CORPSAFRICA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2023

RB | RICH & BANDER

CERTIFIED PUBLIC ACCOUNTANTS

CORPSAFRICA
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RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

JONATHAN A. BANDER, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
CorpsAfrica
New York, NY

Opinion

We have audited the accompanying financial statements of CorpsAfrica (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 CorpsAfrica as of June 30, 2023, and the changes in 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. 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 CorpsAfrica 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 CorpsAfrica's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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, including omissions, 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 CorpsAfrica'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 CorpsAfrica'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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, as of and for the year ended June 30, 2023, CorpsAfrica adopted Accounting Standards Update 2016-02, *Leases* (Topic 842), using the effective transition method. Our opinion is not modified with respect to this matter.

Rich and Bander, LLP

New York, NY
May 8, 2024

CORPSAFRICA
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 3,097,598
Grants and contributions receivable	500,990
Prepaid expenses	28,593
Total current assets	**$ 3,627,181**
Noncurrent assets	
Property and equipment, net	118,996
Intangible assets, net	56,712
Total noncurrent assets	**175,708**
TOTAL ASSETS	**$ 3,802,889**
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable and accrued expenses	$ 330,764
Due to a related party	68,970
Deferred revenue	1,647,562
Total current liabilities	**2,047,296**
TOTAL LIABILITIES	**2,047,296**
Net assets	
Without donor restrictions	1,755,593
TOTAL NET ASSETS	**1,755,593**
TOTAL LIABILITIES AND NET ASSETS	**$ 3,802,889**

CORPSAFRICA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions
Revenue and support	
Grants and contributions	$ 6,169,478
Contributed nonfinancial assets	34,000
Total grants and contributions	**6,203,478**
Special events	
Special events revenue	8,950
Less: cost of direct benefits to donors	(6,176)
Net special events	**2,774**
Other income	
Gain on foreign currency exchange	26,269
Interest income	224
Miscellaneous income	288
Total other income	**26,781**
Total revenue and support	**6,233,033**
Expenses	
Program services	
Rwanda	1,206,857
Malawi	1,012,878
Senegal	789,205
Morocco	590,421
Kenya	440,040
Ghana	392,801
United States	242,272
Uganda	10,588
Total program services	**4,685,062**
Supporting services	
Management and general	335,326
Fundraising	107,516
Total supporting services	**442,842**
Total expenses	**5,127,904**
Change in net assets	1,105,129
Net assets - beginning of year	650,464
Net assets - end of year	**$ 1,755,593**

The accompanying notes are an integral part of these financial statements.

CORPSAFRICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services											
	Rwanda	Malawi	Senegal	Morocco	Kenya	Ghana	United States	Uganda	Total Program Services	Management and General	Fundraising	Total
Volunteer expenses	$ 503,153	$ 605,195	$ 305,253	$ 235,752	$ 90,210	$ 114,575	$ 6,622	$ -	$ 1,860,760	$ 4,534	$ 2,928	$ 1,868,222
Salaries	323,240	231,366	277,176	193,079	175,618	168,346	99,503	5,000	1,473,328	68,138	43,992	1,585,458
Travel	75,685	68,809	68,176	46,712	68,256	33,363	49,292	-	410,293	33,754	21,793	465,840
Consultants	46,240	35,542	40,225	30,568	29,563	23,891	36,966	-	242,995	25,314	16,343	284,652
Office supplies	158,731	6,335	10,483	21,667	3,197	16,921	1,460	5,588	224,382	1,624	1,049	227,055
Taxes and licenses	-	-	-	-	-	-	-	-	-	145,049	-	145,049
Employee benefits	37,159	11,893	18,051	21,548	16,795	7,995	12,370	-	125,811	8,471	5,469	139,751
Rent	13,710	8,748	14,952	8,917	28,730	5,602	4,436	-	85,095	3,038	1,961	90,094
Training	12,578	10,639	16,094	9,619	9,388	6,339	9,808	-	74,465	6,716	4,336	85,517
Payroll taxes	8,788	6,754	7,644	5,809	5,365	4,540	7,025	-	45,925	4,811	3,106	53,842
Accounting	-	-	-	-	-	-	-	-	-	24,177	-	24,177
Website	3,666	2,819	3,189	2,424	2,238	1,895	2,931	-	19,162	2,007	1,296	22,465
Information technology	6,577	2,627	7,129	795	1,101	816	961	-	20,006	658	425	21,089
Advertising and marketing	2,744	2,110	2,387	1,814	1,675	1,419	2,194	-	14,343	1,502	970	16,815
Depreciation	-	2,460	2,686	2,116	746	1,468	2,558	-	12,034	1,323	1,131	14,488
Printing	2,388	1,243	2,860	1,069	1,957	2,202	1,293	-	13,012	885	572	14,469
Bank fees	2,383	1,950	1,979	1,962	1,586	1,041	1,279	-	12,180	876	566	13,622
Payroll processing fees	1,615	1,241	1,405	1,067	986	834	1,291	-	8,439	884	571	9,894
Telephone	1,915	2,636	2,590	1,038	903	155	199	-	9,436	137	88	9,661
Insurance	1,714	1,615	1,239	942	870	736	1,139	-	8,255	780	503	9,538
Professional fees	2,000	5,673	-	931	-	-	-	-	8,604	-	-	8,604
Meetings	532	1,955	1,398	351	324	275	425	-	5,260	291	188	5,739
Utilities	170	768	3,469	3	-	52	-	-	4,462	-	-	4,462
Dues and subscriptions	289	222	252	1,999	252	150	231	-	3,395	158	102	3,655
Postage	1,200	123	344	106	97	82	128	-	2,080	88	56	2,224
Amortization	129	99	112	85	78	66	103	-	672	71	45	788
Event costs	251	56	112	48	105	38	58	-	668	40	26	734
Total expenses by function	**$ 1,206,857**	**$ 1,012,878**	**$ 789,205**	**$ 590,421**	**$ 440,040**	**$ 392,801**	**$ 242,272**	**$ 10,588**	**$ 4,685,062**	**$ 335,326**	**$ 107,516**	**$ 5,127,904**

CORPSAFRICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Cash flows from operating activities:	
Change in net assets	$ 1,105,129
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	14,488
Amortization expense	788
(Increase) decrease in operating assets:	
Grants and contributions receivable	(488,370)
Prepaid expenses	144,491
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	297,377
Due to a related party	68,970
Deferred revenue	306,295
Total adjustments	344,039
Net cash provided by operating activities	1,449,168
Cash flows from investing activities:	
Purchase of intangible assets	(57,500)
Purchase of property and equipment	(79,958)
Net cash used in investing activities	(137,458)
Net increase in cash and cash equivalents	1,311,710
Cash and cash equivalents, beginning of year	1,785,888
Cash and cash equivalents, end of year	**$ 3,097,598**
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	$ -
Income taxes	$ -

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

CorpsAfrica (the "Organization") was organized as a not-for-profit organization on May 23, 2011 under the laws of the State of New York. The Organization seeks to build on Peace Corps' success by offering the same transformative volunteer experience to emerging leaders in Africa. The Organization recruits and places ambitious Africans in remote, high poverty communities in their own countries for a year, giving them the chance to be a part of the solution for their own countries. The Organization volunteers initiate sustainable projects that fulfill key needs in their communities and whose impact and success can be carefully measured and monitored. The Organization currently operates in Senegal, Morocco, Rwanda, Malawi, Ghana, Kenya, and Uganda.

The Organization's programs are supported primarily by grants and contributions.

Basis of Presentation

The Organization's financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Organization considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash and cash equivalents.

Property and Equipment

Property and equipment are recorded at cost or, if donated, the fair market value at the date of donation. The Organization's policy is to capitalize expenditures for these items in excess of $1,000. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	Years
Equipment	5
Furniture and fixtures	5
Vehicles	7

Foreign Currency Translations

Substantially all assets and liabilities of the Organization's operations are translated at year-end exchange rates; support and revenue and expenses are translated at the average exchange rates during the year.

