ANNUAL FINANCIAL REPORT

TWIN CITIES R!SE
MINNEAPOLIS, MINNESOTA

FOR THE YEARS ENDED
SEPTEMBER 30, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Twin Cities R!SE
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of Twin Cities R!SE (the Organization), which comprise the statements of financial position as of September 30, 2024 and 2023, 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 Twin Cities R!SE as of September 30, 2024 and 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Twin Cities R!SE and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Twin Cities R!SE'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 the Organization'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 the Organization'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.

Abdo

Abdo
Minneapolis, Minnesota
February 11, 2025

FINANCIAL STATEMENTS

Twin Cities R!SE
Statements of Financial Position
September 30, 2024 and 2023

Assets	2024	2023
Current Assets		
Cash and cash equivalents	$ 4,367,555	$ 2,196,737
Certificates of deposit	730,115	550,000
Pledges receivable	110,000	454,536
Pay for performance receivable	541,869	176,298
Other receivables - employee retention credit	163,785	163,785
Other receivables	239,803	228,144
Prepaid expenses	112,313	197,840
Total Current Assets	6,265,440	3,967,340
Furniture and Equipment		
Leasehold improvements	708,839	708,839
Furniture and equipment	57,389	57,389
Computer equipment and software	210,009	184,936
Construction in progress	6,744	-
Total Furniture and Equipment, Cost	982,981	951,164
Less Accumulated Depreciation	(925,345)	(914,336)
Total Furniture and Equipment, Net	57,636	36,828
Intangible Assets		
Cloud computing implementation costs	401,589	378,648
Less accumulated amortization	(341,693)	(309,463)
Total Intangible Assets, Net	59,896	69,185
Other Non-Current Assets		
Pledges receivable, net of discount of $0 and $7,029 in 2024 and 2023, respectively	50,000	92,971
Finance right-of-use asset	-	11,718
Operating right-of-use asset	393,554	90,445
Total Other Non-Current Assets	443,554	195,134
Total Assets	$ 6,826,526	$ 4,268,487
Liabilities		
Current Liabilities		
Accounts payable	$ 95,913	$ 66,441
Accrued liabilities	238,858	153,304
Deferred revenue	23,100	347,891
Finance lease liability, current	-	6,608
Operating lease liability, current	155,610	93,190
Total Current Liabilities	513,481	667,434
Noncurrent Liabilities		
Finance lease liability, noncurrent	-	5,140
Operating lease liability, noncurrent	237,953	-
Total Noncurrent Liabilities	237,953	5,140
Total Liabilities	751,434	672,574
Net Assets		
Without donor restrictions		
Undesignated	1,792,619	1,824,138
Board designated	2,850,000	-
Total Without Donor Restriction	4,642,619	1,824,138
With donor restrictions	1,432,473	1,771,775
Total Net Assets	6,075,092	3,595,913
Total Liabilities and Net Assets	$ 6,826,526	$ 4,268,487

See Independent Auditor's Report and Notes to the Financial Statements.

Twin Cities R!SE
Statements of Activities
For the Year Ended September 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Contributions	$ 4,418,354	$ 163,418	$ 4,581,772
In-kind contributions	13,636	-	13,636
Government grants	953,013	-	953,013
Special events, net of direct expenses of $133,480	348,113	-	348,113
Total Support	5,733,116	163,418	5,896,534
Revenue			
Placement and retention fees	1,059,600	-	1,059,600
Customer and business training	125,675	-	125,675
Investment income	179,911	-	179,911
Other income	518	-	518
Total Revenue	1,365,704	-	1,365,704
Net assets released from restrictions	502,720	(502,720)	-
Total Support and Revenue	7,601,540	(339,302)	7,262,238
Expenses			
Program services	3,417,040	-	3,417,040
Support services			
Management and general	784,554	-	784,554
Fundraising	581,465	-	581,465
Total Support services	1,366,019	-	1,366,019
Total Expenses	4,783,059	-	4,783,059
Change in Net Assets	2,818,481	(339,302)	2,479,179
Net Assets, October 1	1,824,138	1,771,775	3,595,913
Net Assets, September 30	$ 4,642,619	$ 1,432,473	$ 6,075,092

See Independent Auditor's Report and Notes to the Financial Statements.

