MISSION OF DEEDS, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022 and 2021

MISSION OF DEEDS, INC.

Financial Statements

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mission of Deeds, Inc.
Reading, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mission of Deeds, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and 2021 and the related statements of income, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mission of Deeds, Inc. as of December 31, 2022, and the results of its operations 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 ("GAAS"). 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 Mission of Deeds, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Organization as of and for the year ended December 31, 2021 were audited by O'Connor & Drew, P.C., who joined with WithumSmith+Brown, PC on January 1, 2023 and expressed an unmodified opinion on those statements dated July 14, 2022.

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 Mission of Deeds, Inc.'s ability to continue as a going concern for 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 GAAS 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 GAAS, 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 Mission of Deeds, 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 Mission of Deeds, 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.

WithumSmith+Brown, PC

July 20, 2023

MISSION OF DEEDS, INC.

Statements of Financial Position

December 31, 2022 and 2021

Assets

	2022	2021
Current Assets:		
Cash and equivalents	**$ 733,406**	$ 789,667
Investments	**1,597,742**	1,553,244
Unconditional promises to give	**-**	10,000
Total Current Assets	**2,331,148**	2,352,911
Property and Equipment, net	**114,062**	141,718
Other Asset:		
Right-of-use-asset, operating	**285,513**	-
Total Assets	**$ 2,730,723**	$ 2,494,629

Liabilities and Net Assets

	2022	2021
Current Liabilities:		
Current portion of lease liability - operating	**$ 62,105**	$ -
Accounts payable	**13,117**	-
Accrued expenses	**5,320**	5,320
Total Current Liabilities	**80,542**	5,320
Long-Term Liability:		
Lease liability - operating, net of current portion	**224,189**	-
Total Liabilities	**304,731**	5,320
Net Assets:		
Without donor restrictions	**1,981,080**	1,987,231
With donor restrictions	**444,912**	502,078
Total Net Assets	**2,425,992**	2,489,309
Total Liabilities and Net Assets	**$ 2,730,723**	$ 2,494,629

See Independent Auditor's Report.

The Notes to the Financial Statements are an integral part of these financial statements.

MISSION OF DEEDS, INC.

Statement of Activities and Change in Net Assets

For the Year Ended December 31, 2022 (with comparative totals for 2021)

	2022			2021
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Total
Support and Revenues:				
Contributions	$ 590,340	$ -	$ 590,340	$ 828,951
Grants	454,872	-	454,872	366,422
Fundraising events	125,227	-	125,227	145,446
Contributions of non-financial assets	360,848	-	360,848	205,221
Net assets released from restriction	29,816	(29,816)	-	-
Total Support and Revenues	1,561,103	(29,816)	1,531,287	1,546,040
Expenses:				
Program services	1,144,964	-	1,144,964	903,744
Management services	108,094	-	108,094	105,924
Fundraising	93,944	-	93,944	71,090
Total Expenses	1,347,002	-	1,347,002	1,080,758
Non-Operating Activity:				
Investment income (loss)	(220,252)	(27,350)	(247,602)	40,291
Change in Net Assets	(6,151)	(57,166)	(63,317)	505,573
Net Assets, Beginning of Year	1,987,231	502,078	2,489,309	1,983,736
Net Assets, End of Year	$ 1,981,080	$ 444,912	$ 2,425,992	$ 2,489,309

See Independent Auditor's Report.

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MISSION OF DEEDS, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2022 (with comparative totals for 2021)

