HISPANIC MINISTRY CENTER DBA
URBAN YOUTH WORKERS INSTITUTE

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Hispanic Ministry Center dba Urban Youth Workers Institute
Santa Ana, California

Opinion

We have audited the accompanying financial statements of Hispanic Ministry Center dba Urban Youth Workers Institute (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hispanic Ministry Center dba Urban Youth Workers Institute, as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Hispanic Ministry Center dba Urban Youth Workers Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adjustment to the Prior Period Financial Statements

As discussed in Note 11 to the financial statements, the opening balance of net assets was restated as a result of three adjustments. First, a donor restricted contribution was initially recognized as a conditional grant. Second, certain other restricted contributions from were initially recognized as unrestricted. Finally, funds received through the Employee Retention Credit were recognized when received, instead of when earned. Our opinion is not modified with respect to those matters.

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.

Responsibilities of Management for the Financial Statements (Continued)

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 Hispanic Ministry Center dba Urban Youth Workers Institute's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 Hispanic Ministry Center dba Urban Youth Workers Institute'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 Hispanic Ministry Center dba Urban Youth Workers Institute'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
November 20, 2024

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS	
Cash and Cash Equivalents	$ 1,114,608
Investments	96,268
Accounts Receivable	2,882
Interest Receivable	3,246
Prepaid Expenses	8,247
Right-of-Use Assets - Operating	577,363
Property and Equipment, Net	11,937
Note Receivable - Related Party	247,333
Total Assets	$ 2,061,884
LIABILITIES AND NET ASSETS	
LIABILITIES	
Accounts Payable	$ 34,628
Accrued Liabilities	14,549
Operating Lease Liabilities	584,443
Note Payable - Related Party	210,000
Total Liabilities	843,620
NET ASSETS	
Without Donor Restrictions	(19,588)
With Donor Restrictions	1,237,852
Total Net Assets	1,218,264
Total Liabilities and Net Assets	$ 2,061,884

See accompanying Notes to Financial Statements.

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES			
Revenues and Other Support:			
Contributions	$ 550,744	$ 379,360	$ 930,104
Program Fees	55,483	-	55,483
Investment Income	45,581	-	45,581
Interest Income	5,011	-	5,011
Net Assets Released from Restriction	742,806	(742,806)	-
Total Support and Revenues	1,399,625	(363,446)	1,036,179
Expenses:			
Program Services:			
Media	209,211	-	209,211
Training	52,591	-	52,591
Certification	283,378	-	283,378
Coaching	119,273	-	119,273
Networks	555,984	-	555,984
Total Program Services	1,220,437	-	1,220,437
Supporting Services:			
General and Administrative	324,772	-	324,772
Fundraising	246,655	-	246,655
Total Supporting Services	571,427	-	571,427
Total Expenses	1,791,864	-	1,791,864
CHANGE IN NET ASSETS	(392,239)	(363,446)	(755,685)
Net Assets - Beginning of Year, As Restated	372,651	1,601,298	1,973,949
NET ASSETS - END OF YEAR	$ (19,588)	$ 1,237,852	$ 1,218,264

See accompanying Notes to Financial Statements.

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services					Supporting Services		
	Media	Training	Certification	Coaching	Networks	General and Administrative	Fundraising	Total
Bank and Other Fees	$ 1,064	$ 97	$ 2,631	$ 780	$ 1,707	$ 1,480	$ 3,536	$ 11,294
Contract Services	61,460	6,875	102,127	15,611	52,594	46,899	27,880	313,448
Depreciation	256	23	229	183	405	356	338	1,790
Equipment	899	82	804	641	1,420	1,251	1,188	6,285
Events and Venues	-	-	1,847	-	11,164	67	42	13,120
Information Technology	393	3,600	158	-	-	27,752	7,188	39,091
Insurance	3,401	309	3,044	2,426	5,375	4,732	4,495	23,781
Interest	-	-	-	-	-	30,717	-	30,717
Marketing and Promotion	1,943	25	414	-	1,651	2,423	110	6,566
Other	56	-	-	-	534	553	-	1,143
Personnel	125,734	11,430	112,545	89,685	201,213	176,397	166,180	883,185
Printing and Postage	71	29	4,627	-	442	1,818	13,057	20,044
Rent	11,561	1,051	21,140	8,247	23,190	16,089	15,280	96,558
Scholarships and Benevolence	-	28,900	-	-	197,779	-	800	227,479
Supplies and Materials	-	-	7,289	-	1,499	1,981	1,719	12,488
Travel and Meetings	514	-	24,858	376	54,074	9,670	2,385	91,877
Utilities	1,859	169	1,664	1,326	2,938	2,587	2,457	12,998
Total Expenses By Function	$ 209,211	$ 52,591	$ 283,378	$ 119,273	$ 555,984	$ 324,772	$ 246,655	$ 1,791,864

See accompanying Notes to Financial Statements.