Twin Cities R!SE

Statements of Activities (Continued)

For the Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Contributions	$ 2,051,125	$ 215,000	$ 2,266,125
In-kind contributions	12,676	-	12,676
Government grants	251,067	-	251,067
Special events, net of direct expenses of $59,741	282,834	-	282,834
Total Support	2,597,702	215,000	2,812,702
Revenue			
Placement and retention fees	698,000	-	698,000
Customer and business training	345,306	-	345,306
Investment income	83,415	-	83,415
Employee retention credit	163,785	-	163,785
Other income	1,118	-	1,118
Total Revenue	1,291,624	-	1,291,624
Net assets released from restrictions	786,949	(786,949)	-
Total Support and Revenue	4,676,275	(571,949)	4,104,326
Expenses			
Program services	2,757,343	-	2,757,343
Support Services			
Management and general	819,091	-	819,091
Fundraising	475,884	-	475,884
Total Support services	1,294,975	-	1,294,975
Total Expenses	4,052,318	-	4,052,318
Change in Net Assets	623,957	(571,949)	52,008
Net Assets, October 1	1,200,181	2,343,724	3,543,905
Net Assets, September 30	$ 1,824,138	$ 1,771,775	$ 3,595,913

See Independent Auditor's Report and Notes to the Financial Statements.

Twin Cities R!SE

Statements of Functional Expenses

For the Year Ended September 30, 2024

	2024			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Expenses				
Payroll and benefits	$ 2,274,720	$ 384,669	$ 426,126	$ 3,085,515
Occupancy costs	153,164	43,761	21,881	218,806
Participant training, support and assessment	543,587	-	-	543,587
Consultants and professional fees	121,060	266,657	71,180	458,897
Supplies and equipment	86,431	24,695	12,347	123,473
Marketing	49,721	3,052	7,859	60,632
Miscellaneous	4,363	399	269	5,031
Travel and meals	13,007	2,983	1,557	17,547
Telephone and internet	31,359	8,960	4,480	44,799
Insurance	13,630	3,894	1,947	19,471
Staff development	41,494	15,321	7,022	63,837
Events	18,406	1,286	146,020	165,712
Software and technology support	34,958	19,227	4,078	58,263
Credit card processing fees	-	-	6,362	6,362
Total Functional Expenses Prior to Depreciation and Amortization	3,385,900	774,904	711,128	4,871,932
Depreciation and amortization	31,140	9,650	3,817	44,607
Total Expenses	3,417,040	784,554	714,945	4,916,539
Less Expenses Included with Revenue on the Statement of Activities	-	-	(133,480)	(133,480)
Total Expenses Included with Expense on the Statement of Activities	$ 3,417,040	$ 784,554	$ 581,465	$ 4,783,059

See Independent Auditor's Report and Notes to the Financial Statements.

Twin Cities R!SE

Statements of Functional Expenses (Continued)

For the Year Ended September 30, 2023

	2023			
		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Expenses				
Payroll and benefits	$ 1,931,613	$ 375,137	$ 292,431	$ 2,599,181
Occupancy costs	129,267	73,643	10,486	213,396
Participant training, support and assessment	298,962	2,307	250	301,519
Consultants and professional fees	42,613	245,738	95,340	383,691
Supplies and equipment	48,755	26,604	7,497	82,856
Marketing	111,642	4,334	18,094	134,070
Miscellaneous	542	4,182	(546)	4,178
Travel and meals	11,244	357	2,393	13,994
Telephone and internet	26,756	8,649	2,405	37,810
Insurance	5,140	23,270	(902)	27,508
Staff development	23,951	9,967	2,463	36,381
Events	-	2,957	85,782	88,739
Software and technology support	55,522	30,971	4,968	91,461
Credit card processing fees	-	-	5,819	5,819
Total Functional Expenses Prior to Depreciation and Amortization	2,686,007	808,116	526,480	4,020,603
Depreciation and amortization	71,336	10,975	9,145	91,456
Total Expenses	2,757,343	819,091	535,625	4,112,059
Less Expenses Included with Revenue on the Statement of Activities	-	-	(59,741)	(59,741)
Total Expenses Included with Expense on the Statement of Activities	$ 2,757,343	$ 819,091	$ 475,884	$ 4,052,318