	2022				2021
	Program Services	Management and General	Fundraising	Total	Total
Expenses:					
In-kind furniture	$ 360,848	$ -	$ -	$ 360,848	$ 205,221
Payroll salaries and wages	229,925	75,740	32,460	338,125	308,290
Beds program	223,054	-	-	223,054	166,888
Food gift cards program	82,918	-	-	82,918	44,300
Lease	58,994	6,555	-	65,549	63,654
Fundraising events	-	-	57,925	57,925	37,258
Payroll taxes	21,136	6,963	2,984	31,083	37,897
Depreciation	24,890	2,766	-	27,656	27,656
Miscellaneous	11,989	-	-	11,989	24,685
Vehicle costs	23,568	-	-	23,568	12,157
Telephone and information technology	19,720	2,191	-	21,911	33,102
Coats program	19,816	-	-	19,816	15,148
Repairs and maintenance	10,520	1,169	-	11,689	37,530
Property taxes	13,042	1,449	-	14,491	10,317
Kitchen and household essentials program	13,840	-	-	13,840	16,922
Volunteer expenses	10,901	-	-	10,901	8,317
Utilities	8,497	944	-	9,441	7,593
Professional fees	-	7,750	-	7,750	6,800
Insurance	5,606	1,869	-	7,474	6,299
Payroll service	4,390	261	575	5,227	5,433
Office expenses	1,310	437	-	1,747	5,291
	$ 1,144,964	$ 108,094	$ 93,944	$ 1,347,002	$ 1,080,758

See Independent Auditor's Report.

The Notes to the Financial Statements are an integral part of these financial statements.

MISSION OF DEEDS, INC.

Statements of Cash Flows

For the Year Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	$ (63,317)	$ 505,573
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Right-of-use asset- operating	781	-
Depreciation	27,656	27,656
Discount on unconditional promises to give	-	(1,437)
Realized and unrealized (gain) loss on investments	249,646	(26,471)
Changes in assets and liabilities:		
Unconditional promises to give	10,000	10,000
Accounts payable	13,117	-
Accrued expenses	-	3,014
Net Adjustments	301,200	12,762
Net Cash Provided by Operating Activities	237,883	518,335
Cash Flows from Investing Activities:		
Proceeds from sale of investments	172,386	696,132
Purchase of investments	(466,530)	(1,357,195)
Net Cash Used In Investing Activities	(294,144)	(661,063)
Net Decrease in Cash and Equivalents	(56,261)	(142,728)
Cash and Equivalents, Beginning of Year	789,667	932,395
Cash and Equivalents, End of Year	$ 733,406	$ 789,667

See Independent Auditor's Report.

The Notes to the Financial Statements are an integral part of these financial statements.

Note 1 - Summary of Significant Accounting Policies

Nature of Operations
Mission of Deeds, Inc.'s (the "Organization") purpose is to purchase and collect household goods and give them to individuals and families in need. The Organization is located in Reading, a suburb of Boston, and provides services in Middlesex, Essex and part of Suffolk Counties in Massachusetts.

Basis of Accounting
The financial statements of the Organization have been prepared on the accrual basis. Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial Statement Presentation
Assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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 objectives of the Organization.

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

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 restrictions in the statements of activities. Restricted contributions in which the restrictions are met in the same year are reported as without donor restrictions revenue.

Comparative Information
The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Measure of Operations
The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing purpose and the return earned on investments. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Fair Value of Financial Instruments
Promulgations of the Financial Accounting Standards Board ("FASB") have established a framework for measuring fair value, which provides a 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	Quoted market prices in active markets for identical assets or liabilities;
Level 2	Observable market-based inputs or unobservable inputs that are corroborated by market data;
Level 3	Unobservable inputs that are not corroborated by market data.

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 measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments
Investments are initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in value are reported as investment return in the statement of activities.

Purchases and sales of investments are recorded on the trade date. The gain or loss on the sale of investments is determined using average cost and is recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Contributions
Contributions and grants are recognized as revenue when they are unconditional, usually when qualifying expenditures are incurred and other conditions under the agreement are met. Contributions and grants are conditional if there is a barrier that must be overcome before the recipient is entitled to the contribution and the donor has the right to request the funds back if they are not spent properly.

Unconditional contributions and grants 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. Contributions and grants that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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 and grants 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.

Contributions Receivable
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. Discount amortization is included in contribution revenue.

Conditional promises to give are not included as support until the conditions are met. As of December 31, 2022 and 2021, management has concluded an allowance for doubtful accounts is not required.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the reporting period.

Management evaluates the estimates and assumptions on an ongoing basis using historical experience and other factors that management believes to be reasonable under the circumstances. Adjustments to estimates and assumptions are made as facts and circumstances require. As future events and their effects cannot be determined with certainty, actual results may differ from the estimates used in preparing the accompanying financial statements. Significant estimates and assumptions are required as part of determining the value of unconditional promises to give, estimating depreciation, and the recoverability of long-lived assets.

