

History Unerased, Inc.
Financial Statements
For the Years ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of History Unerased Inc,

Opinion

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, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of History Unerased Inc as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of History Unerased Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about History Unerased Inc'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.

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Helping our clients keep more of what they earn.

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 History Unerased 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 History Unerased 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.

Report on Summarized Comparative Information

We have previously audited History Unerased Inc's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McLarney & Company LLC

McLarney & Company LLC

Chelmsford, MA 01824
August 8, 2024

History Unerased, Inc.
Statements of Financial Position
For the Years Ended December 31, 2023 and 2022

	Without Restrictions	With Restrictions	2023	Comparative Total 2022
ASSETS				
Current Assets:				
Cash & Cash Equivalents (Note 1)	\$ 252,451	\$ -	\$ 252,451	324,497
Accounts Receivable (Note 1)	24,000	-	24,000	12,500
Prepaid Expenses	1,337	-	1,337	1,052
Total Current Assets	277,788	-	277,788	338,050
Property and Equipment				
Office Equipment	2,655	-	2,655	2,655
Less Accumulated Depreciation	(797)	-	(797)	(531)
	1,859	-	1,859	2,124
Total Assets	\$ 279,647	\$ -	\$ 279,647	\$ 340,174
Liabilities and Net Assets				
Current Liabilities:				
Accounts Payable	\$ 588	\$ -	\$ 588	\$ 5,817
Accrued Expenses	14,500	-	14,500	26,000
Loan from Related Party	1,500	-	1,500	1,500
Total Current Liabilities	16,588	-	16,588	33,317
Total Liabilities	16,588	-	16,588	33,317
Net Assets (Note 1 & 3)				
Without Donor Restrictions				
Undesignated	263,059	-	263,059	306,857
Designated by the Board for future use	-	-	-	-
Total Without Donor Restrictions	263,059	-	263,059	306,857
With Donor Restrictions				
	-	-	-	-
Total Net Assets	263,059	-	263,059	306,857
Total Liabilities and Net Assets	\$ 279,646	\$ -	\$ 279,646	\$ 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 Years Ended December 31, 2023 and 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Comparative Total
Public Support: (Note 1)				
Program Training Fees	\$ 118,253	\$ -	\$ 118,253	\$ 475,575
Grants	517,390	-	517,390	33,300
Contributions	75,311	-	75,311	116,894
Interest Income	2,913	-	2,913	-
Total Support	<u>713,866</u>	<u>-</u>	<u>713,866</u>	<u>625,770</u>
Operating Expenses:				-
				-
Grants and program services	465,048	-	465,048	365,645
Management and General	278,616	-	278,616	164,429
Development	14,000	-	14,000	1,360
Total Functional Expense	<u>757,665</u>	<u>-</u>	<u>757,665</u>	<u>531,434</u>
				-
Change in Net Assets from Operations	(43,798)	-	(43,798)	94,335
Nonoperating Activities:				
Gain on extinguishment of debt (Note 9)	-	-	-	-
Total Nonoperating Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	\$ (43,798)	\$ -	\$ (43,798)	\$ 94,335
Net Assets - Beginning of Year	<u>306,857</u>	<u>-</u>	<u>306,857</u>	<u>212,522</u>
Net Assets - End of Year	<u>\$ 263,059</u>	<u>\$ -</u>	<u>\$ 263,059</u>	<u>\$ 306,857</u>

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

History Unerased, Inc.
Statements of Functional Expenses
For the Years Ended December 31, 2023 and 2022

	2023			2022	
	Grants and Program Services	Management and General	Development	Total	Comparative Total
Personnel costs					
Wages	-	73,500	-	73,500	78,000
Payroll Taxes	-	5,776	-	5,776	6,401
Total Personnel Costs	-	79,276	-	79,276	84,401
Other costs					
Marketing	39,021	-	-	39,021	27,542
Insurance	-	6,838	-	6,838	4,107
Event	-	-	14,000	14,000	1,360
Depreciation	-	266	-	266	531
Contributions	-	-	-	-	195
Office Supplies	-	3,530	-	3,530	4,144
Professional Fees	1,838	141,742	-	143,579	35,811
Publicity	424,190	-	-	424,190	335,003
Rent and utilities	-	5,898	-	5,898	3,639
Telephone	-	20,706	-	20,706	23,234
Training	-	20,361	-	20,361	11,468
Total Other Expenses	465,048	199,341	14,000	678,389	447,034
Total Expenses	\$ 465,048	\$ 278,616	\$ 14,000	\$ 757,665	\$ 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 Years Ended December 31, 2023 and 2022

