

History Unerased, Inc.
Financial Statements
For the Year ended December 31, 2022

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-9



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
History Unerased Inc,

We have audited the accompanying financial statements of History Unerased Inc (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of History Unerased Inc as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report

McLarney & Company LLC

Chelmsford MA

September 19, 2023

**6 Courthouse Lane,
Chelmsford, MA 01824**

Phone: (978) 453-2222

Fax: (978) 453-2882

**One Tremont St.
Concord, NH 03301**

Phone: (603) 224-4990

Fax: (603) 226-0030

McLarney & Company, LLC

Helping our clients keep more of what they earn.

History Unerased, Inc.
Statements of Activities and Change in Net Assets
For the Year Ended December 31, 2022

	Without Restrictions	With Restrictions	2022
ASSETS			
Current Assets:			
Cash & Cash Equivalents (Note 1)	\$ 324,497	\$ -	\$ 324,497
Accounts Receivable (Note 12)	12,500	-	12,500
Prepaid Expenses	1,052	-	1,052
Total Current Assets	338,050	-	338,050
Property and Equipment			
Office Equipment	2,655	-	2,655
Less Accumulated Depreciation	(531)	-	(531)
	2,124	-	2,124
Total Assets	\$ 340,174	\$ -	\$ 340,174
Liabilities and Net Assets			
Current Liabilities:			
Accounts Payable	\$ 5,817	\$ -	\$ 5,817
Accrued Expenses	26,000	-	26,000
Loan from Related Party	1,500	-	1,500
Total Current Liabilities	33,317	-	33,317
Total Liabilities	33,317	-	33,317
Net Assets (Note 1 & 3)			
Without Donor Restrictions			
Undesignated	306,857	-	306,857
Designated by the Board for future use	-	-	-
Total Without Donor Restrictions	306,857	-	306,857
With Donor Restrictions	-	-	-
Total Net Assets	306,857	-	306,857
Total Liabilities and Net Assets	\$ 340,174	\$ -	\$ 340,174

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

History Unerased, Inc.
Statements of Activities and Change in Net Assets
For the Year Ended December 31, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support: (Note 1)			
Contributions and Grants	\$ 150,194	\$ -	\$ 150,194
Program Service Revenue	475,575	-	475,575
Total Support	625,770	-	625,770
Operating Expenses:			
Grants and program services	365,645	-	365,645
Management and General	164,429	-	164,429
Development	1,360	-	1,360
Total Functional Expense	531,434	-	531,434
Change in Net Assets from Operations	94,335	-	94,335
Nonoperating Activities:			
Gain on extinguishment of debt (Note 9)	-	-	-
Total Nonoperating Activities	-	-	-
Increase (Decrease) in Net Assets	\$ 94,335	\$ -	\$ 94,335
Net Assets - Beginning of Year	212,522	-	212,522
Net Assets - End of Year	\$ 306,857	\$ -	\$ 306,857

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

History Unerased, Inc.
Statements of Activities and Change in Net Assets
For the Years Ended December 31, 2022

	2022			
	Grants and Program Services	Management and General	Development	Total
Personnel costs				
Wages	-	78,000	-	78,000
Payroll Taxes	-	6,401	-	6,401
Total Personnel Costs	-	84,401	-	84,401
Other costs				
Marketing	27,542	-	-	27,542
Insurance	-	4,107	-	4,107
Event	-	-	1,360	1,360
Depreciation	-	531	-	531
Contributions	-	195	-	195
Office Supplies	-	4,144	-	4,144
Professional Fees	3,101	32,710	-	35,811
Publicity	335,003	-	-	335,003
Rent and utilities	-	3,639	-	3,639
Telephone	-	23,234	-	23,234
Training	-	11,468	-	11,468
Total Other Expenses	365,645	80,029	1,360	447,034
Total Expenses	\$ 365,645	\$ 164,429	\$ 1,360	\$ 531,434

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

History Unerased, Inc.
Statements of Cash Flows
For the Year Ended December 31, 2022

