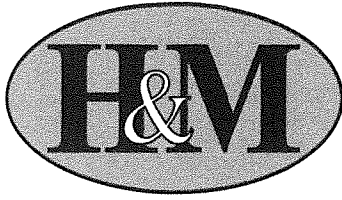


PROJECT SHARE OF CARLISLE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2022 AND 2021
AND
INDEPENDENT AUDITOR'S REPORT

HAMILTON & MUSSER, P.C.
Certified Public Accountants

PROJECT SHARE OF CARLISLE
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For the Years Ended December 31, 2022 and 2021

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HAMILTON & MUSSER, PC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Project SHARE of Carlisle
Carlisle, Pennsylvania

Opinion

We have audited the accompanying financial statements of Project SHARE of Carlisle (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of Project SHARE of Carlisle as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Project SHARE of Carlisle 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.

Emphasis of a Matters

Change in Accounting Principles

As discussed in Note 2 to the financial statements, Project SHARE of Carlisle has implemented ASU No. 2016-02, *Leases* (Topic 842). Our opinion is not modified with respect to this matter.

As described in Note 2 to the financial statements, Project SHARE of Carlisle has implemented ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). Our opinion is not modified with respect to this matter.

Prior Period Adjustment

As further explained in Note 20, in order to properly reflect contributions receivable, there was a prior period adjustment made to the beginning net assets of Project SHARE of Carlisle in the amount of \$200,188 for the year ended December 31, 2021. Our opinion is not modified with respect to this matter.

Members of the American and Pennsylvania Institutes of CPAs

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 Project SHARE of Carlisle'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 is conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 Project SHARE of Carlisle'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 Project SHARE of Carlisle'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.

September 27, 2023

Mechanicsburg, Pennsylvania



Certified Public Accountants

PROJECT SHARE OF CARLISLE

Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and Cash Equivalents – Operating (Note 3)	\$ 1,073,249	\$ 845,881
Investments – Operating (Note 5)	411,108	582,994
Gift Cards	75	115
Inventory	557,942	508,343
Prepaid Expenses	16,407	38,679
Cash and Cash Equivalents – Agency Funds (Note 3)	18,595	17,423
Cash and Cash Equivalents Restricted for Long-Term Purposes (Note 3)	113,109	56,258
Investments Restricted for Long-Term Purposes (Note 5)	447,354	569,740
Contributions Receivable, Net (Note 6)	587,939	59,131
Beneficial Interest in Charitable Remainder Unitrust (Note 12)	44,922	55,197
Right-of-Use Asset (Note 14)	5,512	-
Fixed Assets, Net (Note 8)	<u>446,795</u>	<u>484,461</u>
Total Assets	<u>\$ 3,723,007</u>	<u>\$ 3,218,222</u>
Liabilities		
Accounts Payable	\$ 13,181	\$ 9,611
Accrued Expenses	22,139	24,734
Operating Lease Liabilities (Note 14)	5,512	-
Agency Funds (Note 7)	18,595	17,423
Other Liabilities	<u>168</u>	<u>54</u>
Total Liabilities	<u>59,595</u>	<u>51,822</u>
Net Assets		
Unrestricted		
Undesignated	1,765,009	1,686,731
Board-Designated (Note 10)	968,644	1,075,809
With Donor Restrictions (Note 11)	<u>929,759</u>	<u>403,860</u>
Total Net Assets	<u>3,663,412</u>	<u>3,166,400</u>
Total Liabilities and Net Assets	<u>\$ 3,723,007</u>	<u>\$ 3,218,222</u>

The Accompanying Notes are an Integral Part of the Financial Statements

PROJECT SHARE OF CARLISLE
Statement of Activities
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions and Fundraising	\$ 719,199	\$ 293,411	\$ 1,012,610
Food Nonfinancial Contributions (Note 13)	2,697,797	-	2,697,797
Amortization of Contribution Receivable Discount (Note 6)	20,060	-	20,060
Non-Food Nonfinancial Contributions (Note 13)	470	652,748	653,218
Investment Loss (Note 5)	(109,106)	(20,573)	(129,679)
Change in Beneficial Interest in Charitable Remainder Unitrust (Note 12)	-	(10,275)	(10,275)
Federated Campaign	73,386	-	73,386
Fundraising Events	36,777	-	36,777
Sales, Net of Expenses	(226)	-	(226)
Miscellaneous Income	3,305	-	3,305
Net Assets Released From Restrictions	<u>389,412</u>	<u>(389,412)</u>	<u>-</u>
Total Support and Revenue	<u>3,831,074</u>	<u>525,899</u>	<u>4,356,973</u>
Expenses			
Program Services	3,527,574	-	3,527,574
Supporting Services:			
Management and General	202,717	-	202,717
Fundraising	<u>129,670</u>	<u>-</u>	<u>129,670</u>
Total Expenses	<u>3,859,961</u>	<u>-</u>	<u>3,859,961</u>
Change in Net Assets	(28,887)	525,899	497,012
Net Assets, Beginning of Year	<u>2,762,540</u>	<u>403,860</u>	<u>3,166,400</u>
Net Assets, End of Year	<u>\$ 2,733,653</u>	<u>\$ 929,759</u>	<u>\$ 3,663,412</u>