Twin Cities R!SE

Statements of Cash Flows

For the Years Ended September 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	$ 2,479,179	$ 52,008
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	44,607	84,394
Operating lease expense in excess of cash paid	(2,766)	2,600
Change in market value of certificates of deposit	924	(2,653)
Amortization of finance right-of-use asset	-	7,062
Change in assets		
Pledges receivable, net	387,507	(15,757)
Pay for Performance receivable	(365,571)	35,096
Other receivables - employee retention credit	-	(163,785)
Other receivables	(11,659)	(82,573)
Prepaid expenses	85,527	(96,053)
Change in liabilities		
Accounts payable	29,472	20,189
Accrued liabilities	85,554	38,139
Deferred revenue	(324,791)	225,566
Net Cash Provided by Operating Activities	2,407,983	104,233
Cash Flows from Investing Activities		
Purchase of furniture, equipment and leasehold improvements	(33,185)	(17,018)
Capitalized cloud computing implementation costs	(22,941)	-
Purchase of investments	(730,115)	(550,000)
Proceeds from sale of investments	549,076	250,087
Net Cash Used by Investing Activities	(237,165)	(316,931)
Cash Flows from Financing Activities		
Payments on finance lease liabilities	-	(7,103)
Change in Cash and Cash Equivalents	2,170,818	(219,801)
Cash and Cash Equivalents, Beginning	2,196,737	2,416,538
Cash and Cash Equivalents, Ending	$ 4,367,555	$ 2,196,737
Supplemental Non-Cash Transactions		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 454,210	$ 243,580
Right-of-use assets obtained in exchange for finance lease liabilities	$ -	$ 18,510

See Independent Auditor's Report and Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

Twin Cities R!SE (the Organization), based in Minneapolis, Minnesota, is an organization dedicated to providing employers with skilled workers - primarily from communities of color - by training under- and unemployed adults for skilled jobs that pay a living wage. The Organization uses a market-driven approach to job preparation and long-term job retention that is financially sustainable, has a meaningful impact on generational poverty and can influence industry practices and government policy.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

C. Classification of Net Assets

The Organization follows standards for external financial reporting by not-for-profit organizations and that require resources be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions. A description of the two net asset categories follows:

Net Assets Without Donor Restrictions (Unrestricted) - Resources over which the Board of Directors has discretionary control, including amounts designated by Board action for specific purposes and undesignated amounts.

Net Assets With Donor Restrictions (Restricted) - Those resources subject to a donor-imposed restriction which will be satisfied by actions of the Organization or the passage of time. These resources can also be subject to a donor-imposed restriction that require them to be maintained permanently. At September 30, 2024 and 2023, the Organization had no permanently restricted resources.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments purchased with an original maturity of three months or less are considered to be cash equivalents.

E. Certificate of Deposits

Certificate of deposits represents those deposits with a maturity date ranging from four to twelve months. Those certificates of deposits with a maturity of three months or less are included with cash and cash equivalents.

F. Pledges Receivable

Pledges are recorded at the amount management expects to collect from outstanding balances. Management provided for probable uncollected amounts through a charge to earnings and a credit to a valuation allowance. The valuation allowance was determined based on historical experience and management's analysis of specific balances. Pledges are recorded after being discounted to anticipated net present value of the future cash flows. Conditional promises to give are not included as support until the conditions are substantially met. There are no conditional promises to give as of September 30, 2024 and 2023.

Note 1: Summary of Significant Accounting Policies (Continued)

G. Software Implementation Costs

During the year ended September 30, 2022, the Organization incurred costs for software development. Cost related to the development and implementation have been capitalized and the cost will be amortized over future periods over estimated useful lives of three to five years. As of September 30, 2024 and 2023, total capitalized costs related to the implementation was $401,589 and $378,648. During the fiscal year ended September 30, 2022, certain expenses related to the software implementation did not meet the criteria for capitalization and were therefore expensed during that fiscal year.

H. Furniture, Equipment and Leasehold Improvements

Furniture, equipment, and leasehold improvements with an individual cost of $3,000 and a useful life of more than three years are recorded at cost or, in the case of contributed property, at fair market value at date of contribution and depreciated over their useful lives. Depreciation is computed using the straight-line method over estimated useful lives of three to seven years. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in the change in net assets for the period. The cost of maintenance and repairs is charged to expense as incurred.

I. Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the 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. Operating lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in noncurrent liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. Operating ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities.
The Organization has made the following elections related to leases:

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.

- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.

- The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

Note 1: Summary of Significant Accounting Policies (Continued)

J. Support and Revenue Recognition

The Organization follows the provisions of Accounting Standards Codification 606, *Contracts with Customers* on revenues derived from training fees and special events revenue.

