Audited Financial Statements

HEALTHCORPS, INC.

New York, New York

June 30, 2022

HealthCorps, Inc.

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AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
HealthCorps, Inc.
New York, NY

Opinion
We have audited the accompanying financial statements of HealthCorps, Inc. (a nonprofit Organization), which comprise the statement of financial position as of June 30, 2022, and the related statement of activities and changes in net assets, statement of functional expenses, and statement of 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 HealthCorps, Inc. as of June 30, 2022, and the changes in its net assets, functional expenses, 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 HealthCorps, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements
The financial statements of HealthCorps, Inc. as of June 30, 2021, were audited by other auditors whose report dated February 11, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these 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 HealthCorps, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HealthCorps, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HealthCorps, Inc., Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CST Group, CPAs, PC

June 12, 2023

HealthCorps, Inc.

STATEMENTS OF FINANCIAL POSITION
as of June 30

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 3,836,215	$ 4,248,046
Grants, contracts and contributions receivable	586,442	199,349
Prepaid expenses	31,251	145,437
	4,453,908	**4,592,832**
PROPERTY AND EQUIPMENT, NET	**53,697**	**43,591**
OTHER ASSETS		
Security deposits and other assets	**28,641**	**54,935**
	$ 4,536,246	**$ 4,691,358**
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 98,496	$ 125,061
Deferred revenue	100,000	551,750
Deferred rent obligation	587	8,176
	199,083	**684,987**
LONG-TERM LIABILITIES		
Capital lease obligations	20,567	39,965
Security deposits payable	200	200
	20,767	**40,165**
NET ASSETS		
Without donor restrictions	3,363,033	2,933,229
With donor restrictions	953,363	1,032,977
	4,316,396	**3,966,206**
	$ 4,536,246	**$ 4,691,358**

See notes to financial statements.

HealthCorps, Inc.

STATEMENTS OF ACTIVITES AND CHANGES IN NET ASSETS
as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Grants and contracts	$ 0	$ 1,042,270	$ 1,042,270
Contributions	1,040,114	0	1,040,114
Special events	1,129,735	0	1,129,735
Program services	214,250	0	214,250
Rental income and other income	12,716	0	12,716
PPP loan forgivenss Income	359,790	0	359,790
Net assets released from donor restrictions	1,121,884	(1,121,884)	0
TOTAL REVENUE AND SUPPORT	**3,878,489**	**(79,614)**	**3,798,875**
EXPENSES			
Program services	2,502,259	0	2,502,259
Supporting services:			
General and Administrative	341,683	0	341,683
Fundraising	604,743	0	604,743
TOTAL SUPPORTING SERVICES	**946,426**	**0**	**946,426**
TOTAL EXPENSES	**3,448,685**	**0**	**3,448,685**
CHANGE IN NET ASSETS	**429,804**	**(79,614)**	**350,190**
NET ASSETS, beginning of year	2,933,229	1,032,977	3,966,206
NET ASSETS, END OF YEAR	**$ 3,363,033**	**$ 953,363**	**$ 4,316,396**

See notes to financial statements.

STATEMENTS OF ACTIVITES AND CHANGES IN NET ASSETS
as of June 30, 2021

	Without Donor Restrictions	With donor restrictions	Total
SUPPORT AND REVENUE			
Grants and contracts	$ 0	$ 2,417,638	$ 2,417,638
Contributions	2,165,333	0	2,165,333
Special events	46,538	0	46,538
Program services	195,000	0	195,000
Rental income and other income	28,961	0	28,961
Net assets released from restrictions			0
used for programs	1,815,631	(1,815,631)	0
TOTAL SUPPORT AND REVENUE	**4,251,463**	**602,007**	**4,853,470**
EXPENSES			
Program services	3,321,521	0	3,321,521
Supporting services:			
General and Administrative	480,225	0	480,225
Fundraising	86,561	0	86,561
TOTAL SUPPORT SERVICES	**566,786**	**0**	**566,786**
TOTAL EXPENSES	**3,888,307**	**0**	**3,888,307**
CHANGE IN NET ASSETS	**363,156**	**602,007**	**965,163**
NET ASSETS, beginning of year	2,570,073	430,970	3,001,043
NET ASSETS, END OF YEAR	**$ 2,933,229**	**$ 1,032,977**	**$ 3,966,206**

See notes to financial statements.