The Accompanying Notes are an Integral Part of the Financial Statements

PROJECT SHARE OF CARLISLE
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions and Fundraising	\$ 749,900	\$ 404,168	\$ 1,154,068
Food Nonfinancial Contributions (Note 13)	2,085,348	-	2,085,348
Amortization of Contribution Receivable Discount (Note 6)	2,943	-	2,943
Non-Food Nonfinancial Contributions (Note 13)	26,709	-	26,709
Investment Income (Note 5)	41,313	10,843	52,156
Change in Beneficial Interest in Charitable Remainder Unitrust (Note 12)	-	1,953	1,953
Realized Loss on Disposal of Fixed Asset	(4,018)	-	(4,018)
Federated Campaign	208,451	-	208,451
Fundraising Events	14,941	-	14,941
Sales, Net of Expenses	(277)	-	(277)
Miscellaneous Income	1,942	-	1,942
Net Assets Released From Restrictions	<u>473,997</u>	<u>(473,997)</u>	<u>-</u>
Total Support and Revenue	<u>3,601,249</u>	<u>(57,033)</u>	<u>3,544,216</u>
Expenses			
Program Services	2,987,607	-	2,987,607
Supporting Services:			
Management and General	212,937	-	212,937
Fundraising	<u>137,533</u>	<u>-</u>	<u>137,533</u>
Total Expenses	<u>3,338,077</u>	<u>-</u>	<u>3,338,077</u>
Change in Net Assets	263,172	(57,033)	206,139
Net Assets, Beginning of Year	<u>2,499,368</u>	<u>260,705</u>	<u>2,760,073</u>
Prior Period Adjustment (Note 20)	<u>-</u>	<u>200,188</u>	<u>200,188</u>
Net Assets, End of Year	<u>\$ 2,762,540</u>	<u>\$ 403,860</u>	<u>\$ 3,166,400</u>

The Accompanying Notes are an Integral Part of the Financial Statements

PROJECT SHARE OF CARLISLE
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising	\$ 6,104	\$ -	\$ 321	\$ 6,425
Benefits	46,641	12,346	9,603	68,590
Depreciation	42,393	11,222	8,727	62,342
Dues and Subscriptions	1,342	355	277	1,974
Equipment	3,329	881	685	4,895
Food	181,250	-	-	181,250
Information Technology	35,249	15,551	1,037	51,837
In-Kind Food	2,639,867	-	-	2,639,867
In-Kind Other	470	-	-	470
In-Kind Rent	102,240	23,040	18,720	144,000
Insurance	20,054	5,308	4,129	29,491
Miscellaneous	8,433	2,232	1,736	12,401
Office Expenses	7,871	2,084	1,620	11,575
Payroll	328,664	86,999	67,667	483,330
Payroll Taxes	27,052	7,161	5,569	39,782
Postage	8,343	2,208	1,718	12,269
Printing	10,867	2,877	2,237	15,981
Professional Fees	7,778	23,335	-	31,113
Repairs and Maintenance	18,517	4,173	3,390	26,080
Special Events	7,592	1,539	1,128	10,259
Supplies	4,036	1,162	917	6,115
Training	921	244	189	1,354
Utilities	7,099	-	-	7,099
Vehicle Fuel	8,880	-	-	8,880
Vehicle Repairs and Maintenance	<u>2,582</u>	<u>-</u>	<u>-</u>	<u>2,582</u>
Total Operating Expenses	<u>\$ 3,527,574</u>	<u>\$ 202,717</u>	<u>\$ 129,670</u>	<u>\$ 3,859,961</u>

The Accompanying Notes are an Integral Part of the Financial Statements

PROJECT SHARE OF CARLISLE
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Advertising	\$ 5,421	\$ -	\$ 285	\$ 5,706
Benefits	45,207	11,966	9,307	66,480
Depreciation	42,085	11,140	8,665	61,890
Dues and Subscriptions	1,338	354	276	1,968
Equipment	26,960	7,137	5,551	39,648
Food	178,111	-	-	178,111
Information Technology	36,804	16,238	1,083	54,125
In-Kind Food	2,057,172	-	-	2,057,172
In-Kind Other	3,900	-	-	3,900
In-Kind Rent	102,240	23,040	18,720	144,000
Insurance	21,282	5,633	4,382	31,297
Miscellaneous	11,445	3,029	2,356	16,830
Office Expenses	8,045	2,129	1,656	11,830
Payroll	327,597	86,717	67,447	481,761
Payroll Taxes	26,399	6,988	5,435	38,822
Postage	6,733	1,782	1,386	9,901
Printing	9,692	2,566	1,996	14,254
Professional Fees	7,646	22,939	-	30,585
Repairs and Maintenance	34,795	7,841	6,371	49,007
Special Events	8,173	1,657	1,215	11,045
Supplies	4,903	1,412	1,115	7,430
Training	1,395	369	287	2,051
Transportation	24	-	-	24
Utilities	5,836	-	-	5,836
Vehicle Fuel	5,951	-	-	5,951
Vehicle Repairs and Maintenance	<u>8,453</u>	<u>-</u>	<u>-</u>	<u>8,453</u>
Total Expenses	<u>\$ 2,987,607</u>	<u>\$ 212,937</u>	<u>\$ 137,533</u>	<u>\$ 3,338,077</u>