HISPANIC MINISTRY CENTER DBA URBAN YOUTH WORKERS INSTITUTE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ (755,685)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	1,790
Realized and Unrealized Gain on Investments	(18,095)
Lease Expense	39,344
Forgiveness of Note Receivable	21,866
Changes in Operating Assets and Liabilities:	
Accounts Receivable	276,466
Interest Receivable	(3,246)
Prepaid Expenses	6,038
Accounts Payable	28,735
Accrued Expenses	(7,787)
Operating Lease Obligations	(32,264)
Net Cash Provided by Operating Activities	(442,838)
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of Property and Equipment	(8,038)
Net Cash Used by Investing Activities	(8,038)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Notes	(105,000)
Net Cash Used by Financing Activities	(105,000)
NET DECREASE IN CASH	(555,876)
Total Cash and Cash Equivalents - Beginning of Year	1,670,484
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,114,608

See accompanying Notes to Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Hispanic Ministry Center (HMC, Organization, we, us, our), doing business as Urban Youth Workers Institute (UYWI) was originally established in 1993 as a division of the National Institute of Youth Ministry, and was subsequently incorporated on February 7, 1997. UYWI exists to strengthen a new generation of global urban leaders for transformational ministry. The Organization's vision is to build transformational relationships with urban leaders who will in turn reach and disciple urban youth. HMC dba UYWI is a nonprofit charitable organization established under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California.

Urban Youth Workers Institute

We exist to power the urban youth worker so that urban youth have the leaders and role models they need to live transformed lives by the Gospel of Jesus Christ.

The vision of UYWI is to create a movement of urban leaders who lead generations of youth to restore and rebuild broken communities globally.

Programs in meeting these goals:

Certification
- UYWI Certification Program

Coaching
- NXT LVL Leadership

Media
- UYWI Website / Social Media

Networks
- Launch & Fuel Networks

Training
- UYWI Library

Basis of Accounting

The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). References to the ASC hereafter refer to the *Accounting Standards Codification* established by the Financial Accounting Standards Board (FASB) as the source of authoritative US GAAP.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist primarily of noninterest-bearing amounts due for Training, Certification, and Coaching programs. We use historical loss information based on aging of receivables as the basis to determine expected credit losses for receivables. A loss rate is developed for each risk category based on aging. Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. As of December 31, 2023, no amounts were considered uncollectible and therefore these financial statements do not include an allowance for credit loss.

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

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment income/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property and Equipment

We record property and equipment additions over $2,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 7 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2023.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

We lease office space. We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, we use a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. See Note 7.

Net Assets

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

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

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a 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.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

We recognize revenue from sales of strategic programs over time, as the performance obligations of providing the services are met. The five strategic programs are: Certification, Coaching, Media, Networks, and Training. Payments are required at the time of sale; amounts received in advance are deferred to the applicable period.

We periodically engage in product development and related services that are aligned with our vision and goals. Revenues from these sources are recognized when or as we satisfy its performance obligations.

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Marketing and Promotion Costs

Marketing and promotion costs are expensed as incurred and approximated $6,566 during the year ended December 31, 2023.

Functional Allocation of Expenses

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

Income Taxes

Hispanic Ministry Center dba Urban Youth Workers Institute was organized as a nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as organizations described in Internal Revenue Code (IRC) Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii). We are annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, we are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that the Organization is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with US GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash and money market accounts with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, we have not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, we and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the organization.

Adoption of New Accounting Standards

We have adopted ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifieds the measurement of expected credit losses. We adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the financial statements but did change how the allowance for credit losses is determined.

Subsequent Events

We have evaluated subsequent events through November 20, 2024, the date the financial statements were available to be issued

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following for the year ended December 31, 2023:

Total Cash and Cash Equivalents	$ 1,114,608
Investments	96,268
Accounts Receivable	2,882
Net Assets with Donor Restrictions	(1,237,852)
Total	$ (24,094)

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

All our investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

	Total	Level 1	Level 2	Level 3
Investments:				
Mutual Fund	$ 96,268	$ 96,268	$ -	$ -
Total Investments	$ 96,268	$ 96,268	$ -	$ -

NOTE 4 NOTE RECEIVABLE

On April 18, 2022, the Organization loaned a related party $265,000. The note term is 15 years with at an interest rate of 2.25% and matures on April 17, 2037. The Organization forgives $17,667 of principal, plus accrued interest, annually on April 18th. This forgiveness agreement is contingent on the related party's continued employment. Management believes no allowance for credit loss is necessary. As of December 31, 2023, the balance of the related party note receivable was $247,333. See Note 10.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023:

Computer Equipment	$ 28,709
Less: Accumulated Depreciation and Amortization	(16,772)
Total Property and Equipment	$ 11,937

Depreciation expense totaled $1,790 for the year ended December 31, 2023.