HealthCorps, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES
as of June 30, 2022

	Program Services	General and Adminstrative	Fundraising	Total Supporting Services	Total Expenses
Payroll, payroll taxes and benefits	$ 1,679,542	$ 99,095	$ 42,601	$ 141,696	$ 1,821,238
Curriculum and educational material	214,291	0	0	0	214,291
Grants	250,000	0	0	0	250,000
Outside service contracts	135,654	58,137	0	58,137	193,791
Travel and meetings	17,723	3,771	1,643	5,414	23,137
Payroll administrative fees	10,728	1,355	583	1,938	12,666
Professional fees	55,016	11,707	5,099	16,806	71,822
Marketing and promotion	5,238	2,182	1,309	3,491	8,729
Rent, parking, and utilities	33,771	7,186	3,130	10,316	44,087
Office expenses	2,501	125,006	172	125,178	127,679
Telecommunications	20,615	4,387	1,911	6,298	26,913
Technical support	12,352	2,628	1,145	3,773	16,125
Insurance	51,961	11,057	4,816	15,873	67,834
Postage	2,828	870	262	1,132	3,960
Depreciation and amortization	10,039	4,302	0	4,302	14,341
Bad debt expense	0	10,000	0	10,000	10,000
Subtotal	**2,502,259**	**341,683**	**62,671**	**404,354**	**2,906,613**
Direct cost of special events	**0**	**0**	**542,072**	**542,072**	**542,072**
	$ 2,502,259	**$ 341,683**	**$ 604,743**	**$ 946,426**	**$ 3,448,685**

See notes to financial statements.

STATEMENTS OF FUNCTIONAL EXPENSES
as of June 30, 2021

	Program Services	General and Adminstrative	Fundraising	Total Supporting Services	Total Expenses
Payroll, payroll taxes and benefits	$ 1,573,027	$ 110,675	$ 47,580	$ 158,255	$ 1,731,282
Curriculum and educational material	91,398	0	0	0	91,398
Grants	1,209,482	0	0	0	1,209,482
Outside service contracts	122,446	52,477	0	52,477	174,923
Travel and meetings	1,414	301	131	432	1,846
Payroll administrative fees	9,217	1,164	501	1,665	10,882
Professional fees	52,468	11,165	4,863	16,028	68,496
Marketing and promotion	39,958	16,649	9,990	26,639	66,597
Rent, parking, and utilities	120,854	25,717	11,202	36,919	157,773
Office expenses	14,068	105,593	1,214	106,807	120,875
Telecommunications	14,163	3,014	1,313	4,327	18,490
Technical support	13,289	2,828	1,232	4,060	17,349
Insurance	43,560	9,269	4,038	13,307	56,867
Postage	4,796	1,431	444	1,875	6,671
Depreciation and amortization	11,381	4,879	0	4,879	16,260
Bad debt expense	0	135,063	0	135,063	135,063
Subtotal	**3,321,521**	**480,225**	**82,508**	**562,733**	**3,884,254**
Direct cost of special events	**0**	**0**	**4,053**	**4,053**	**4,053**
	$ 3,321,521	**$ 480,225**	**$ 86,561**	**$ 566,786**	**$ 3,888,307**

See notes to financial statements.