The Accompanying Notes are an Integral Part of the Financial Statements

PROJECT SHARE OF CARLISLE
 Statements of Cash Flows
 For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 497,012	\$ 206,139
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities:		
Depreciation	62,342	61,890
Amortization of Contribution Receivable Discount	(20,060)	(2,943)
Right-of-Use Asset Amortization	1,854	-
Change in Beneficial Interest in Charitable Remainder Unitrust	10,275	(1,953)
Realized Loss on Disposal of Fixed Asset	-	4,018
Establishment of Contribution Receivable	(720,000)	-
Establishment of Contribution Receivable Discount	67,252	-
Recognition of Non-Cash Rent Expense	144,000	144,000
Non-Cash Donation of Fixed Assets	-	(22,300)
Non-Cash Donation of Investments	-	(1,543)
Unrealized Loss on Investments	163,372	9,917
Realized (Gain) Loss on Sale of Investments	35,523	(22,439)
Contributions Received Restricted for Perpetual Endowments	(9,500)	(25,500)
(Increase) Decrease in:		
Gift Cards	40	1,735
Inventory	(49,599)	(20,868)
Prepaid Expenses	22,272	(26,090)
Increase (Decrease) in:		
Accounts Payable	(1,509)	(32,439)
Accrued Expenses	(2,595)	3,139
Operating Lease Liabilities	(1,854)	-
Agency Funds	1,172	4,650
Other Liabilities	<u>114</u>	<u>(399)</u>
Net Cash and Cash Equivalents Provided By Operating Activities	<u>200,111</u>	<u>279,014</u>
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(19,597)	(39,063)
Proceeds from Sale of Fixed Assets	-	34,100
Purchase of Investments	(676,345)	(737,319)
Proceeds from Sale of Investments	<u>771,722</u>	<u>674,332</u>
Net Cash and Cash Equivalents (Used) By Investing Activities	<u>75,780</u>	<u>(67,950)</u>
Cash Flows From Financing Activities:		
Contributions Received Restricted for Perpetual Endowments	<u>9,500</u>	<u>25,500</u>
Net Cash and Cash Equivalents Provided By Financing Activities	<u>9,500</u>	<u>25,500</u>
Net Increase in Cash and Cash Equivalents	285,391	236,564
Cash and Cash Equivalents, Beginning of Year	<u>919,562</u>	<u>682,998</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,204,953</u>	<u>\$ 919,562</u>

The Accompanying Notes are an Integral Part of the Financial Statements

PROJECT SHARE OF CARLISLE
Statements of Cash Flows (Continued)
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Supplemental Cash Flow Disclosures:</u>		
Cash Paid for Interest	\$ -	\$ -
Cash Paid for Taxes	-	-
<u>Supplemental Disclosure of Non-Cash Activities:</u>		
Fixed Assets Financed through Accounts Payable	\$ 5,079	\$ -
Receipt of Donated Fixed Assets	-	22,300
Establishment of Right-of-Use Asset	7,366	-
Establishment of Operating Lease Liabilities	7,366	-

The Accompanying Notes are an Integral Part of the Financial Statements

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Project SHARE of Carlisle was established by the Carlisle Area Religious Council as a segregated fund in 1985. In September of 2009, Project SHARE of Carlisle (the Organization) became a new corporation and separated from the Council. In response to God's call to love and serve, the Organization provides food, nutrition education and links to other community resources to empower people in need within western Cumberland County. The Organization is primarily supported through contributions and in-kind food donations.

Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation:

Financial statement presentation follows the *Not-for-Profit Entities* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) which requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions:

Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the 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. However, if restrictions expire for net assets with donor restrictions in the same year that the contribution is received, then the contribution is recorded without donor restrictions on the Statements of Activities.

Fixed Assets:

It is the policy of the Organization to record purchased fixed assets at cost and donated assets at their fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. During 2014, the Organization modified its capitalization policies to be in compliance with tangible property regulations.

New acquisitions of fixed assets less than \$5,000, or which are not expected to last for more than a year, are expensed in the year of acquisition. Repairs and maintenance charges are capitalized and depreciated when they materially extend the useful life of the related asset.

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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Agency Funds:

The Organization holds funds for other organizations. These organizations have sole control over the use of the funds. These funds are shown as an asset with an offsetting liability on the Organization's Statements of Financial Position.

