TEAM IMPACT, INC.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

LMHS, P.C.
Certified Public Accountants and Advisors

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Team Impact, Inc.
Quincy, Massachusetts

Opinion

We have audited the financial statements of Team Impact, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Team Impact, Inc. 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Team Impact, 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.

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 Team Impact, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 Team Impact, 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 Team Impact, 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.

LMHS, P.C.

LMHS, P.C.
Norwell, Massachusetts

November 14, 2024

TEAM IMPACT, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 3,403,409	$ 4,013,239
Investments	30,791	-
Pledges Receivable, Net	1,221,839	659,319
Prepaid Expenses and Other	166,950	65,729
	4,822,989	4,738,287
PROPERTY AND EQUIPMENT:		
Computer Software	54,530	54,530
Furniture	61,228	61,228
Website and Digital Technology	546,360	546,360
	662,118	662,118
Accumulated Depreciation	(464,596)	(377,634)
	197,522	284,484
OTHER ASSETS:		
Pledges Receivable	-	166,000
Right of Use Assets	251,853	501,082
	$ 5,272,364	$ 5,689,853
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Current Portion of Long-Term Lease Liabilities	$ 277,628	$ 262,325
Accounts Payable and Accrued Expenses	100,796	110,762
Accrued Payroll and Related	339,947	284,641
	718,371	657,728
LONG-TERM LEASE LIABILITIES, NET OF CURRENT PORTION	-	277,628
TOTAL LIABILITIES	718,371	935,356
NET ASSETS:		
Without Donor Restrictions	3,863,269	3,770,973
With Donor Restrictions	690,724	983,524
	4,553,993	4,754,497
	$ 5,272,364	$ 5,689,853

See Notes to Financial Statements

TEAM IMPACT, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT:						
Contributions of Cash and Other Financial Assets	$ 4,295,323	$ 400,000	$ 4,695,323	$ 3,206,512	$ 350,000	$ 3,556,512
Contributions of Nonfinancial Assets	1,387,247	-	1,387,247	1,279,509	-	1,279,509
Special Events:						
Events Revenue - Cash and Other Financial Assets	4,456,203	120,000	4,576,203	3,577,139	45,000	3,622,139
Events Revenue - Nonfinancial Assets	122,535	-	122,535	188,393	-	188,393
Events Expense	(1,077,673)	-	(1,077,673)	(1,147,477)	-	(1,147,477)
	3,501,065	120,000	3,621,065	2,618,055	45,000	2,663,055
Dividend Income	94,056	-	94,056	5,595	-	5,595
Interest Income	9	-	9	11	-	11
Other Income	16,351	-	16,351	16,460	-	16,460
Net Assets Released From Restrictions	812,800	(812,800)	-	1,336,928	(1,336,928)	-
TOTAL REVENUE AND OTHER SUPPORT	10,106,851	(292,800)	9,814,051	8,463,070	(941,928)	7,521,142
EXPENSES:						
Program Expense	8,238,530	-	8,238,530	7,354,721	-	7,354,721
Fundraising Expense	1,167,354	-	1,167,354	882,247	-	882,247
Management and General	608,671	-	608,671	542,537	-	542,537
	10,014,555	-	10,014,555	8,779,505	-	8,779,505
CHANGE IN NET ASSETS	92,296	(292,800)	(200,504)	(316,435)	(941,928)	(1,258,363)
NET ASSETS AT BEGINNING OF YEAR	3,770,973	983,524	4,754,497	4,087,408	1,925,452	6,012,860
NET ASSETS AT END OF YEAR	$ 3,863,269	$ 690,724	$ 4,553,993	$ 3,770,973	$ 983,524	$ 4,754,497