Cash and Equivalents
For purposes of the statements of financial position and cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and equivalents.

Restricted Cash
The Organization’s restricted cash consists of funds set aside for donor restrictions. As of December 31, 2022 and 2021, there was no cash with restrictions.

Financial Instruments
Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and equivalents and investments.

Investments are maintained at brokerage institutions. Exposure to credit risk is reduced by placing such deposits in high-quality financial institutions and insured brokerage houses. The carrying amounts of certain financial instruments, including cash and equivalents, approximate fair value as of December 31, 2022 because of the relatively short maturity of these instruments. The carrying amounts of investments are reported at market value. Unrealized gains and losses are included in the changes in net assets within the accompanying statement of activities.

Functional Allocation of Expenses
The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with specific program and support services are allocated directly according to the natural expenditure classification. Expenses not directly identified are allocated based upon time and effort and square footage.

Property and Equipment
Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Vehicles	5 Years
Furniture and machinery equipment	5 to 10 years
Leasehold Improvements	shorter of lease term or useful life

Advertising
The Organization charges the cost to advertising expense as incurred.

Revenue with Customers
The Organization has a golf tournament and other special events for the general public. The transaction price is the consideration that the Organization expects to receive for the entrance fee and sponsorships. The Organization collects payment at the time of registration, or shortly thereafter. The Organization considers the performance obligation to be the event and recognizes revenue at the time that the event occurs. The Organization's revenues and cash flows are correlated to the general conditions of the economy.

Contract liabilities represent payments the Organization receives in advance of the event. Contract liabilities are presented in the Statements of Financial Position as unearned revenue, if applicable, and are recognized as income in the period in which the event takes place.

In-Kind Contributions of Non-Financial Assets
The Organization receives in-kind contributions of new and used furniture, bedding, and household items from the general public. The Organization, in turn, gives these donated goods to underprivileged families through a network of social service agencies. The Organization recognizes in-kind contributions of non-financial assets at their estimated fair market value.

The Organization maintains a warehouse of goods received but not yet distributed to individuals. In accordance with generally accepted accounting principles, these items have not been recognized as inventory in these financial statements as they are not held for resale.

In-kind contributions of non-financial assets are included as revenue in the accompanying Statement of Activities and offset by similar amounts included as program expenditures.

In-kind contributions of non-financial assets and expenses totaled $360,848 and $205,221 for the years ended December 31, 2022 and 2021, respectively.

Income Tax Status
Accounting principles generally accepted in the United States require an entity to assess the probability that a tax position has a more likely than not ("MLTN") sustainability after review by tax authorities. If a tax position is deemed not to meet this threshold, any unrecognized tax benefits and costs are estimated and recognized. Tax returns are routinely open for review by the tax authorities for three years from their due date. In certain circumstances, the statute of limitations may remain open indefinitely.

As a not-for-profit entity exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, the Organization may, however, be subject to tax on unrelated business income.

Endowment Funds
Massachusetts law requires not-for-profit organizations and other entities that receive donor contributions to operate in conformity with its enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

In the absence of overriding explicit donor stipulations, UPMIFA prescribes guidelines for expenditures of donor-restricted funds and focuses on the prudent spending of the entire donor-restricted fund, including accumulated earnings, rather than the historical dollar concept. UPMIFA's requirement that amounts may be appropriated for expenditure only after careful consideration of the seven factors outlined in its spending guidelines is bolstered by its intent to have the governing board of the organization make its decisions in light of the donor's intended purpose of the endowment fund, stipulated or otherwise.

UPMIFA requires donor-restricted funds to be classified in accordance with their restrictions. Gains on endowment funds and other amounts permitted to be disbursed in accordance with the donor's stipulations must be classified as net assets with donor restrictions until approved for expenditure by the Organization. Earnings on endowment funds that have not yet been specifically approved for expenditure, but will be, must be classified as net assets with donor restrictions until approved for expenditure by the Organization.

The Organization's Board of Directors classifies donor-restricted funds and earnings thereon in accordance with applicable state law as interpreted by the Attorney General.