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventory:

The Organization accepts contributions of food and other necessities. These contributions are recorded at their donated value (as determined based on industry standards) at the date of receipt and are reflected as inventory in the Statements of Financial Position and as nonfinancial contributions in the Statements of Activities. The Organization donates the inventory to the community on a monthly basis, at which time the donation is reflected as an expense on the Statements of Activities. A small portion of food and other necessities is purchased by the Organization. These items are recorded at their cost and expensed when distributed.

Taxation:

The Organization is exempt from federal income tax as provided by Code Section 501(c)(3) of the Internal Revenue Code. Donors are entitled to deductions, for federal income tax purposes, for contributions made to the Organization in accordance with the Internal Revenue Code. Accordingly, no income tax is incurred unless the Organization earns income considered to be unrelated business income. The Organization conducted no activities that were subject to income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization. Management evaluated the tax positions taken and concluded that the Organization had taken no uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before December 31, 2019.

Investments:

Investments are valued at their fair market values on a recurring basis in the Statements of Financial Position.

Fair Value Reporting requires an establishment of a hierarchy that ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried at fair value to be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices in active markets for identical assets and liabilities
- Level 2 – Directly or indirectly observable inputs other than Level 1 quoted prices
- Level 3 – Unobservable inputs not corroborated by market data

For investments that have quoted market prices in active markets, the Organization uses the quoted market prices as fair values and includes those investments in Level 1 of the fair value hierarchy. When quoted market prices in active markets are not available, various pricing services are used to determine fair value of investments that are included in Level 2 of the fair value hierarchy. Level 3 represents financial assets whose fair value is determined based upon inputs that are unobservable and include the Organization's own determinations of the assumptions that a market participant would use in pricing the asset. The Organization considers its investments to be Level 1.

Investment income, including realized and unrealized gains restricted by donors, is reported as an increase in net assets without donor restrictions if the restrictions are met (either a stipulated time period or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued):

Investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible changes in risks in the near term would materially affect investment assets reported in the Statements of Financial Position and the Statements of Activities.

Functional Allocation of Expenses:

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents:

For the purpose of the Statements of Cash Flows, cash and cash equivalents include all highly liquid investments with an initial maturity of one year or less.

Contributions Receivable:

Contributions receivable are unconditional promises to give and are recognized as assets and contributions in the year made.

The Organization has received, at no cost, the use of a warehouse and the land on which it is located. The fair value of the rent to be received, discounted to its present value, is recorded as a nonfinancial contribution and contribution receivable in the year the contract is executed. The Organization then recognizes rent expense, reducing the contribution receivable, as the benefits are used up over the life of the lease. The amortization of the discount is recorded as revenue. No allowance was considered necessary at December 31, 2022 and 2021.

Right-of-Use Assets and Liabilities:

The Organization determines if an arrangement is or contains a lease at inception of the contract. The right-of-use (ROU) assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As the Organization's leases generally do not provide an implicit rate, a risk-free borrowing rate at commencement date is used to determine the present value of future payments. Operating leases are recorded at the present value of future lease payments. The operating ROU asset is reduced with a direct credit to the ROU asset and a corresponding debit to the operating lease liability based on the lease amortization schedule. Lease terms may include options to extend the lease, terminate the lease, or purchase the leased asset. The value of a lease option is reflected in the valuation if it is reasonably certain management will exercise the option. An ROU asset and liability is not recognized for short-term leases with an initial term of twelve months or less. Instead, a lease expense is recognized for short-term leases on a straight-line basis over the release term.

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 2 NEWLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842), new guidance to increase the transparency and comparability of lease reporting by recognizing lease assets and liabilities on the balance sheet and disclosing key information about leasing activities. The standard is effective in fiscal year 2022 for the Organization.

In accordance with the Financial Accounting Standards Board (FASB) ASU No. 2016-02, *Leases* (Topic 842), leases are classified as either finance or operating. The Organization has one asset classes for leases: equipment. The Organization has elected to apply the following practical expedients related to leases:

- In the year of adoption, electing the alternative method which allows entities to initially apply the new lease standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets as described in ASU 2018-11, *Leases* (Topic 842).
- Leases with a term of twelve months or less are considered short term, and no asset or liability needs to be recognized.
- For the asset class, the Organization has elected not to separate the lease components from non-lease components.
- A risk-free borrowing rate was used for all present value of future lease payment calculations where the rate implicit in the lease was not readily determinable.

In September 2020, FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) to increase the transparency of contributed nonfinancial assets through enhancement to presentation and disclosure. ASU No. 2020-07 is effective for annual periods beginning after June 15, 2021. The Organization implemented this standard for the year ended December 31, 2022.