See Notes to Financial Statements

TEAM IMPACT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023				2022			
	Program Expense	Fundraising Expense	Management and General	Total	Program Expense	Fundraising Expense	Management and General	Total
PERSONNEL EXPENSES:								
Salaries and Wages	$ 4,136,369	$ 762,141	$ 225,420	$ 5,123,930	$ 3,637,723	$ 555,654	$ 259,599	$ 4,452,976
Payroll Taxes	353,780	58,364	23,950	436,094	325,955	44,255	23,770	393,980
Employee Benefits	688,023	118,567	54,374	860,964	605,323	75,153	43,588	724,064
TOTAL PERSONNEL EXPENSES	5,178,172	939,072	303,744	6,420,988	4,569,001	675,062	326,957	5,571,020
Bad Debt Expense	-	-	49,272	49,272	-	-	-	-
Case Management	379,413	-	-	379,413	328,473	-	-	328,473
Dues and Subscriptions	32,844	13,390	6,696	52,930	30,949	15,206	10,609	56,764
Events	175,583	1,077,673	-	1,253,256	41,889	1,147,477	-	1,189,366
Grants	73,084	-	-	73,084	48,223	-	-	48,223
Information Technology	27,974	2,850	12,433	43,257	18,713	-	9,087	27,800
Insurance	18,235	1,674	1,985	21,894	20,016	406	-	20,422
Marketing and Communications	1,490,104	44,073	7,447	1,541,624	1,581,419	22,903	8,186	1,612,508
Miscellaneous Expense	-	25	7,141	7,166	390	270	4,999	5,659
Office Equipment	5,030	381	1,113	6,524	21,902	528	3,534	25,964
Office Expense	69,039	41,374	55,222	165,635	50,535	43,967	20,720	115,222
Processing Fees	127,994	18,497	9,241	155,732	109,503	12,207	9,665	131,375
Professional Fees	183,492	11,851	101,882	297,225	106,297	7,711	98,553	212,561
Rent and Occupancy	222,993	21,574	28,951	273,518	217,434	20,146	26,431	264,011
Telephone	27,480	800	350	28,630	24,882	400	150	25,432
Travel	155,784	64,836	14,498	235,118	113,786	76,484	14,949	205,219
Depreciation	71,309	6,957	8,696	86,962	71,309	6,957	8,697	86,963
TOTAL EXPENSES	8,238,530	2,245,027	608,671	11,092,228	7,354,721	2,029,724	542,537	9,926,982
Less: Special Events Expense netted against Special Events Revenue	-	(1,077,673)	-	(1,077,673)	-	(1,147,477)	-	(1,147,477)
TOTAL FUNCTIONAL EXPENSES	$ 8,238,530	$ 1,167,354	$ 608,671	$ 10,014,555	$ 7,354,721	$ 882,247	$ 542,537	$ 8,779,505

See Notes to Financial Statements

TEAM IMPACT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ (200,504)	$ (1,258,363)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	86,962	86,963
Noncash Increase in Allowance for Uncollectible Gifts	31,000	-
Change in Measurement of Operating Lease	(13,096)	(416)
Noncash Stock Donations	(114,313)	-
Change in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Pledges Receivable, Net	(427,520)	536,066
Prepaid Expenses and Other	(101,221)	1,885
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses	(9,966)	17,384
Accrued Payroll and Related	55,306	64,451
	(693,352)	(552,030)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds From Sale of Stock	83,522	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(609,830)	(552,030)
CASH AND CASH EQUIVALENTS - BEGINNING	4,013,239	4,565,269
CASH AND CASH EQUIVALENTS - ENDING	$ 3,403,409	$ 4,013,239

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	2023	2022
Schedule of Noncash Investing and Financing Transactions:		
Assumed Right of Use Assets as a Result of ASC 842 Adoption	$ -	$ 747,837
Assumed Lease Liabilities as a Result of ASC 842 Adoption	$ -	$ 787,124
Deferred Rent Derecognized as a Result of ASC 842 Adoption	$ -	$ 39,287

See Notes to Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Organization - Team Impact, Inc. (the Organization) is a non-profit corporation that was incorporated under the laws of the Commonwealth of Massachusetts and commenced operations on May 10, 2011.

2. Operations - The Organization is a national non-profit that promotes healthy social and emotional development for children living with serious and chronic illnesses and medical conditions by matching them with a local college athletic team. The team provides an extended support network for the children and their families using a strengths-based, future-focused perspective. This two-year therapeutic program provides children with a true sense of belonging and focuses on building confidence and resilience and encouraging healthy behaviors. Parents and siblings gain a community of support and a distraction from medical realities, while student-athletes gain invaluable inspiration and perspective that will be carried with them long after graduation.

3. Method of Accounting - The Organization's policy is to prepare its financial statements on the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when incurred. This method of accounting conforms to generally accepted accounting principles.