STATEMENTS OF CASH FLOWS
as of June 30

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 350,190	$ 965,163
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	14,341	16,260
Increase (decrease) in deferred rent obligation	(7,589)	(35,213)
Effects of changes in operating assets and liabilities:		
Grants, contracts and contributions receivable	(387,093)	275,477
Prepaid expenses	114,186	(56,376)
Security deposits and other assets	26,294	50,468
Accounts payable and accrued expenses	(26,565)	57,419
Deferred revenue	(453,044)	131,960
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(369,280)**	**1,405,158**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(23,153)	0
NET CASH USED BY INVESTING ACTIVITIES	**(23,153)**	**0**
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease obligations	(19,398)	(14,605)
NET CASH USED BY FINANCING ACTIVITIES	**(19,398)**	**(14,605)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(411,831)**	**1,390,553**
Cash and cash equivalents, beginning of the year	4,248,046	2,857,493
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 3,836,215**	**$ 4,248,046**

See notes to financial statements.

NOTE A - ORGANIZATION

HealthCorps, Inc. (the Organization) is a corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The Organization, a national non-profit organization devoted to strengthening communities with the most innovative wellness approaches to make the next generation more resilient and healthier, was founded in 2003 by cardiothoracic surgeon Dr. Mehmet Oz and his wife, Lisa Oz.

Limited access to health education can lead to a lifetime of social, emotional, and physical challenges, including increased risk for mental illness, chronic disease, higher mortality, and lower life expectancy. HealthCorps is committed to providing today's youth with the skills and resources to become more physically and mentally resilient through educational programming, leadership experiences and community service opportunities in mental resilience, nutrition and fitness. HealthCorps' innovative approach to health and wellness educates and empowers teens by encouraging them to become change agents within their families, schools and neighborhoods.

HealthCorps executes its mission through school and community programing, research and advocacy. HealthCorps places near-peer mentors, college or recent college graduates, in high-need high schools across the nation to deliver its skills-based curriculum in the classroom, at after school clubs, and at local community centers with guest speakers, lunchroom demonstrations and school-wide and community events such as health fairs, walkathons and a national day of service.

The HealthCorps curriculum is aligned with national health education standards and vetted through a board of medical experts. The curriculum is revised every other year with support from experts. In 2015, HealthCorps distributed free, interactive and customizable versions of the curriculum for educators and students through the CK-12 platform.

Since 2003, the Organization has operated programming in 23 states impacting approximately 2.5 million students.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The Organization prepares its financial statements on the accrual basis of accounting, recognizing revenue when earned and expenses when incurred.

Basis of Presentation
The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Use of Estimates
The preparation of financial statements prepared in conformity with U.S. generally accepted accounting principles requires the use of management's estimates and assumptions that affect the reported of assets and liabilities, and the disclosure of contingent 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.

Cash and Cash Equivalents
The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of $250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Contributions
Contributions received are recorded as without donor restrictions or with donor restrictions support, depending on the existence and/or nature of any donor restrictions. All donor-restricted revenue is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenue or gains in the period acknowledged. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give are carried at net present value less an estimate made for doubtful promises based on a review of all outstanding promises on a periodic basis. Management determines the allowance for doubtful accounts by using the historical experience applied to an aging of promises. Promises are written off when deemed uncollectible.

Grants and Contracts
The Organization receives grants from governmental agencies and other sources for various purposes. Grant awards earned but not yet received are accrued to the extent unreimbursed expenses have been incurred for the purposes specified by the approved grants. The Organization defers grant revenue received under approved awards to the extent they exceed expenses incurred for the purposes specified under the grant purposes. These funds are reported as refundable advances; however, there were none as of June 30, 2022 and 2021.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In May 2014, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to the customers. The five-step model defined by Accounting Standards Codification (ASC) Topic 606 requires the Organization to (1) identify the contract with the customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract and (5) recognize revenue when each performance obligation is satisfied. Revenue is recognized when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services.

ASC Topic 606 may be applied retrospectively to each prior period (full retrospective) or retrospectively with the cumulative effect recognized as of the date of initial application (modified retrospective). On July 1, 2020, the Organization adopted ASC Topic 606 under the modified retrospective approach. The Organization has determined that the adoption of ASC Topic 606 did not result in an adjustment to net assets and did not have a significant effect on the amount and timing of revenue recognition for the year ended June 30, 2022 and 2021.