The Organization's other revenues are explicitly excluded from the scope of ASC Topic 606 and are not recorded in accordance with that standard.

- **Performance Obligations**

  The performance obligation related to the training fees is satisfied upon completion of the training; therefore, the Organization recognizes revenue at a point in time. The performance obligation related to the special events is satisfied upon completion of the event; therefore, the Organization recognizes revenue at a point in time.

- **Contract Balances**

  Deferred revenue consists of payments received in advance that relate to Contract Revenue. Deferred revenue does not represent total values. All deferred revenue is classified as current and will be recognized over the next year.

  The Organization may offer payment terms resulting in accounts receivable, which are considered contract assets. Accounts receivable included on the Statement of Financial Position represent all amounts billed and earned in the current year.

  Contract assets and liabilities are as follows:

	September 30, 2024	September 30, 2023	October 1, 2022
Contract Assets			
Special event assets	$ 8,000	$ -	$ 1,150
Contract Liabilities			
Special event deferred revenue	$ 10,000	$ 347,890	$ 122,325
Training fees deferred revenue	13,100	-	-
Total Contract Liabilities	$ 23,100	$ 347,890	$ 122,325

ASC 958

All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The Organization reports grants and contributions as restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor 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 combined statement of activities as net assets released from restrictions. Net Assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Note 1: Summary of Significant Accounting Policies (Continued)

K. Contributed Services and Materials

Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Contributions of tangible assets are recognized at fair market value when received. The amounts recorded as in-kind support are offset by either (1) like amounts included in expenses or (2) like amounts capitalized as fixed assets.

L. Functional Allocation of Expenses

The costs of providing programs and administration of the Organization have been summarized on a functional basis. Accordingly, certain costs have been allocated between program, management and general and fundraising. Costs that can be identified with specific program or support services are charged directly to that program or support service. Costs common to multiple functions have been allocated to program services and supporting services based on the best estimates of management.

M. Concentration of Credit Risk

The Organization’s cash balances with banks are insured by the Federal Deposit Insurance Corporation (FDIC). These deposits may, from time to time, exceed the balances insured by the FDIC. Management does not believe that this presents a significant risk to the Organization.

N. 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.

O. New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13" or "ASC 326"). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. During 2019, the FASB issued additional ASUs amending certain aspects of ASU 2016-13. The Organization adopted the standard effective October 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

P. Subsequent Events

Subsequent events have been evaluated through February 11, 2025, which is the date the financial statements were available to be issued.

Note 2: Receivables

A. Pledges Receivable

Pledges receivable represent amounts committed by donors that have not been received by the Organization. Pledges due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 5 percent.

Pledges receivable consist of the following as of September 30:

	2024	2023
Amounts Due in:		
Less than one year	$ 110,000	$ 454,536
More than one year	50,000	100,000
Totals	160,000	554,536
Less: Net present value discount	-	(7,029)
Total Pledges Receivable	$ 160,000	$ 547,507

B. Other Receivables

Other receivables primarily include contractual training fees and grants. The Organization uses historical experience, current conditions, and reasonable and supportable forecasts about collectability for determining an allowance for credit losses. Allowance for credit losses had a balance of $0 for the years ended September 30, 2024 and 2023.

As of September 30, 2024 and 2023, the Organization had an Employee Retention Credit receivable of $163,785. There is uncertainty regarding the timing of collection of this receivable.

Note 3: Line of Credit

The Organization has a $250,000 revolving line of credit with Sunrise Banks which matures on January 21, 2026. The line of credit carries a variable interest rate of Prime, as published in the Wall Street Journal Midwest Edition. In addition, the line of credit includes certain annual covenants, which were met during the years ended September 30, 2024 and 2023. During the 2024 and 2023 fiscal years, no amounts were drawn against the line of credit.

Note 4: Net Assets With Donor Restrictions

Restricted net assets at September 30, 2024 and 2023 consisted of the following:

	2024	2023
Empowerment Campaign	$ 1,183,302	$ 1,556,775
Time Restriction	249,171	215,000
Total	$ 1,432,473	$ 1,771,775

The Organization launched the Empowerment Campaign in the spring of 2016 to take its successful program and business model to change-making scale. The main focus areas of the campaign include build or purchase a building to accommodate future growth and reduce on-going expenses; invest in internship scholarships to enable more individuals to attend and complete the program; and to dramatically expand its successful Empowerment Institute to build capacity with other organizations so they can improve their own results; with a focus in program innovation, growth and outcomes results.