Gains and losses from foreign currency translations for the period are included in the statement of activities.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Intangible Assets

The Organization amortizes intangible assets with finite lives on a straight-line basis over their estimated useful lives. Intangible assets include website development costs that are being amortized using the straight-line method over 3 years.

Advertising and Marketing Costs

The Organization's policy is to expense advertising and marketing costs as they are incurred.

Functional Allocation of Expenses

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Organization to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue, Revenue Recognition, and Receivables

Grants and Contributions – Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. A portion of grant revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as grant advance in the statement of financial position. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of release/return, are not recognized until the conditions on which they depend have been substantially met.

Grants and Contributions Receivable – Grants and contributions that are not yet collected are recorded as grants and contributions receivable. Amounts expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Organization uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Special Events – The exchange element of special events is recognized as special events revenue equal to the fair value of direct benefits to donors when the special event takes place or if the fair value amount is impracticable to obtain, the actual cost or non-tax deductibility is used. The excess amount is the contribution element, which is recognized immediately, unless there is a right of return if the special event does not take place.

Costs of Direct Benefits to Donors – The cost of the items and services furnished to donors as inducements to attend the Organization's special events are presented in their natural expense classification in the statement of functional expenses and backed out so that it is shown as a deduction from special events revenue on the statement of activities.

Contributed Nonfinancial Assets– The value of services, facilities, and non-capitalized equipment donated is recorded as contributions with or without donor restrictions and expensed in the year donated. These contributions are valued at the estimated fair value of similar services and materials. A number of volunteers have donated significant amounts of their time to the Organization in connection with its programs. Directors and officers have made a significant contribution of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed nonfinancial assets. These donated services do not create or enhance a nonfinancial asset nor require a specialized skill that the contributors have and would typically need to be purchased if not provided through donation.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

The Organization's Forms 990, *Return of Organizations Exempt from Income Tax*, for the years ended June 30, 2022 and 2021, and December 31, 2020, subject to examination by the Internal Revenue Service, generally for three years after they were filed.

The Organization has evaluated its current tax positions and has concluded that as of June 30, 2023, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Adoption of Accounting Standard

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842) which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with terms longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. On July 1, 2022, the Organization has adopted ASU 2016-02, using the effective transition method. There were no material changes to the financial statements upon adoption.

Recent Accounting Pronouncements

In June 2016, the FASB issued guidance FASB Accounting Standards Codification ("ASC") 326, *Financial Instruments – Credit Losses*, which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivables. Grants and contributions receivable (under contribution model) are scoped out of FASB ASC 326. The application of the new standard is effective for fiscal years beginning after December 15, 2022, including interim periods within fiscal years beginning after December 15, 2022.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recent Accounting Pronouncements (Cont'd)

On December 13, 2023, the FASB issued ASU 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60)*: *Accounting for and Disclosure of Crypto Assets*. The amendments in ASU 2023-08 require that the Organization measure crypto assets at fair value in the statement of financial position each reporting period and recognize changes from remeasurement in net income. The amendments also require that the Organization provide enhanced disclosures for both annual and interim reporting periods to provide financial statement users with relevant information to analyze and assess the exposure and risk of significant individual crypto asset holdings. In addition, fair value measurement aligns the accounting required for holders of crypto assets with the accounting for entities that are subject to certain industry-specific guidance (such as investment companies) and eliminates the requirement to test those assets for impairment. The amendments in ASU 2023-08 are effective for all organizations for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance.

On December 14, 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in ASU 2023-09 require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. In addition, the amendments require: (1) disclosure of income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign; and (2) disclosure of income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign. There are also disclosure requirements that are to be eliminated upon adoption of the amendments. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments are to be applied on a prospective basis and retrospective application is permitted.

The Organization is currently evaluating the effect that these updates will have on its financial statements.