4. Financial Statement Presentation - The Organization's financial statements are presented in accordance with FASB ASC Update 2016-14. As such, net assets are classified based upon the existence or absence of donor imposed restrictions, as follows: without donor restrictions, with donor restrictions. A description of the two net asset categories is as follows:

   Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

   With Donor Restrictions - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time, or that must remain intact, in perpetuity.

   Under FASB ASC 958-210-45, expenses are generally reported as decreases in net assets without donor restrictions.

5. Concentration of Credit Risk - The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related accounts.

6. Cash and Cash Equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

7. Investments - The Organization accounts for investments in accordance with generally accepted accounting principles for not-for-profit organizations, which establish accounting standards for investments in certain equity securities and for all debt securities. The guidance prescribes that covered investments be reported in the statement of financial position at fair value with any realized or unrealized gains or losses reported in the statement of activities.

8. Allowance for Uncollectible Pledges Receivable - Management allows for estimated losses on pledges receivable based on prior bad debt experience and a review of existing receivables. Write-offs are recorded as expenses in the year they are deemed to be uncollectible.

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

9. Property and Equipment - Property and equipment are recorded at cost. Maintenance and repairs are charged to expense as incurred whereas major betterments are capitalized. Depreciation is provided for using the straight-line method over the estimated useful lives of these assets in periods ranging from three to ten years.

10. Fair Value of Financial Instruments - The Organization's financial instruments include cash and cash equivalents, investments, pledges receivable, prepaid expenses, accounts payable and accrued expenses. The recorded values of cash and cash equivalents, investments, pledges receivable, prepaid expenses, accounts payable and accrued expenses approximate their fair values based on their short-term nature.

11. Revenue Recognition - The Organization follows the guidance of ASC Topic 958, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of ASC Topic 958-605 or as exchange transactions subject to ASC Topic 606 and (2) determining whether a contribution is conditional.

    Additionally, the Organization follows ASC Topic 606, Revenue from Contracts with Customers, with respect to its revenue recognition policy. The core principle of the accounting guidance is that an entity should recognize revenue when it satisfies a performance obligation by transferring promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

    Contributions are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

    Special events revenue is recognized when the event takes place. The value of an event ticket is an exchange transaction, in accordance with ASC Topic 606. The excess of the ticket price over the value of the benefit received is recognized as a contribution.

    Donated materials and services are recorded as in-kind donations and recognized at their estimated fair value as of the date of donation or service.

    Contributions of marketable securities are recorded in the financial statements at their quoted market price at the date of donation.

12. Contributions - Contributions are recorded in net assets without donor restrictions or net assets with donor restrictions class of net assets depending on the existence and/or nature of any donor-imposed 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 are reported as net assets released from restriction in the statement of activities.

13. Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

A. <u>ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>: (Continued)

14. Uncertainty In Income Taxes - The Organization adopted the standards for *Accounting for Uncertainty in Income Taxes* (income, sales, use and payroll), which required the Organization to report any uncertain tax positions and to adjust its financial statements for the impact thereof. As of December 31, 2023 and 2022, the Organization determined that it had no tax positions that did not meet the "more likely than not" threshold of being sustained by the applicable tax authority. The Organization files tax and information returns in the United States Federal and applicable state jurisdictions. These returns are generally subject to examination by tax authorities for the last three years.

15. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

16. Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

    The following expenses were allocated using time and effort basis:
    - Salaries and Wages, Payroll Taxes, and Employee Benefits
    - Payroll Processing Fees

    The following expenses were allocated using the square footage of the building as the basis:
    - Rent and Occupancy
    - Office Equipment
    - Information Technology
    - Depreciation

17. New Accounting Standard Adopted - Effective January 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02, *Leases* (ASC Topic 842) and subsequent amendments. ASC 842 affects all companies that enter into lease arrangements, with certain exclusions under limited scope limitations. Under ASU 2016-02, an entity recognizes right-of-use assets and lease obligations on its statement of financial position for all leases with a lease term of more than 12 months. Short-term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized.

    In adopting the new lease standard, the Organization elected to use a transition method under which existing leases were measured and capitalized as of the date of adoption, January 1, 2022, in lieu of applying the standard retrospectively to January 1, 2021.

