EL HOGAR MINISTRIES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

STONE & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

EL HOGAR MINISTRIES, INC.
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STONE & COMPANY, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
EL HOGAR MINISTRIES, INC.
NEWTON, MASSACHUSETTS

Opinion

We have audited the accompanying financial statements of El Hogar Ministries Inc. (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 El Hogar Ministries Inc. 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 El Hogar Ministries 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 El Hogar Ministries 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. 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 El Hogar Ministries 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 El Hogar Ministries 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.

Stone & Co. LLC

Lexington, Massachusetts
April 24, 2024

EL HOGAR MINISTRIES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	$ 296,821	$ 676,575
Contributions receivable	35,240	55,512
Prepaid expenses	5,901	4,502
Total Current Assets	337,962	736,589
Investments	61,838	72,639
Property and equipment, net	6,765	15,099
Security deposits	2,900	2,900
Total Non-Current Assets	71,503	90,638
TOTAL ASSETS	$ 409,465	$ 827,227
LIABILITIES		
Current Liabilities		
Accounts payable	$ 18,825	$ 87,119
Accrued expenses	1,782	5,444
Total Current Liabilities	20,607	92,563
TOTAL LIABILITIES	20,607	92,563
NET ASSETS		
NET ASSETS - WITHOUT DONOR RESTRICTIONS	151,315	303,494
NET ASSETS - WITH DONOR RESTRICTIONS	237,543	431,170
TOTAL NET ASSETS	388,858	734,664
TOTAL LIABILITIES & NET ASSETS	$ 409,465	$ 827,227

See accompanying notes to the financial statements.

EL HOGAR MINISTRIES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT						
Contributions	$ 857,955	$ 3,215	$ 861,170	$ 1,280,727	$ 140,190	$ 1,420,917
Other Revenue	28,574	-	28,574	3,866	-	3,866
Net assets released from restrictions	184,743	(184,743)	-	311,220	(311,220)	-
TOTAL REVENUE AND OTHER SUPPORT	1,071,272	(181,528)	889,744	1,595,813	(171,030)	1,424,783
EXPENSES						
Program Services	937,811	-	937,811	1,305,360	-	1,305,360
General and administrative	100,215	-	100,215	118,470	-	118,470
Fundraising	186,854	-	186,854	188,791	-	188,791
TOTAL EXPENSES	1,224,880	-	1,224,880	1,612,621	-	1,612,621
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(153,608)	(181,528)	(335,136)	(16,808)	(171,030)	(187,838)
NON-OPERATING ACTIVITIES						
Gain on forgiveness of debt	-	-	-	91,469	-	91,469
Investment return, net	1,429	(12,099)	(10,670)	1,600	6,813	8,413
TOTAL NON-OPERATING REVENUE	1,429	(12,099)	(10,670)	93,069	6,813	99,882
CHANGE IN NET ASSETS	(152,179)	(193,627)	(345,806)	76,261	(164,217)	(87,956)
NET ASSETS, BEGINNING OF YEAR	303,494	431,170	734,664	227,233	595,387	822,620
NET ASSETS, ENDING OF YEAR	$ 151,315	$ 237,543	$ 388,858	$ 303,494	$ 431,170	$ 734,664

See accompanying notes to the financial statements.

EL HOGAR MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	General Administrative	Fundraising	Total
El Hogar projects	$ 899,784	$ -	$ -	$ 899,784
Salaries	32,000	37,563	107,963	177,526
Professional fees	-	12,550	20,796	33,346
Payroll taxes and employee benefits benefits	5,892	9,819	22,781	38,492
Occupancy	-	12,594	-	12,594
Depreciation	-	8,334	-	8,334
Printing	-	-	10,865	10,865
Service fees	-	2,328	4,863	7,191
Postage	-	-	3,760	3,760
Insurance	135	2,360	455	2,950
Office expense	-	9,574	-	9,574
Transportation and travel	-	-	9,313	9,313
Accomodations	-	-	4,497	4,497
Telephone and internet	-	2,345	-	2,345
Other	-	2,748	-	2,748
Recognition	-	-	164	164
Meals	-	-	1,397	1,397
Total expenses	$ 937,811	$ 100,215	$ 186,854	$ 1,224,880

See accompanying notes to the financial statements.