	Total 2022
Cash Flows From Operating Activities	\$ 94,335
Increase (Decrease) in Net Assets	
 Adjustments to Reconcile Net Assets To Net Cash Provided by Operating Activities:	
Non-Cash Charges (credits) to net Income:	
Depreciation	531
 Provided by Operating Activities:	
(Increase) Decrease in Accounts Receivable	166,000
(Increase) Decrease in Prepaid Expenses	(123)
Increase (Decrease) in Accounts Payable	(18,088)
Increase (Decrease) in Accrued Expenses	13,000
Net Cash Provided (Used) by Operating Activities	255,655
 Cash Flow From Investing Activities	
Purchase of Fixed Assets	(2,655)
Net Cash Provided (used) by Investing Activities	(2,655)
 Increase (Decrease) in Cash	\$ 253,000
 Cash, Restricted Cash and Cash Equivalents - Beginning of Year	\$ 71,497
 Cash, Restricted Cash and Cash Equivalents - End of Year	\$ 324,497

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

History Unerased, Inc
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1.- Nature of Activities and Summary of Significant Accounting Policies:

Nature of activities:

History Unerased, Inc. ("The Organization") is a non-profit organization incorporated in Massachusetts in 2013 and is exempt from tax under 501(c)(3). The Organization is a community-based funding organization, whose mission is putting LGBTQ history in its rightful place in the classroom. The Organization is supported primarily through School contracts and donor contributions. Donations to the Organization are generally tax deductible to the donor.

Basis of accounting:

The Organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Advertising Costs:

Advertising costs are charged to operations when incurred.

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to defraying office rent and specific other long-term purposes are excluded from this definition.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for various institutions of services rendered. We determine the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At December 31, 2022, the allowance for uncollectable accounts was \$0.

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

Net Assets:

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

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) 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 those resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

History Unerased, Inc
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1.- Nature of Activities and Summary of Significant Accounting Policies Continued:

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, 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.

Property and equipment:

The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Property and equipment are shown in the financial statements at historical cost, net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset.

There were no indicators of asset impairment during the year ended December 31, 2022.

Revenue and Revenue Recognition

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. Contributions 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. We recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received at fair value at the date of donation. 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 substantially met

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

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.

Donated Services and In-kind donations

Several volunteers have made significant contributions of their time in furtherance of The Organization's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

History Unerased, Inc
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1.- Nature of Activities and Summary of Significant Accounting Policies Continued:

Grants
A portion of our revenue is grants, which are conditioned upon certain performance requirements and or the incurrence of allowable qualifying expenses. Amounts received are recognized when conditions have been meet or expenditures are made.

Functional Expense Allocation:
The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates and the differences could be material. The impact of the pandemic may result in a reasonably possibility that estimates will change by a material amount in the near term, however, we are unable to assess these changes, if any, at this point in time.

Income taxes:
The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code, qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. We have determined that the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Presently, the Organization has the following tax return filings open to examination by the Internal Revenue Service 2019, 2020 and 2021.

Note 2. - Supplemental Disclosure of Cash Flow Information:
The Organization paid interest of \$0 and the Organization did not pay any taxes during the years ended December 31, 2022 or have any non-cash transactions that were reflected on the cashflow statement.

History Unerased, Inc
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 3.- Concentrations:

The Organization maintains one bank accounts at one bank. Deposits held in noninterest-bearing transaction account are aggregated with any interest-bearing deposits the owner may hold in the same ownership category, and the combined total insured amount is \$250,000. The term “noninterest-bearing transaction account” includes a traditional checking account or demand deposit account on which the insured depository institution pays no interest. It does not include other accounts, such as traditional checking or demand deposit accounts that may earn interest and money market accounts. The amount that exceeded the Federally insured limit was \$74,458 and during the year ended December 31, 2022. The amounts in excess of the FDIC limit are protected by the Depositors Insurance Fund (DIF). DIF is a private, industry-sponsored insurance fund that insures all deposits above FDIC limits at Massachusetts-charted savings banks.

The Organization conducts business in Massachusetts and the majority of the revenue funds are derived from NY school systems.

Note 4.- Availability and Liquidity:

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

	<u>2022</u>
Cash and Cash Equivalents	\$ 324,497
Less: Amounts not available to be used within one year:	
Accounts Receivable (Note 1)	\$ 12,500
Prepaid Expenses	\$ 1,052
Restricted Cash	-
Financial Assets Available to meet General Expenditures over the next twelve months	\$ 338,050

Note 5.- Subsequent Events:

The Company has evaluated all subsequent events through September 19, 2023, the day the financials were available to be issued.