NOTE 3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents – Operating	\$ 1,073,249	\$ 845,881
Cash and Cash Equivalents – Agency Funds	18,595	17,423
Cash and Cash Equivalents – Restricted for Long-Term Purposes	<u>113,109</u>	<u>56,258</u>
Total Cash and Cash Equivalents	<u>\$ 1,204,953</u>	<u>\$ 919,562</u>

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 4 AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31:

	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 1,204,953	\$ 919,562
Investments	858,462	1,152,734
Contribution Receivable	587,939	59,131
Beneficial Interest in Charitable Remainder Unitrust	<u>44,922</u>	<u>55,197</u>
Total Financial Assets	<u>2,696,276</u>	<u>2,186,624</u>
Less Amounts Not Available to be Used		
Within One Year		
Agency Funds	18,595	17,423
Net Assets with Donor Restrictions	929,759	403,860
Board-Designated Net Assets	<u>968,644</u>	<u>1,075,809</u>
Total Not Available to be Used Within One Year	<u>1,916,998</u>	<u>1,497,092</u>
Financial Assets Available to Meet Expenses Over the Next Year	<u>\$ 779,278</u>	<u>\$ 689,532</u>

The Organization's plan is generally to maintain financial assets to meet 90 days of operating expenses. As described in Note 18, the Organization also has two committed lines of credit in the amount of \$50,000 each, which it could draw upon in the event of an unanticipated liquidity need.

NOTE 5 INVESTMENTS

Investments at December 31, 2022 and 2021 are as follows:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Mutual Funds	\$ 948,113	\$ 858,462	\$ 1,079,012	\$ 1,152,734
Total	<u>\$ 948,113</u>	<u>\$ 858,462</u>	<u>\$ 1,079,012</u>	<u>\$ 1,152,734</u>

Investment income consists of the following for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and Dividends	\$ 80,314	\$ 50,228
Unrealized Loss on Investments	(163,372)	(9,917)
Realized Gain (Loss) on Sale of Investments	(35,523)	22,439
Investment Fees	<u>(11,098)</u>	<u>(10,594)</u>
Total	<u>\$ (129,679)</u>	<u>\$ 52,156</u>

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 6 CONTRIBUTIONS RECEIVABLE, NET

In June 2012, the Organization entered into an agreement with Dickinson College to use a warehouse and land on which it is located at no cost until May 2022. This agreement was extended through May 2027. The fair value of the rent, determined to be \$144,000 per year, to be received is recorded as contributions receivable.

Contributions receivable include the following at December 31:

	<u>2022</u>	<u>2021</u>
Donated Land Lease Due in:		
Less Than One Year	\$ 144,000	\$ 60,000
One Year to Five Years	492,000	-
Greater Than Five Years	<u>-</u>	<u>-</u>
Total	<u>636,000</u>	<u>60,000</u>
Less:		
Discount to Present Value at 2.94%	<u>(48,061)</u>	<u>(869)</u>
Contributions Receivable, Net	<u>\$ 587,939</u>	<u>\$ 59,131</u>

Amortization of the discount is recorded as revenue of \$20,060 and \$2,943 for the years ended December 31, 2022 and 2021, respectively.

NOTE 7 AGENCY FUNDS

The Organization accounts for funds held for Carlisle for Kids and other organizations throughout the year. These funds do not belong to the Organization and are therefore treated as agency funds on the Statements of Financial Position of the Organization. The balance of these agency funds was \$18,595 and \$17,423 at December 31, 2022 and 2021, respectively.

NOTE 8 FIXED ASSETS

Fixed assets at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 5,790	\$ 5,790
Building	273,044	273,044
Leasehold Improvements	359,666	359,666
Equipment	<u>445,902</u>	<u>421,226</u>
Fixed Assets	1,084,402	1,059,726
Less: Accumulated Depreciation	<u>(637,607)</u>	<u>(575,265)</u>
Total Fixed Assets, Net	<u>\$ 446,795</u>	<u>\$ 484,461</u>

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 8 FIXED ASSETS (CONTINUED)

The useful lives for purposes of computing depreciation are as follows:

Building	39 Years
Leasehold Improvements	7-30 Years
Equipment	3-10 Years

Depreciation expense was \$62,342 and \$61,890 for the years ended December 31, 2022 and 2021, respectively.

NOTE 9 ENDOWMENT FUNDS

PROJECT SHARE ENDOWMENT FUND

During 2011, the Organization established the Project SHARE Endowment Fund. The investment policies and use of earnings for the perpetually restricted portion of the Project SHARE endowment fund are as follows:

Investment Management Policy:

Gifts to the Project SHARE Endowment Fund are generally given with the donors' expectations that the funds will stay intact and will grow from earnings, which can then be used for current or long-term needs of the Organization. Therefore, the funds should be invested in accordance with these general policies:

1. *Preservation of Capital* – Both with respect to the overall Fund and to the assets assigned to each investment manager, the Endowment Committee and the investment managers should make conscious efforts to preserve capital, understanding that losses may occur in individual securities.
2. *Risk Aversion* – Understanding that risk is present in all types of securities and investment styles, the Endowment Committee recognizes that some risk is necessary to produce long-term investment results sufficient to meet the Fund's objectives. However, investment managers are to make reasonable efforts to control risk, and they will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. *Adherence to Investment Discipline* – Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