Endowment fund assets are appropriated for expenditure in accordance with the directions and/or intent of the donor. The Organization's investment policy for endowment funds is intended to preserve capital to the extent possible and provide a reasonably predictable stream of revenue to provide appropriate funding to the programs supported by endowment funds.

From time to time, the fair values of endowment fund assets may, due to unfavorable market fluctuations, fall below the level that donors require to be retained for a perpetual duration. The decline below the required perpetual duration, commonly referred to as "underwater", is reported as losses within net assets with donor restrictions.

The Board of Directors has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of December 31, 2022, the Organization had two underwater endowments totaling $27,350. As of December 31, 2021, the Organization did not have endowment funds below the amount of donor required levels.

Leases
The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow us to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of 12 months or less are not recorded on the balance sheet. The Organization had no finance leases during 2022 and 2021.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes, and maintenance. For leases of property, we account for these other services as a component of the lease. For all other leases, the services are accounted for separately and we allocate payments to the lease and other services components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, reduced by landlord incentives, using a risk-free rate of similar term investments. Right-of-use assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date, or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Adopted Accounting Pronouncement
The Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-07, Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This pronouncement requires not-for-profit entities to present contributed non-financial assets in the statement of activities as a line that is separate from other contributions and provide additional disclosure information related to these items. The Organization adopted the provisions of ASU 2020-07 on a retrospective basis as of January 1, 2021. Certain amounts in the prior year statement of activities have been restated to conform to this presentation, but, net assets were not impacted.

FASB issued ASU 2016-02, *Leases*, which is effective for periods beginning after December 15, 2021. The pronouncement will require lessees to recognize on their statement of financial position the rights and obligations resulting from leases categorized as operating leases as assets and liabilities. It provides for an election on leases with terms of less than twelve months to be excluded. Further, the Organization elected to implement the package of practical expedients, whereby the Organization did not (i) reassess existing contracts for embedded leases, (ii) reassess existing lease agreements for finance or operating classification, or (iii) reassess existing lease agreements in consideration of initial direct costs. The implementation of this standard did not have a material impact to the statement of income or cash flows under our current agreement.

Note 2 - **Unconditional Promises to Give**

Unconditional promises to give are discounted at 5% and were completely collected in 2022. For the year ended December 31, 2021, unconditional promises to give was $10,000.

Note 3 - **Investments**

Promulgations of the Financial Accounting Standards Board have established a framework for measuring fair value. This 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).

Mutual funds are carried at fair value based on quoted prices in active markets (Level 1 measurements) and certificates of deposit are carried at initial investment plus accrued interest based on observable market-based inputs or unobservable inputs that are corroborated by market data (Level 2 measurements).

Investments consist of the following at December 31,:

	2022	2021
Stock mutual funds	$ 841,642	$ 842,248
Bond mutual funds	549,707	540,001
Certificates of deposit	206,393	170,995
	$ 1,597,742	$ 1,553,244

Note 4 - **Property and Equipment**

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

	2022	2021
Vehicles	$ 56,934	$ 56,934
Office furniture and equipment	35,674	35,674
Leasehold improvements	398,927	398,927
	491,535	491,535
Less: accumulated depreciation	377,473	349,817
	$ 114,062	$ 141,718

Note 5 - **Endowment**

Changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

2022

	Without Donor Restrictions	With Donor Restrictions	Total
Investment net assets, beginning of year	$ 78,167	$ 430,000	$ 508,167
Investment return	(60,835)	(27,350)	(88,185)
Investment net assets, end of year	$ 17,332	$ 402,650	$ 419,982

2021

	Without Donor Restrictions	With Donor Restrictions	Total
Investment net assets, beginning of year	$ 53,113	$ 280,000	$ 333,113
Investment return	25,054	-	25,054
Contributions	-	150,000	150,000
Investment net assets, end of year	$ 78,167	$ 430,000	$ 508,167

Note 6 - **Net Assets**

Net Assets Without Restrictions
Net assets without donor restrictions comprise the receipt of funds relating to activities the Organization engages in that are not restricted in nature, and gains on endowed net assets.