Note 5: Board Designated Net Assets

The Board of Directors of the Organization has designated funds to be set aside for future allocation and use as determined by the Board at a later date. The Board of Directors shall review and determine the specific allocation as deemed necessary by the Board. Board designated net assets were $2,850,000 and $0 at September 30, 2024 and 2023, respectively.

Note 6: In-Kind Donations

The Organization received contributed goods and services during 2024 and 2023 as detailed below:

Item	2024	2023
Auction items	$ 10,186	$ 9,303
Professional services	3,450	2,000
Travel	-	909
Postage	-	464
Total	$ 13,636	$ 12,676

Fair value techniques - All in-kind contributions are valued using estimated wholesale prices of identical or similar products or services if purchased in the region.

Donor restrictions and use - All in-kind contributions are not restricted. The Organization does not sell in-kind contributions. Professional services and travel are used for administrative services. Auction items and postage are used for fundraising.

Many individuals have donated significant amounts of their time in organizational governance, program services and fundraising efforts. No amounts have been reflected in the statements for these donated hours as they do not meet the accounting principles criteria for recognition.

Note 7: Income Tax Status

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Organization is a non-private foundation and contributions to the Organization may qualify as a charitable tax deduction by the contributor.

Note 8: Employee Benefit Plan

The Organization sponsors a 403(b) retirement plan for all of its employees meeting minimum eligibility requirements. The Plan provides that the Organization may elect to match contributions up to a maximum percentage of the employee's contribution. The match percentage is determined annually and may change at any time. The Organization made matching contributions to the Plan of $62,324 and $51,366 for the years ended September 30, 2024 and 2023, respectively, which are included in payroll and benefits on the statements of functional expenses.

Note 9: Leases

The Organization entered into various finance and operating leases for equipment and office space. Monthly payments range from $67 to $13,364.

Additional information about the Organization's leases for the years ending September 30, 2024 and 2023 is as follows:

Lease expense (included in operating expenses)	**2024**	**2023**
Operating lease expense	$ 157,604	$ 157,958
Finance lease cost		
Amortization of right-of-use assets	-	7,062
Interest on lease liabilities	-	231
Total	$ 157,604	$ 165,251
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases (i.e. Interest)	$ -	$ 231
Financing cash flows from finance leases (i.e. principal portion)	-	7,103
Operating cash flows from operating leases	160,370	155,358
ROU assets obtained in exchange for finance lease liabilities	-	18,510
ROU assets obtained in exchange for operating lease liabilities	454,210	243,580
Weighted-average remaining lease term in years for operating leases	2.50	0.58
Weighted-average remaining lease term in years for finance leases	-	1.63
Weighted-average discount rate for operating leases	1.54%	1.54%
Weighted-average discount rate for finance leases	0.00%	1.54%

Maturities of lease liabilities are as follows:

Year Ending September 30,	Operating	Finance	Total
2025	$ 160,370	$ -	$ 160,370
2026	160,370	-	160,370
2027	80,185	-	80,185
Total undiscounted cash flows	400,925	-	400,925
Less: present value discount	(7,362)	-	(7,362)
Total Lease Liabilities	$ 393,563	$ -	$ 393,563

Note 10: Liquidity and Availability of Financial Assets

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 sheet, comprise of the following:

	2024	2023
Cash and cash equivalents	$ 4,367,555	$ 2,196,737
Certificate of deposits	730,115	550,000
Pledges receivable, net	110,000	547,507
Pay for performance receivable	541,869	176,298
Other receivables - employee retention credit	163,785	163,785
Other receivables	239,803	228,144
Total financial assets	6,153,127	3,862,471
Less: amounts unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	(1,432,473)	(1,556,775)
Board designated net assets	(2,850,000)	-
Financial assets available to meet cash needs for general expenditures within one year	$ 1,870,654	$ 2,305,696

As part of our liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization invests cash in excess of monthly requirements in savings, money market funds and a tiered certificate of deposit structure which provides the Organization with the flexibility to match liquidity needs as they arise.

The Organization's Finance Committee and executive management continuously monitor the liquidity of the Organization. Executive management routinely monitors cash reserves which fund operations and program services and transfers funds between investment instruments to ensure availability.