In exchange for payment, the Organization implements HealthCorps programs at schools and other facilities to promote a culture of health and wellness at the specified locations. As program fees are recorded at established rates according to underlying contract agreements, they are deemed to be fixed and determinable. Program fees are recorded as revenue when performance obligations are satisfied, which is generally over time as services are rendered. Management believes that recognizing revenue over time is the best measure of services rendered based on the timing of services rendered and has not made any changes in the timing of satisfaction of its performance obligations or amounts allocated to those obligations. Management does not consider there to be significant judgment involved in the timing of satisfaction of performance obligations as those are directly linked to the timeframe stated in the contract agreements. Program fees received in advance are deferred and are recognized as revenue over the period of time over which the program is run.

Grants, Contracts, and Contributions Receivable
Grants, contracts and contributions receivable are comprised primarily of amounts due to the Organization from grantor agencies. Receivable balances due in more than one year are reported at their outstanding balances discounted to their net present value based on a risk adjusted rate that the Organization could secure when the support and revenue is initially received. Allowance for doubtful accounts is provided by management based on the Organization s experience with the funders and their ability to pay. The Organization evaluates grants, contracts and contributions receivable for collectability on a case-by-case basis.

Property and Equipment
Property and equipment are recorded at cost or, if donated, at fair value on the date of donation. The Organization s policy for capitalization of property and equipment is limited to purchases of $1,500 and more with a useful life greater than one year. Property and equipment are depreciated on the straight-line method over the estimated useful lives of the assets, which range from two to seven years.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

Expenses are reported as decreases in net assets without donor restrictions. The cost of providing the various program and supporting services of the Organization have been summarized on a functional basis in the accompanying financial statements. Certain costs and expenses have been allocated between program services and supporting services on a reasonable basis, as determined by management. Expenses, such as occupancy cost, salaries and benefits, office expenses and insurance, etc. are allocated based on time and effort.

Advertising Costs

The Organization recognizes advertising expense as incurred in conformity with generally accepted accounting principles. Total advertising and marketing costs were $66,597 for the year ended June 30, 2022.

Income Taxes

The Organization qualifies as a charitable organization as defined by IRC Section 501(c)(3) and, accordingly, is exempt from federal income taxes under IRC Section 501(a). The Organization is also exempt from New York State and New York City income taxes. The Organization is not classified as a private foundation. As a not-for-profit organization, the Organization is subject to unrelated business income tax (UBIT), if applicable. For the years ended June 30, 2022 and 2021, the Organization did not owe any UBIT.

Management has evaluated the Organization's tax positions and has concluded that the Organization had taken no uncertain income tax positions that require adjustments or disclosures to the financial statements. Generally, the Organization is no longer subject to income tax examinations by U.S. federal, state, or local tax authorities for tax years before 2019, which is the standard statute of limitations look- back period.

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued guidance related to leasing for both the lessees and the lessors. The new standard establishes a right-of-use (ROU) model that requires a lessee to record the ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted. The standard can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment, with certain practical expedients available. The Organization will evaluate the effect that adoption of this new standard will have on the financial statements.

Reclassifications

Certain amounts reported in the 2021 financial statements have been reclassified to conform with the 2022 presentation. These reclassifications had no effect on the reported total changes in net assets.

NOTE C - GRANTS AND CONTRIBUTIONS RECEIVABLE

Outstanding grants, contracts and contributions receivable were as follows as of June 30, 2022 and 2021:

	2022	2021
Receivables due in less than one year	$ 706,342	$ 290,008
Allowance for uncollectible receivables	(119,900)	(90,659)
Total	$ 586,442	$ 199,349

NOTE D – PROPERTY AND EQUIPMENT, NET

As of June 30, 2021 and 2020, property and equipment are comprised of the following:

	2022	2021
Furniture and fixtures	$ 0	$ 34,283
Equipment	94,833	96,231
	94,833	130,514
Less accumulated depreciation and amortization	(49,380)	(86,923)
Total property and equipment	$ 45,453	$ 43,591

For the years ended June 30, 2022 and 2021, depreciation and amortization expense amounted to $14,341 and $16,260, respectively.