Investment Objectives:

Specifically, the primary objective in the investment management of fund assets shall be:

- To preserve purchasing power after spending
- To achieve returns that are more than the rate of inflation plus spending over the investment horizon in order to preserve purchasing power of fund assets
- To control risk in the investment of fund assets

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 9 ENDOWMENT FUNDS (CONTINUED)

PROJECT SHARE ENDOWMENT FUND (Continued)

Handling of Income from Endowment Fund Investments:

Concurrent with the passage of Commonwealth of Pennsylvania Act 141 of 1998 (Act 141), the Organization established a formal spending policy regarding perpetually endowed assets. Act 141 permits an annual distribution from perpetually endowed assets equal to a fixed percentage not less than 2% or more than 7% of the average fair market value of the assets over a three-year period, as defined. During the years ended December 31, 2022 and 2021, the Organization approved a 2% distribution and accordingly released this amount from perpetually restricted net assets to net assets without donor restrictions. Additionally, interest and dividends generated from the endowment assets are considered board-designated net assets.

Changes in the Project SHARE Endowment Fund for the year ended December 31, 2022 are as follows:

	<u>Board- Designated</u>	<u>Perpetually Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 479,298	\$ 79,308	\$ 558,606
Contributions	509	-	509
Interest and Dividends	9,516	-	9,516
Unrealized/Realized Loss	(61,172)	(11,093)	(72,265)
Investment Fees	(3,818)	(691)	(4,509)
Other Decreases/Expenses	<u>1,460</u>	<u>(1,460)</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 425,793</u>	<u>\$ 66,064</u>	<u>\$ 491,857</u>

Changes in the Project SHARE Endowment Fund for the year ended December 31, 2021 are as follows:

	<u>Board- Designated</u>	<u>Perpetually Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 429,708	\$ 72,629	\$ 502,337
Contributions	-	500	500
Interest and Dividends	7,172	-	7,172
Unrealized/Realized Gain	45,220	8,249	53,469
Investment Fees	(4,120)	(752)	(4,872)
Other Decreases/Expenses	<u>1,318</u>	<u>(1,318)</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 479,298</u>	<u>\$ 79,308</u>	<u>\$ 558,606</u>

G.B. STUART RESTRICTED ENDOWMENT FUND

During 2019, the Organization established the G.B. Stuart Restricted Endowment Fund. The investment policies, objectives, and distribution policy for the perpetually restricted portion of the G.B. Stuart Restricted Endowment Fund are as follows:

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 9 ENDOWMENT FUNDS (CONTINUED)

G.B. STUART RESTRICTED ENDOWMENT FUND (Continued)

Investment Management Policy:

Gifts to the Restricted Endowment Fund are generally given with the donors' expectations that the funds will stay intact and will grow from earnings, which can then be used for current or long-term needs of the Organization. Therefore, the funds should be invested in accordance with these general policies:

1. *Preservation of Capital* – Both with respect to the overall Fund and to the assets assigned to each investment manager, the Endowment Committee and the investment managers should make conscious efforts to preserve capital, understanding that losses may occur in individual securities.
2. *Risk Aversion* – Understanding that risk is present in all types of securities and investment styles, the Endowment Committee recognizes that some risk is necessary to produce long-term investment results sufficient to meet the Fund's objectives. However, investment managers are to make reasonable efforts to control risk, and they will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. *Adherence to Investment Discipline* – Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

Investment Objectives:

Specifically, the primary objective in the investment management of fund assets shall be:

- To preserve purchasing power after spending
- To achieve returns that are more than the rate of inflation plus spending over the investment horizon in order to preserve purchasing power of fund assets
- To control risk in the investment of fund assets

Distribution Policy:

As agreed upon, the distribution policy for this fund is that no more than 1% of the fund's market value at the end of each calendar quarter is to be released from perpetually restricted net assets to net assets without donor restrictions. Additionally, interest and dividends generated from the endowment assets are considered board-designated net assets.

Changes in the Restricted Endowment Fund for the year ended December 31, 2022 are as follows:

	<u>Board -</u> <u>Designated</u>	<u>Perpetually</u> <u>Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 4,722	\$ 62,670	\$ 67,392
Contributions	-	9,500	9,500
Interest and Dividends	1,133	-	1,133
Unrealized/Realized Loss	(585)	(8,282)	(8,867)
Investment Fees	(45)	(507)	(552)
Other Decreases/Expenses	<u>2,259</u>	<u>(2,259)</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 7,484</u>	<u>\$ 61,122</u>	<u>\$ 68,606</u>

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 9 **ENDOWMENT FUNDS (CONTINUED)**

G.B. STUART RESTRICTED ENDOWMENT FUND (Continued)

Changes in the Restricted Endowment Fund for the year ended December 31, 2021 are as follows:

