523
	<u>\$ 173,970</u>	<u>\$ 175,598</u>

See independent auditor's report.

Together We Bake

Notes to Financial Statements for the years ended December 31, 2023 and 2022

Receivables related to product sales at December 31:

	<u>2023</u>	<u>2022</u>
Accounts receivable related to product sales	\$ 6,989	\$ 16,023
	<u>\$ 180,959</u>	<u>\$ 191,621</u>

8. Retirement plan

In June 2020, the Organization maintains a Simple IRA retirement plan, under which participants may voluntarily elect to have a portion of their compensation deferred and contributed to the Plan. The Organization matches up to three percent of participant compensation. Retirement expense for the years ended December 31, 2023 and 2022 was \$14,739 and \$13,423, respectively, and is included in employee benefits on the accompanying statements of functional expenses.

9. Net assets with donor restrictions

Net assets with donor restrictions consisted of the following at December 31, 2023 and 2022:

	<u>12/31/2022</u>	<u>Additions</u>	<u>Releases</u>	<u>12/31/2023</u>
Time restricted contributions	\$ 106,927	\$ 50,000	\$ (50,000)	\$ 106,927
Program restricted contributions	-	17,500	(5,000)	12,500
	<u>\$ 106,927</u>	<u>\$ 67,500</u>	<u>\$ (55,000)</u>	<u>\$ 119,427</u>
	<u>12/31/2021</u>	<u>Additions</u>	<u>Releases</u>	<u>12/31/2022</u>
Time restricted contributions	\$ 100,000	\$ 50,000	\$ (43,073)	\$ 106,927

These net assets have been classified as donor-restricted based on the inherent time restrictions or purpose restrictions for which the purpose was not met during the year.

10. Fair value measurements

The Organization classifies its investments into Level 1, which refers to securities valued using quoted prices from active markets for identical assets; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available; and Level 3, which refers to securities valued based on significant unobservable inputs. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Assets measured at fair value on a recurring basis are summarized below as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks	\$ 226,924	\$ -	\$ -	\$ 226,924
Mutual funds	511,537	-	-	511,537
Total investments reported at fair value	<u>\$ 738,461</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 738,461</u>

See independent auditor's report.

Together We Bake

Notes to Financial Statements for the years ended December 31, 2023 and 2022

Assets measured at fair value on a recurring basis are summarized below as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Stocks	\$ 6,813	\$ -	\$ -	\$ 6,813
Total investments reported at fair value	\$ 6,813	\$ -	\$ -	\$ 6,813

11. Subsequent events

Together We Bake assessed events occurring subsequent to December 31, 2023 through April 18, 2024 for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

See independent auditor's report.