NOTE E – LINE OF CREDIT

The Organization entered a line of credit on July 15, 2020, with borrowings capacity up to $750,000. Interest is payable at a variable interest rate equal to the London Interbank Offered Rate (LIBOR), plus 6.50%, which was 6.75% and 7.05% as of June 30, 2022 and 2021, respectively. June 30, 2022 and 2021, there was no outstanding balance on the line of credit.

NOTE F – PPP LOAN

In May 2020, the Organization received loan proceeds in the amount of $359,790 under the Paycheck Protection Program ("PPP.") The loan is eligible for certain forgiveness subject to the SBA's rules. The loan bears interest at 1.00% per annum and is payable over 18 months. Borrower payments on all PPP loans are deferred until the date the SBA approves the forgiveness application or if the borrower does not apply for forgiveness, 10 months after the end of the borrower's covered period. As of June 30, 2021, the Organization owed $359,790 on the loan. On January 3, 2022, the PPP loan was fully forgiven by the SBA.

NOTE F – PPP LOAN (continued)

The balance is presented within the deferred revenue line item in the statement of financial position, in accordance with ASC 958 as a conditional grant, in line with FASB guidance for treatment of PPP loans, as of June 30, 2022.

NOTE G – COMMITMENTS AND CONTINGENCIES

Operating Lease Commitments
The Organization occupied an office facility in New York under an operating lease that expired in September 2021. The lease was subject to rent escalations and subjected the Organization to pro rata share of operating expenses. During March 2022, the Organization entered into a shared office space where they lease office space month-to-month in New York.

For the years ended June 30, 2022 and 2021, rent expense amounted to $41,835 and $150,958, respectively. As part of the Organization's shared office lease agreement, the Organization is subject to additional services charges based on the usage of shared spaces and administrative services.

Capital Lease Commitment
The Organization entered into noncancelable capital lease agreements for printers and office equipment. The assets and liabilities under the capital leases are recorded at the lower of present value of the minimum lease payments or the fair value of the assets.

The assets are amortized over the lower of the related lease term or their estimated productive lives. Amortization of assets under capital lease is included in depreciation and amortization expense in the statement of functional expenses at June 30, 2022 and 2021.

The following is a summary of computer and office equipment held under the capital lease at June 30:

	2022	2021
Computer and office equipment	$ 78,630	$ 78,630
Less accumulated amortization	(58,063)	(21,109)
	$ 20,567	$ 57,521

Present value of future lease obligations are as follows:

For the Year Ending June 30,	
2023	$ 12,840
2024	7,727
	$ 20,567

NOTE G – COMMITMENTS AND CONTINGENCIES (continued)

The Organization received risk-free rate of interest on the capital leases. Interest expense on the capital leases amounted to $0 for both years ended June 30, 2022 and 2021.

The Organization is subject to audits from various funding organizations that support its programs. The grants are subject to adjustments for disallowed costs, if any, based upon the results of the audits.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of June 30, 2022 and 2021, amounted to $953,363 and $1,032,977, respectively, and are restricted for various school and educational programs.

The release of net assets with donor restrictions during the years ended June 30, 2022 and 2021, consists of $1,121,884 and $1,815,631, respectively, for various school and educational programs.

NOTE I – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Organization's financial assets at June 30, 2022 and 2021:

	2022	2021
Cash and cash equivalents	$ 3,836,215	$ 4,248,046
Grants and contributions receivable	586,442	199,346
Total financial assets	4,422,657	4,447,395
Less donor restricted assets	(953,363)	(1,032,977)
Financial assets available to meet general expenditures within one year	**$ 3,469,294**	**$ 3,414,418**

The Organization regularly monitors the cash balance to ensure sufficient liquidity exists to meet its operating needs, as well as other commitments and obligations over the next 12 months.

NOTE J - SUBSEQUENT EVENTS

The Organization's management has evaluated subsequent events and transactions for potential recognition through June 12, 2023, which is the date the financial statements were available to be issued.