    Additionally, as part of the implementation, the Organization elected to use a package of optional practical expedients which permit the Organization to avoid reassessing previous lease identifications within contracts, the existence of initial direct costs, and the lease classifications of any expired and existing leases. Moreover, in accordance with the expedients, all leases classified as operating leases under previous U.S. Generally Accepted Accounting Principles (U.S. GAAP) are automatically classified as operating leases under the new standard, and all leases previously classified as capital leases are recorded as finance leases.

    Leases recognized under the new standard include leases that were not capitalized under previous U.S. GAAP, as well as certain other leases that were capitalized based on different GAAP criteria.

    On January 1, 2022, the Organization recorded on its statement of financial position a right-of-use asset and lease obligation for operating leases in the amounts of $747,837 and $787,124, respectively.

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

18. Lease Policies - The new standard requires that leases with a lease term of more than 12 months be classified as either finance or operating leases. Leases are classified as finance leases when the Organization expects to consume a major part of the economic benefits of the leased assets over the remaining lease term. Conversely, the Organization is not expected to consume a major part of the economic benefits of assets classified as operating leases. The Organization has made a policy election not to capitalize certain short-term leases with a lease term of 12 months or less.

    The lease classification affects both the pattern and presentation of expense recognized in the statements of activities, the categorization of assets and liabilities in the statements of financial position, and classification of cash flows in the statements of cash flows.

    For finance leases, total lease cost is recorded on an accelerated basis and consists of two components; amortization expense related to the write-off of right-of-use assets, and interest expense from lease obligations. Interest expense is recorded using the effective interest method and right-of-use assets are amortized on a straight-line basis over the remaining lease term. For operating leases, total lease cost is measured and recorded on a straight-line basis over the lease term.

    The Organization has elected to apply a practical expedient under which it does not separate lease and nonlease components for its real estate leases. Under the election, the Organization combines base rents with fixed, nonlease common area maintenance charges and computes its lease obligations based on the combined lease and nonlease components.

    Lease obligations are measured and recorded at the present value of future lease payments using a discount rate. The Organization has made an accounting policy election to use a risk-free rate as the discount rate in measuring its lease obligations. Under this election, the risk-free rate used is the rate for a United States Treasury instrument with a term consistent with the remaining lease term of a applicable lease. This election is made for all real estate leases.

    The Organization has elected to use a portfolio approach to apply a single incremental borrowing rate of .97% on its real estate and equipment leases.

    Right-of-use assets are generally measured and recorded at the sum of the lease obligation, any initial direct costs to consummate the lease, and any lease payments made on or before the commencement date.

B. PLEDGES RECEIVABLE:

Unconditional promises to give in future periods are recorded in the financial statements as Pledges Receivable, net of an allowance for uncollectible gifts. As of December 31, 2023, unconditional promises to give amounted to $1,221,839, of which $1,205,839 is unrestricted for general support and $16,000 represents gifts with donor restrictions. As of December 31, 2022, unconditional promises to give amounted to $825,319, of which $792,319 is unrestricted for general support and $33,000 represents gifts with donor restrictions. The Organization expects to collect all pledges receivable in 2024.

The Organization allows for estimated losses on pledges receivable based on prior bad debt experience and a review of existing pledges. Based on these factors, there was an allowance for uncollectible gifts of $31,000 and zero, respectively for the years ended December 31, 2023 and 2022.

C. INVESTMENTS:

From time to time, the Organization receives donations of stock. Per Organization policy, any donated securities are liquidated shortly after receipt. As of December 31, 2023, the Organization held $30,791 in equity securities that had not yet been sold. These securities represent level 1 inputs. Level 1 inputs are defined by unadjusted quoted prices for identical assets and liabilities in active markets to which the reporting entity would have access.

D. LIQUIDITY AND AVAILABILITY:

The following reflects the Organization's financial assets at December 31, 2023 and 2022, reduced by amounts that are not available for general use because of donor-imposed restrictions, within one year of the statement of financial position date. As part of its liquidity management plan, the Organization operates its programs within a balanced budget and relies on grants and contributions to fund its operations and program activities:

	2023	2022
Cash and Cash Equivalents	$ 3,403,409	$ 4,013,239
Investments	30,791	-
Pledges Receivable, Net	1,221,839	825,319
Total Financial Assets	4,656,039	4,838,558
Contributions Restricted For Purpose	(20,724)	(163,524)
Contributions Restricted For Time	-	(166,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 4,635,315	$ 4,509,034

The Organization has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above.