EL HOGAR MINISTRIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	General Administrative	Fundraising	Total
El Hogar projects	$ 1,283,738	$ -	$ -	$ 1,283,738
Salaries	18,535	34,262	114,583	167,380
Professional fees	-	34,828	29,802	64,630
Payroll taxes and employee benefits benefits	3,087	10,585	23,961	37,633
Other	-	7,972	9,043	17,015
Occupancy	-	12,513	-	12,513
Depreciation	-	8,333	-	8,333
Printing	-	-	6,186	6,186
Service fees	-	3,233	-	3,233
Postage	-	-	2,943	2,943
Insurance	-	2,348	-	2,348
Office expense	-	2,296	-	2,296
Transportation and travel	-		2,273	2,273
Telephone and internet	-	2,000	-	2,000
Interest	-	100	-	100
Total expenses	$ 1,305,360	$ 118,470	$ 188,791	$ 1,612,621

See accompanying notes to the financial statements.

EL HOGAR MINISTRIES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (345,806)	$ (87,956)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Amortization	8,334	8,333
Donated securities	(25,913)	(79,533)
Net realized and unrealized gain on investments	13,405	(6,813)
Decrease in contributions receivable	20,272	61,199
Increase in prepaid expenses	(1,399)	(448)
Increase in accounts payable	(68,294)	82,119
Decrease in deferred contributions	-	(46,247)
Decrease in accrued expenses	(3,662)	(2,000)
NET CASH USED BY OPERATING ACTIVITIES	(403,063)	(71,346)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(64,462)	(4,326)
Proceeds from sale of investments	87,771	79,533
NET CASH PROVIDED BY INVESTING ACTIVITIES	23,309	75,207
NET CHANGE IN CASH AND CASH EQUIVALENTS	(379,754)	3,861
CASH AND CASH EQUIVALENTS, BEGINNING	676,575	672,714
CASH AND CASH EQUIVALENTS, ENDING	$ 296,821	$ 676,575

See accompanying notes to the financial statements.

NOTE 1. NATURE OF ORGANIZATION

El Hogar Ministries, Inc. (the Organization) is a nonprofit organization incorporated on August 2, 2001. The Organization's mission is to support Los Proyectos De El Hogar (the Project), a ministry of the Episcopal Diocese of Honduras that provides food, clothing, a safe and nurturing home and a quality education to poor and disadvantaged children in Honduras. The Organization provides support by fundraising throughout the United States for the Project and educating churches and individuals on the conditions encountered by impoverished children in Honduras.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization’s financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions or relevant law. Accordingly, net assets of the Organization and the changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets not subject to donor-imposed restrictions. The board has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met by either action of the Organization or the passage of time. Some net assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For the 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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are stated at fair value. Fair value is determined per the fair value policies described later in this section. Investment income, net, is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Fair Value Measurements

The Organization reports financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices are available in active markets for identical instruments as of the reporting date.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

Contributions Receivable

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is verifiably committed. Conditional promises to give and indications of intentions to give are reported at fair value at the date the actual gift is received, or the conditional promise becomes unconditional.

Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions. An allowance is made for uncollectible contributions based upon management's judgment of potential defaults and analysis of the creditworthiness of the donors, past collection experience and other relevant factors including the type of contribution and the nature of the fundraising activities. At December 31, 2022 and 2021, contributions receivable was $35,240 and $55,512, respectively.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

Property, plant and equipment are stated at cost if purchased and fair market value at the date of donation if contributed. Additions to property, plant and equipment including major repairs greater than $5,000 are capitalized, while ordinary repairs and maintenance are expensed as incurred. Capitalized assets are depreciated over their estimated useful lives using the straight-line method, with a half of a year depreciation recognized in the years of acquisition and disposal. Depreciation and amortization are provided over the following estimated useful lives:

Classification	Years
Office equipment	3-7
Website	3

Estimates and Assumptions

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are recognized as revenue when they become unconditional, that is, at the time when the conditions on which they depend are substantially met.

Revenue Recognition

The Organization recognizes all revenues when earned and in the period to which they relate. Contributions are recorded in the period received. Any contributions of assets other than cash are recorded at their estimated fair value when donated.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

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 presents the natural classification detail of expenses by function. Salaries and related expenses are allocated based on employees' direct time spent on program or support activities or the best estimate of time spent. Other expenses, which are not directly identifiable by program or support services, are allocated based on best estimates of management.

Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

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. Accordingly, the Organization does not record a provision for income taxes. The Organization has also been classified as an entity that is not a private foundation; therefore, contributions made to the Organization are deductible by donors as provided in Section 170 of the Internal Revenue Code.

The Organization accounts for the effect of any uncertain tax positions based on application of a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. Interest and penalties assessed, if any, are accrued as income tax expense. The Organization is not currently under examination by any taxing jurisdiction.