NOTE 6 NOTE PAYABLE

Note payable consists of the following at December 31, 2023:

Description	
Related party note payable, due in annual principal payments of $105,000 and accumulated accrued interest at 2.25%. See Note 10.	$ 210,000

Future maturities are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	$ 105,000	$ 4,725	$ 109,725
2025	105,000	2,362	107,362
Total	$ 210,000	$ 7,087	$ 217,087

NOTE 7 LEASES

We lease certain office facilities under a long-term non-cancelable operating lease agreement. The initial lease term expires on March 31, 2028, and provide for one renewal option for a term of five years which we are reasonably certain to exercise. Our operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires us to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease. We have elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. We have applied the risk-free rate option to the facility classes of assets, which approximates the US Treasury Bill rate on the date of execution for the nearest approximate term.

Total operating lease expense for the year ended December 31, 2023 was $55,464.

NOTE 7 LEASES (CONTINUED)

Operating cash flows from operating leases for the year ended December 31, 2023, was $48,384.

During the year ended December 31, 2023, right-of-use asset obtained in exchange for operating lease liability was $616,707.

The following summarizes the weighted-average remaining lease term and weight-average discount rate for the year ended December 31, 2023:

Weighted-Average Lease Term:	
Operating Leases	9.3 Years
Weighted-Average Discount Rate:	
Operating Leases	3.60 %

The future minimum lease payments under noncancelable operating lease with terms greater than one year is as follows:

Year Ending December 31,	Operating Leases
2024	$ 65,961
2025	67,938
2026	69,975
2027	72,072
2028	74,238
Thereafter	340,956
Total Lease Payments	691,140
Less: Interest	(106,697)
Present Value of Lease Liabilities	$ 584,443

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following for the year ended December 31, 2023:

Subject to Expenditure for Specified Purpose:	
Capacity Building Grant	$ 120,000
Certification	342,093
Coaching	116,622
Consultant	120,000
Networks	505,272
Training	33,865
Total Net Assets with Donor Restrictions	$ 1,237,852

NOTE 8 NET ASSETS WITTH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2023:

Satisfaction of Purpose Restrictions:		
Certification	$	103,518
Coaching		27,378
Networks		572,856
Training		39,054
Total Net Assets Released from Donor Restrictions	$	742,806

NOTE 9 EMPLOYEE BENEFITS

We sponsor a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering all employees as of their hire date, that work a minimum of 20 hours per work or complete one year of service. The Organization has the option to make a discretionary matching contribution equal to a uniform percentage or dollar amount of an employee's elective deferral. The organization did not make any contributions for the year ended December 31, 2023.

NOTE 10 RELATED PARTY TRANSACTIONS

During the year ended December 31, 2022, we issued a note receivable in the amount of $265,000 to a related party. As of December 31, 2023, the balance is $247,333. See Note 4.

During the year ended December 31, 2022, we obtained a note payable in the amount of $315,000 from a related party. As of December 31, 2023, the balance is $210,000. See Note 6.

NOTE 11 ADJUSTMENTS TO PRIOR PERIOD FINANCIAL STATEMENTS

During the year ended December 31, 2023, the Organization determined that a restricted contribution was reported as a conditional grant in a prior year, but should have been recognized as revenue in the year it was received because there were no barriers that would indicate a conditional grant. Therefore, beginning restricted net assets was increased by $969,143 which decreased deferred grant revenue by the same amount.

Additionally, the Organization determined that certain contributions in prior periods were reported as unrestricted, but should have been reported as donor-restricted because the contributions included communication of stipulated uses for the funds. Therefore, beginning unrestricted net assets was decreased by $601,298 which increased restricted net assets by the same amount.

NOTE 11 ADJUSTMENTS TO PRIOR PERIOD FINANCIAL STATEMENTS (CONTINUED)

Additionally, the Organization determined that revenue from Employee Retention Credit was recognized in the year the cash was received, but should have been recognized as revenue when the barriers had been substantially met, which equates to the application and filing date of the amended payroll tax forms. Therefore, beginning unrestricted net assets was increased by $284,283 which decreased 2023 revenue by the same amount.