	<u>Board - Designated</u>	<u>Perpetually Restricted</u>	<u>Total</u>
Endowment Net Assets, Beginning of Year	\$ 602,003	\$ 36,097	\$ 638,100
Contributions	-	25,000	25,000
Interest and Dividends	730	-	730
Unrealized/Realized Gain	267	3,670	3,937
Investment Fees	(51)	(324)	(375)
Distributions	(600,000)	-	(600,000)
Other Decreases/Expenses	<u>1,773</u>	<u>(1,773)</u>	<u>-</u>
Endowment Net Assets, End of Year	<u>\$ 4,722</u>	<u>\$ 62,670</u>	<u>\$ 67,392</u>

During the year ended December 31, 2020, the Organization designated \$600,000 to be set aside as reserves for future expenditures, but a new account at the financial institution had not yet been created. The Organization deposited these funds into the GB Stuart Endowment until they were able to be transferred into the new account, which occurred early in the year ended December 31, 2021.

NOTE 10 **BOARD-DESIGNATED NET ASSETS**

Board-designated net assets at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Project SHARE Endowment Fund (Note 9)	\$ 425,793	\$ 479,298
G. B. Stuart Restricted Endowment Fund (Note 9)	7,484	4,722
Short- Term Capital Reserve Fund	<u>535,367</u>	<u>591,789</u>
Total Board-Designated Net Assets	<u>\$ 968,644</u>	<u>\$ 1,075,809</u>

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Purpose and time restricted net assets at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Alpha Groups	\$ 4,219	\$ 4,254
Backpack Program	-	3,057
Beneficial Interest in Charitable Remainder Unitrust	44,922	55,197
Carlisle for Kids	14,214	13,007
Carts	796	796
Chess Club	161	161
Contribution Receivable, Net - Rent	587,939	59,131
Donor Event	2,000	2,000
Holiday Dinner	21,170	16,392
Kids in the Kitchen	-	368
Kline Foundation	4,803	3,778
Lunch & Learn	37,453	-
Lunch & Learn Books	-	40
Lunch & Learn – Department of Education	8,727	54,457
Mobile Farmstand Truck	32,970	32,970
Partners for Better Health (ESL)	1,274	1,274
Stovetop	500	-
Stuart Grant 2021	1,925	15,000
Stuart Grant 2022	<u>39,500</u>	<u>-</u>
Total Purpose and Time Restricted Net Assets	<u>802,573</u>	<u>261,882</u>

Perpetually restricted net assets consist of the following at December 31, 2022 and 2021:

Project SHARE Endowment Fund (Note 9)	66,064	79,308
G.B. Stuart Restricted Endowment Fund (Note 9)	<u>61,122</u>	<u>62,670</u>
Total Perpetually Restricted Net Assets	<u>127,186</u>	<u>141,978</u>
Total Net Assets with Donor Restrictions	<u>\$ 929,759</u>	<u>\$ 403,860</u>

NOTE 12 CHARITABLE REMAINDER UNITRUST

The Organization has been named a remainder beneficiary of a charitable remainder unitrust (CRUT), which was created during the year ended December 31, 2016. One beneficiary is to receive, first from income and, to the extent that income is insufficient, from principal, a total annuity each year equal to 5% of the net fair market value of the trust assets as of the first day of the trust year. Upon the death of the beneficiary, 50% of the remaining principal is to be distributed to the Organization. An asset for the CRUT has been recognized at the present value of the expected future cash flow payments discounted at a rate of 2%. The expected future cash flow of \$44,922 and \$55,197 represents the Organization's share of the fair market value of the trust principal at December 31, 2022 and 2021, respectively.

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 12 CHARITABLE REMAINDER UNITRUST (CONTINUED)

The fair value of the Organization's interest in the CRUT is measured using the fair value of the assets held in the CRUT as reported by the trustee as of December 31, 2022 and 2021. The Organization considers the measurement of its beneficial interest in the CRUT to be a Level 3 measurement within the fair value hierarchy because even though that measurement is based on the unadjusted fair values of the CRUT assets reported by the trustee, the Organization will not receive those assets or have the ability to direct the trustee to redeem them until the death of the beneficiary.

Balance at January 1, 2021		\$ <u>53,244</u>
Change in Beneficial Interest in Charitable Remainder Unitrust		<u>1,953</u>
Balance at December 31, 2021		<u>55,197</u>
Change in Beneficial Interest in Charitable Remainder Unitrust		<u>(10,275)</u>
Balance at December 31, 2022		\$ <u>44,922</u>

NOTE 13 NONFINANCIAL CONTRIBUTIONS

The Organization receives donated food items from individuals, businesses and the Commonwealth of Pennsylvania. Nonfinancial contributions of food are valued at their donated value (as determined by industry standards) at the date of receipt and are reflected as inventory in the Statements of Financial Position and as nonfinancial contributions food donations on the Statements of Activities. These food items are inventoried in the Organization warehouse until distributed. Once a month a uniform box of food is prepared and distributed to approximately 1,000 families from the region. At this time the distributed items are reflected as an expense on the Statements of Activities. The amount of nonfinancial contributions food donations recorded as revenue and expense on the Statement of Activities was \$2,697,797 and \$2,639,867 for the year ended December 31, 2022, respectively. The amount of nonfinancial contributions food donations recorded as revenue and expense on the Statement of Activities was \$2,085,348 and \$2,057,172 for the year ended December 31, 2021, respectively.