The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such a tax position does not result in an uncertainty requiring recognition.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Pronouncements

In September 2020, FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This new standard requires additional presentation and disclosures related to nonfinancial assets contributed to a not-for-profit entity, including separate presentation of contributed nonfinancial assets and disaggregation of the amount of contributed nonfinancial assets recognized within the statement of activities. The changes become effective for the organization for annual periods beginning after June 15, 2021. The impact of the ASU on the Organization's financial reporting and disclosures was not significant.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. This new standard requires lessees to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the method in which expenses are recorded on the statement of operations and changes in stockholders' equity. The Organization adopted the standard effective January 1, 2022. The impact of the ASU on the Organization's financial reporting and disclosures was not significant.

Recently Issued Accounting Pronouncements

In June 2016, FASB issued Accounting Standards Update (ASU) 2016-13*, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This new standard addresses the recognition and measurement of credit losses on loans and other financial instruments and requires additional disclosures. The new guidance, referred to as the current expected credit loss (CECL) model, requires the measurement of all expected credit losses for financial assets held at the reporting date (excluding available-for-sale debt securities) based on historical experience, current conditions, and reasonable and supportable forecasts. Forward-looking information will be used to generate credit loss estimates. The changes become effective for the Organization for annual periods beginning after December 15, 2022. Management does not expect the new standard will have a significant impact on the Organization's financial reporting and disclosures.

NOTE 3. LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the balance sheet date for general expenditure are comprised of the following:

	2022	2021
Financial Assets at Year End		
Cash and Cash Equivalents	$ 296,821	$ 676,575
Contribution Receivable	35,240	55,512
Investments	61,838	72,639
Total Financial Assets at Year End	393,899	804,726
Less: Amounts Unavailable for General Expenditures within One Year:		
Net Assets with Donor Restrictions	237,543	431,170
Financial Assets Available to Meet Cash Needs at Year End	$ 156,356	$ 373,556

NOTE 4. INVESTMENTS

Investments were comprised of the following at December 31:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Balanced Index Admiral Fund	$ -	$ -	$ 60,731	$ 72,587
Domestic & Foreign Missionary Society Trust Fund	66,550	61,838	-	-
Money Market	-	-	52	52
	$ 66,550	$ 61,838	$ 60,783	$ 72,639

NOTE 5. FAIR VALUE MEASUREMENTS

The following tables summarize the valuation of the Organization's financial assets measured at fair value on a recurring basis as of December 31:

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

	2022			
	Level 1	Level 2	Level 3	Total
Money Market	$ -	$ -	$ -	$ -
Domestic & Foreign Missionary Society Trust	-	-	61,838	61,838
Balanced Index Admiral Fund	-	-	-	-
	$ -	$ -	$ 61,838	$ 61,838

	2021			
	Level 1	Level 2	Level 3	Total
Money Market	$ 52	$ -	$ -	$ 52
Balanced Index Admiral Fund	72,587	-	-	72,587
	$ 72,639	$ -	$ -	$ 72,639

NOTE 6. PAYCHECK PROTECTION PROGRAM LOAN – GAIN ON FORGIVENESS

On April 12, 2020, the Organization received a Paycheck Protection Program loan under the CARES Act in the amount of $46,247. The loan was available to pay payroll costs, utilities and rent/mortgage interest over an eight or twenty-four week period from the time the loan was obtained. Provided the loan amount is used to pay these costs the loan would be forgiven. Any portion of the loan not forgiven would have become a five (5) year term loan at 1% per year with the interest on any unforgiven portion of the loan deferred for the first six (6) months of the loan. Management believes the loan proceeds have been spent in accordance with the provisions of the Act.

NOTE 6. PAYCHECK PROTECTION PROGRAM LOAN – GAIN ON FORGIVENESS (continued)

On February 13, 2021, the Organization received a second Paycheck Protection Plan loan under the CARES Act ("Act") in the amount of $45,222. Under the Act, the proceeds of the loan were to be used for certain eligible expenses incurred during a covered period of between eight and twenty-four weeks beginning on the date the loan was disbursed. Eligible expenses include salaries, benefits, utilities and mortgage interest. The loan was subject to forgiveness provided the proceeds are used to pay for these eligible expenses during the covered period. Any portion of the loan not forgiven would have been converted to a term loan with a maturity of five (5) years and an annual interest rate of 1% with payment of interest on any unforgiven portion of the loan deferred for the first six (6) months of the loan. Management believes the loan proceeds have been spent in accordance with the provisions of the Act.