	Total 2023	Total 2022
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ (43,798)	\$ 94,335
 Adjustments to Reconcile Net Assets To Net Cash Provided by Operating Activities:		
Non-Cash Charges (credits) to net Income:		
Depreciation	266	531
 Provided by Operating Activities:		
(Increase) Decrease in Accounts Recievable	(11,500)	166,000
(Increase) Decrease in Prepaid Expenses	(285.00)	(123)
Increase (Decrease) in Accounts Payable	(5,230)	(18,088)
Increase (Decrease) in Accrued Expenses	(11,500)	13,000
Net Cash Provided (Used) by Operating Activities	(72,047)	255,655
 Cash Flow From Investing Activities		
Purchase of Fixed Assets	-	(2,655)
Cash Flow From Financing Activities	-	(2,655)
 Net Cash Provided (used) by Investing Activities	-	-
 Increase (Decrease) in Cash	\$ (72,047)	\$ 253,000
 Cash, Restricted Cash and Cash Equivalents - Beginning of Year	\$ 324,497	\$ 71,497
 Cash, Restricted Cash and Cash Equivalents - End of Year	\$ 252,451	\$ 324,497
 Supplemental Disclosure of Non-Cash Investing & Financing Activities		

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

History Unerased, Inc
Notes to Financial Statements

For the Years Ended December 31, 2023 and 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, 2023 and 2022, the allowance for uncollectable accounts was \$0 and \$0, respectively.

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 Years Ended December 31, 2023 and 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 years ended December 31, 2023 and 2022.

Measure of operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Organizations ongoing youth services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Shipping & Handling Fees & Costs

All amounts billed to a customer in a sales transaction related to shipping and handling represent revenues earned and are reported as revenue. Costs incurred by the Organization for shipping and handling, including costs paid to third party shippers are reported as an expense.

Revenue and Revenue Recognition

At contract inception, once the contract is determined to be within the scope of FASB ASC 606, the Organization evaluates the performance obligations promised in the contract that are based upon the goods and services that will be transferred to the customer and determines whether those obligations are both (i) capable of being distinct and (ii) distinct in the context of the contract. Goods and services that meet these criteria are considered distinct performance obligations. If both these criteria are not met, the goods and services are combined into a single performance obligation. The Organization recognizes the revenue for amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied.

Occasionally, a portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

History Unerased, Inc
Notes to Financial Statements

For the Years Ended December 31, 2023 and 2022

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

	<u>2023</u>	<u>2022</u>
Refundable Advances beginning of year	\$ -	\$ -
Revenue recognized from prior year refundable advance	(450,000)	-
Increase in Refundable Advance due to cash received during the year	450,000	-
Refundable Advances at December 31	\$ -	\$ -

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

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.

Grants

In 2018, the Financial Accounting Standards Board (FASB) issued ASU 2018-08 which provided clarifications on how non-governmental organizations should recognize contributions in accordance with ASC topic 958. This guidance also applies to various grants that non-profit organizations often receive. When determining recognition of grant revenue, the first step is to determine if the transaction is an exchange transaction or a contribution. The key difference between an exchange transaction and a contribution is commensurate value which refers to reciprocal benefits of equal value flowing between two parties to an agreement. Benefits provided to the general public does not constitute commensurate value to the resource provider. Therefore, most, if not all, of the grants received by the Organization during the years ended December 31, 2023 and 2022 were considered contributions. If it is determined that the grant qualifies as a contribution the next step is to determine if the contribution is conditional or Unconditional. If a grant is determined to be unconditional, revenue is recognized when the grant is received. If a grant is determined to be conditional based on the following criteria there would be no revenue recognition of the grant until the conditions are met. Two things need to exist for the grant to be considered conditional:

History Unerased, Inc
Notes to Financial Statements

For the Years Ended December 31, 2023 and 2022

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

1. There is a barrier the nonprofit must overcome to be entitled to the resources, and
2. The contributor retains a right of return for the resources provided or more simply put, the funding needs to be returned or is not received if certain conditions are not met. The grant agreement must make it sufficiently clear that there is a right of return for this component to be met.

Any amounts not used in the year they are received are recognized as refundable advances with donor restrictions at yearend and disclosed in the financial statements. The Organization had nonrefundable advances from grants considered conditional amounting to \$0 on December 31, 2023.

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 2020, 2021 and 2022.

Comparative Financial Information

The accompanying 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 accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

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, 2023 and 2022 or have any non-cash transactions that were reflected on the cashflow statement.

History Unerased, Inc
Notes to Financial Statements
For the Years Ended December 31, 2023 and 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 \$2,411 and \$74,458 and during the years ended December 31, 2023 and 2022, respectively. 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. The balance in accounts was from one customer on December 31, 2023.

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>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 252,451	\$ 324,497
Accounts Receivable (Note 1)	24,000	12,500
Prepaid Expenses	1,337	1,052
Restricted Cash	-	-
Financial Assets Available to meet General Expenditures over the next twelve months	\$ 277,788	\$ 338,050

Note 5.- Subsequent Events:

The Company has evaluated all subsequent events through August 8, 2024, the day the financials were available to be issued.