The Organization also records various other types of nonfinancial contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as nonfinancial contributions are offset by like amounts included in expenses or recorded as additions to inventory.

The Organization received the following nonfinancial contributions of non-food items during the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Equipment	\$ -	\$ 22,300
Professional Services	-	3,900
Small Equipment and Supplies	470	-
Stock Donations	-	509
Office and Warehouse Rental	<u>652,748</u>	<u>-</u>
Total Non-Food Nonfinancial Contributions	<u>\$ 653,218</u>	<u>\$ 26,709</u>

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 13 NONFINANCIAL CONTRIBUTIONS (CONTINUED)

In addition, a number of volunteers have donated over 26,032 and 24,867 hours to the Organization's program and support services during the years ended December 31, 2022 and 2021, respectively. These nonfinancial contributions are not reflected in the financial statements since these services do not meet the criteria for recognition.

NOTE 14 LEASES

The Organization adopted ASU 2016-02 *Leases* (Topic 842) and related ASUs effective for the year ended December 31, 2022. The Organization recognized a right of use asset of \$7,366 and a lease liability of \$7,366 as of January 1, 2022.

The Organization has one lease in the equipment asset class. The lease includes an optional renewal period and purchase options. Generally, the Organization does not consider any additional renewal periods or purchase options to be reasonably certain of being exercised.

During the year ended December 31, 2022, the Organization recognized lease costs associated with the leases as follows:

Operating lease cost	<u>\$ 1,924</u>
Total lease cost	<u>\$ 1,924</u>

During the year ended December 31, 2022, the Organization had the following cash and non-cash activities associated with the leases:

Operating cash flows for operating leases	\$ 1,924
Right of use assets obtained in exchange for new operating lease liabilities	\$ 7,366
Weighted average remaining lease term for operating leases (years)	2.83
Weighted average discount rate	1.21%

The future minimum lease payment due under operating and finance leases as of December 31, 2022, is as follows:

2023	\$ 1,924
2024	1,924
2025	<u>1,764</u>
Total lease payments	5,612
Imputed interest	<u>(100)</u>
Total lease liabilities	<u>\$ 5,512</u>

NOTE 15 RETIREMENT PLAN

The Organization provides retirement benefits to employees through a 408(p) SIMPLE defined contribution plan. Contributions to the plan totaled \$11,232 and \$10,962 during the years ended December 31, 2022 and 2021, respectively.

PROJECT SHARE OF CARLISLE
Notes to Financial Statements
For the Years Ended December 31, 2022 and 2021

NOTE 16 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents held with financial institutions. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The Organization's accounts at a financial institution may have exceeded the insurance obtained through the FDIC from time to time throughout the year. There was \$424,480 and \$315,413 in excess of the FDIC limit at December 31, 2022 and 2021, respectively.

The Organization also holds funds in accounts that are not insured by the FDIC. These amounts were \$258,261 and \$79,597 at December 31, 2022 and 2021, respectively.

NOTE 17 LINES OF CREDIT

During 2015, the Organization established a line of credit with a maximum principal amount of \$50,000 with F&M Trust. The variable interest rate is calculated as the Prime Rate as published in the *Wall Street Journal* plus 0.50%, with a floor of 3.50%. There was no outstanding balance at December 31, 2022 and 2021. Interest expense paid on the line of credit was \$0 for the years ended December 31, 2022 and 2021.

During 2016, the Organization established a line of credit with a maximum principal amount of \$50,000 with M&T Bank. The interest rate is calculated as the Prime Rate as published in the *Wall Street Journal*. There was no outstanding balance at December 31, 2022 and 2021. Interest expense paid on the line of credit was \$0 for the years ended December 31, 2022 and 2021.

NOTE 18 OPERATIONS

The continuation of the Organization's operations is usually assumed in financial accounting in the absence of evidence to the contrary. However, an operation that depends primarily on contributions from the public is always subject to the uncertainty as to amounts of future support.

NOTE 19 ADVERTISING

The Organization expenses advertising costs as incurred. Advertising expense was \$6,425 and \$5,706 for the years ended December 31, 2022 and 2021, respectively.

NOTE 20 PRIOR PERIOD ADJUSTMENT

In order to properly reflect contributions receivable, there was a prior period adjustment made to the beginning net assets with donor restrictions of the Organization in the amount of \$200,188 for the year ended December 31, 2021.

NOTE 21 COMMITMENTS AND CONTINGENCIES

The Organization has been operating in an environment that has been economically impacted by the COVID-19 pandemic. The future impact of the pandemic on the Organization is not known as of the release of these financial statements. However, management is monitoring the current conditions and their potential impact.

NOTE 22 SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 27, 2023, which is the date the financial statements were available to be issued.