On February 24, 2021 and November 8, 2021, the Organization's $46,247 and $45,222 Paycheck Protection Plan loans, respectively were forgiven by the Small Business Administration ("SBA"). The Organization recognized the total forgiven in income as of the date of forgiveness.

NOTE 7. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at a national financial institution. The accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. There were no uninsured balances as of December 31, 2022. The Organization had $170,610 of uninsured cash as of December 31, 2021. The Organization monitors its exposure associated with cash and cash equivalents and has not experienced any losses in such accounts.

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31:

	2022	2021
Subject to expenditure for specific purpose:		
Strategic Planning	$ 150,897	$ 222,342
Children's Gift Fund	13,551	13,676
Future Use Contribution Fund	9,000	9,000
Development Fund	6,418	6,418
Sharing Smiles Dental Fund	1,165	16,110
Lazaro Juarez Soccer Field	1,000	1,000
St. Andrews Episcopal Church	1	71,310
Building Fund	-	19,000
Graduate Transition Fund	-	2,526
Teachers' & Staff Salaries	-	1,140
Activities Fund	-	1,038
	182,032	363,560
Subject to spending and appropriation guidelines	55,511	67,610
Total Net Assets with Donor Restrictions	$ 237,543	$ 431,170

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released during the years ended December 31, for the following purposes:

	2022	2021
Building Fund	$ 19,000	$ 132,959
Strategic Planning	71,445	118,067
St. Andrews Episcopal Church	71,309	6,690
Sharing Smiles Dental Fund	14,945	12,687
Graduate Transition Fund	4,526	8,963
Teachers' & Staff Salaries	2,280	475
Activities Fund	1,038	827
Children's Gift Fund	200	165
Doctor/Ongoing Medical Fund	-	18,344
Engleby Greenhouse Fund	-	8,290
Kyle Memorial Fund	-	2,361
Capacity Fund	-	1,392
	$ 184,743	$ 311,220

NOTE 9. ENDOWMENTS

The donor-restricted endowment consists of various funds established by donors to provide funding for specific activities. The endowment also includes certain net assets without donor restrictions that have been designated as endowment by the board of directors.

Interpretation of Relevant Law

The Board of Directors has interpreted the Massachusetts UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization maintains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts donated to the endowment, and (c) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

NOTE 9. ENDOWMENTS (continued)

The remaining portion of the donor-restricted endowment not maintained in perpetuity is subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Trustees have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. For the years ended December 31, 2022 and 2021, there were no deficits of this nature.

Investment Policy

As of December 31, 2022 and 2021, the endowment balance, by net asset classification, consists of the following:

2022

Without Donor Restrictions	With Donor Restrictions	Total
$ -	$ 55,511	$ 55,511

2021

Without Donor Restrictions	With Donor Restrictions	Total
$ -	$ 67,610	$ 67,610

NOTE 9. ENDOWMENTS (continued)

The changes in the endowment balance by net asset classification as of for 2022 and 2021 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Balance January 1, 2021	$ -	$ 60,797	$ 60,797
Investment Returns:			
Net Investment Income	-	6,813	6,813
Endowment Balance December 31, 2021	-	67,610	67,610
Investment Returns:			
Net Investment Income	-	(12,099)	(12,099)
Endowment Balance December 31, 2022	$ -	$ 55,511	$ 55,511

Return Objectives and Investment Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor specified period(s) as well as board-designated funds.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints. Currently, all earnings and dividends are reinvested in the endowments fund's portfolio to maximize growth.

NOTE 10. OPERATING LEASE

The Organization is party to a noncancelable operating lease for office space, which expires on August 30, 2023. The lease agreement required monthly rental payments of $1,484 through August 31, 2020. Effective February 1, 2020, the lease was amended and requires rental payments of $675 through August 30, 2023.

During the years ended December 31, 2022 and 2021, rent expense due under these agreements amounted to $12,594 and $12,513, respectively.

Future minimum lease payments due under this noncancelable lease agreement as of December 31, 2022 are as follows:

Year Ending December 31,	
2023	$ 5,400

NOTE 11. RETIREMENT PLAN

The Organization sponsors a 403(b) plan covering substantially all of its employees who meet certain eligibility requirements. The Organization makes contributions to the plan of up to 5% of each employee's compensation, plus a matching contribution of up to 4%. During the years ended December 31, 2022 and 2021, the Organization made contributions to the plan of approximately $15,697 and $13,575, respectively.

NOTE 12. SUBSEQUENT EVENTS

Subsequent events were evaluated through April 24, 2024, which is the date the financial statements were available to be issued.