E. NET ASSETS WITH DONOR RESTRICTIONS:

	2023	2022
Time Restricted	$ 670,000	$ 820,000
Purpose Restricted	20,724	163,524
Total Net Assets with Donor Restrictions	$ 690,724	$ 983,524

F. CONTRIBUTED NONFINANCIAL ASSETS:

For the years ending December 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities include:

	2023	2022
Goods:		
Auction Items for Events	$ 122,535	$ 188,393
Assorted Hats/Clothing/Swag, etc.	245,995	245,995
Media and Advertising	887,200	890,300
Services:		
Marketing Consulting Services	218,024	139,689
Legal Services	36,028	3,525
	$ 1,509,782	$ 1,467,902

The Organization recognized contributed nonfinancial assets within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions. All contributed nonfinancial assets were valued using estimated fair values provided by the donors.

Auction Items for Events include both Gala and YoPro events, and are included as part of events expense - nonfinancial assets on the statements of activities. These items were sold as part of the event.

Assorted Hats/Clothing/Swag, etc. were used by the Organization as promotional items, case management, and outreach.

Media and advertising were used by the Organization to promote its programs across the country.

G. EMPLOYEE RETENTION CREDIT:

The CARES Act provides an employee retention credit (ERC), which is a refundable tax credit against certain employment taxes. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages per employee through December 31, 2020, and 70% of up to $10,000 of qualified wages paid to employees per quarter through September 30, 2021. The Organization qualifies for the tax credit under the CARES Act. During the years ended December 31, 2023 and 2022, the Organization recorded $246,817 and $89,158, respectively, related to the ERC in contributions on the statements of activities. The Organization qualified for additional ERC funds totaling approximately $185,000, which have not yet been received. In accordance with ASC 958-605, the remaining outstanding amounts will be recognized and recorded as contributions in the year of receipt and are not recorded as a contribution as of December 31, 2023.

H. LEASES OBLIGATIONS:

On December 1, 2019, the Organization entered into a five-year lease, which is due to expire in December, 2024, for office space in North Quincy, Massachusetts. According to the terms of the lease, monthly rent payments range from $17,963 to $22,190. Rent expense charged to operations under this lease for the years ended December 31, 2023 and 2022 amounted to $240,504 and $240,504, respectively.

On December 17, 2019, the Organization entered into a five-year lease arrangement for office equipment, two copier/printer machines. According to the terms of the lease, monthly rent payments of $1,049 plus insurance. Rent expense charged to operations under this lease for the year ended December 31, 2023 and 2022 amounted to $12,858 and $13,072, respectively.

The following is a schedule by years of the future minimum rental payments as of December 31,:

2024	$ 278,868
Less effects of present value	(1,240)
Lease obligations recorded at December 31, 2023	277,628
Less current portion	(277,628)
Long-term lease obligations	$ -
Weighted-Average Remaining Lease Term	1 year

I. RETIREMENT PLAN:

The Organization has a voluntary 401(k) plan covering all of its eligible employees. Employees can contribute up to the maximum amount applicable by law on a yearly basis. The Organization matches up to 3% of employee eligible earnings. Employer contributions for the years ended December 31, 2023 and 2022, amounted to $122,661 and $91,748, respectively.

J. ADVERTISING AND MARKETING:

The Organization follows the policy of charging the costs of advertising and marketing to expense as incurred. For the years ended December 31, 2023 and 2022, advertising costs amounted to $1,541,624 and $1,612,508, respectively. Included in advertising costs for the years ended December 31, 2023 and 2022 were in-kind donations amounting to $779,822 and $1,054,587, respectively.

K. SUBSEQUENT EVENTS:

Management has evaluated events occurring after the statement of financial position date through November 14, 2024, the date in which the financial statements were available to be issued. Subsequent to December 31, 2023, the Organization entered into a new lease agreement for a new copier. The terms of the new lease agreement commence on September 26, 2024, and expire on September 25, 2029. Monthly rent payments began in September 2024 in the amount of $519/month, plus insurance. The Organization will record the new lease in accordance with Topic 842 during the year ended December 31, 2024. Upon entering the new lease agreement, the existing lease agreement, set to expire in December 2024, was terminated.