Contract Balances

Contract assets are recognized when the Organization has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment, or when the Organization has the right to bill a customer before satisfying any or some of the performance obligations. Contract liabilities are recognized when the Organization has an obligation to perform services to a customer for which the Organization has received advanced consideration or when payment is due prior to satisfying any or some of the performance obligations.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. The Organization has short-term lease arrangements and applied practical expedient.

2) LIQUIDITY AND AVAILABILITY

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

Financial assets at year-end	Gross amount	Less: Amounts unavailable for general expenditures within one year	Financial assets available to meet general expenditures within one year
Cash and cash equivalents	$ 3,097,598	$ 1,716,531	$ 1,381,067
Grants and contributions receivable	500,990	-	500,990
Total	$ 3,598,588	$ 1,716,531	$ 1,882,057

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.

3) GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable totaled $500,990 at June 30, 2023. These amounts are generally collected within one year. The Organization believes its receivable to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

4) RETIREMENT PLAN

The Organization has a 401(k) Profit Sharing Plan and Trust that is open to all employees after three consecutive months of service. An employee must be 21 years of age or older to receive matching or profit-sharing employer contributions. Eligible employees can defer up to the maximum allowance amount imposed by the Internal Revenue Code. During the year ended June 30, 2023 the Organization did not make any discretionary matching contributions.

5) FAIR VALUE MEASUREMENTS

The Organization's financial instruments are reported at fair value in the accompanying statement of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

ASC 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; level 2, defined as inputs other than the quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At June 30, 2023, no investments at fair value are noted in the statement of financial position.

6) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment less accumulated depreciation as of June 30, 2023. Depreciation expense for the year then ended was $14,488.

Equipment	$ 57,954
Furniture and fixtures	25,159
Vehicle	54,641
	137,754
Less: accumulated depreciation	18,758
	$ 118,996

7) INTANGIBLE ASSETS

During the year ended June 30, 2023, the Organization incurred $57,500 as website development cost. The website was launched in June 2023. The following is a summary of intangible assets less accumulated amortization as of June 30, 2023. Amortization expense for the year ended was $788.

Website development cost	$ 57,500
Less: accumulated amortization	788
	$ 56,712

8) ADVERTISING AND MARKETING COSTS

For the year ended June 30, 2023, advertising and marketing expense amounted to $16,815.

9) CONTRIBUTED NONFINANCIAL ASSETS

During the year ended June 30, 2023, the Organization received donated office space in Washington, DC valued at $34,000. This amount is reflected in statement of activities as contributed nonfinancial assets and in the statement of functional expenses as rent expense.

10) CONTRACT BALANCES

The Organization does not have any opening balances for contract assets or such balances for year ended June 30, 2023. The Organization has contract liabilities totaling $1,647,562 for the year then ended, which represent deferred revenue on the statement of financial position.

The following table provides information about significant changes in the contract liabilities for the year ended June 30, 2023:

Deferred revenue, beginning of year	$ 1,341,267
Increase in deferred revenue due to cash received during the period	5,389,091
Revenue recognized during the period	(5,082,796)
Deferred revenue, end of year	$ 1,647,562

11) FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, dues and subscriptions, insurance, training, information technology, rent, utilities, telephone, travel, professional fees, and supplies and miscellaneous, which are allocated on the basis of estimates of time and effort.

12) CONCENTRATIONS OF RISK

The Organization maintains its cash balances at several major financial institutions. The balances, at times, may exceed federally insured limits. As of June 30, 2023, uninsured bank balances totaled $1,946,997. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

During the year ended June 30, 2023, the Organization received approximately 82% of its total grants and contributions from one grantor. For the year ended June 30, 2023, approximately 100% of the grants and contributions receivable is from one donor. The concentration from the contributors does not make the Organization vulnerable to a risk of severe near-term impact because the Organization only spends money according to the amount received from the contributors and other revenue.

13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 8, 2024 which is the date the financial statements were available to be issued. Management is not aware of any material subsequent events.