Net assets without restrictions consist of the following for the years ended December 31,:

	2022	2021
Building Fund (Board Designated)	**$ 64,098**	$ 96,470
Undesignated	**1,916,982**	1,890,761
	$ 1,981,080	$ 1,987,231

Net Assets With Restrictions
Net assets with restrictions consist of the following for the years ended December 31,:

	2022	2021
Coats Program (for Purpose)	**$ 42,262**	$ 62,078
Promises to Give (for Passage of Time)	**-**	10,000
Endowment (for Perpetuity)	**402,650**	430,000
	$ 444,912	$ 502,078

Net Assets Released from Restrictions
Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the purpose specified by donors for the years ended December 31,:

	2022	2021
Coats Program (for Purpose)	**$ 19,816**	$ 15,148
Promises to Give (for Passage of Time)	**10,000**	8,563
	$ 29,816	$ 23,711

Note 7 - **Leases**

The Organization leases its operating and office facilities under a long-term, noncancelable operating lease agreement. The leases expire at various dates through 2027.

Because the rates implicit in the leases are generally not available, the Organization utilizes its risk-free rate as the discount rate.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2022:

Years Ending December 31,	
2023	$ 62,105
2024	65,564
2025	65,564
2026	65,564
2027	36,239
Less: Imputed Interest	(8,742)
Lease Liability at December 31, 2022	$ 286,294

Lease expense for the year ended December 31, 2022 is comprised of operating lease expense of $65,549.

Cash paid for amounts included in the measurement of lease liabilities for operating leases totaled $64,609 for the year ended December 31, 2022.

The weighted average remaining lease term associated with the operating leases as of December 31, 2022 is 5 years. The weighted average discount rate associated with the operating leases is 1.37% as of December 31, 2022. The discount rate was derived from the risk-free rate of debt of similar term length.

Rent expense under these agreements was $63,654 for the year ended December 31, 2021.

Note 8 - **Related Party Transaction**

During 2009, the Organization signed a three-year operating lease for its facilities with a related party requiring monthly payments of $5,000 plus a pro-rata share of operating costs. The lease contains three five-year extensions through June 30, 2027. During 2022, the Organization exercised its third option to extend the lease. Under this option, monthly payments of $5,464 plus a pro-rata share of operating costs are required, which are included in repairs and maintenance on the statement of activities. For the years ended December 31, 2022 and 2021, related party rent payments totaled $64,609 and $63,654, respectively.

Note 9 - **Availability and Liquidity**

	2022	2021
Financial assets at year-end:		
Cash and equivalents	**$ 733,406**	$ 789,667
Investments	**1,597,742**	1,553,244
Unconditional promises to give	**-**	10,000
	2,331,148	2,352,911
Less: amounts not available to be used within one year:		
Board designated net assets	**64,098**	96,470
Net assets with donor restrictions	**444,912**	502,078
	509,010	598,548
Financial assets available to meet general expenditures within one year	**$ 1,822,138**	$ 1,754,363

The Organization reviews its cash position on a regular basis to ensure that adequate funds are on hand to meet expenses. If funds are needed for expenses, management can liquidate its investments or request that the Board undesignate previously designated assets. For the years ended December 31, 2022 and 2021, management believes that the Organization has no liquidity issues.

Note 10 - **Concentrations, Risks and Uncertainties**

Cash
The Organizations have significant cash balances at financial institutions which throughout the year regularly exceeds the federally insured limit of $250,000. Any loss incurred or a lack of access to such funds could have a significant impact on the Organization's financial condition, result of operations, and cash flows. As of December 31, 2022 and 2021, amounts exceeding the federally insured limits for the Organizations were insured by the Share Insurance fund.

Uncertainties
The Organization is highly dependent on donor contributions and fundraising efforts. Although management believes that it will have sufficient funds to meet its operating expenses for the remainder of the fiscal year between funds already available and promised grants, there is no guarantee that their grants and fundraising activities will continue into future years.

Note 11 - **Management's Acceptance of the Financial Statements**

Subsequent Events
Management has evaluated subsequent events through July 20, 2023, the date for which the financial statements were available for issuance. Management accepted the financial statements and did not identify any events subsequent to December 31, 2022 requiring disclosure in the financial statements.