FAMILY RENEW COMMUNITY, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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JAMESMOORE

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of,
Family Renew Community, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Family Renew Community, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, 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 present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Emphasis of Matter

As discussed in Note 1(r) to the financial statements, effective January 1, 2022, the Organization adopted new accounting guidance for leases. There was no effect on beginning net assets. Our opinion is not modified with respect to this matter.

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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

James Moore & Co., P.L.

Daytona Beach, Florida
September 14, 2023

FAMILY RENEW COMMUNITY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 386,592	$ 13,034	$ 399,626
Investments	473,369	-	473,369
Pledges receivable	-	6,177	6,177
Grants receivable	12,515	-	12,515
Inventory	20,520	-	20,520
Prepaid expenses	39,089	-	39,089
Total current assets	932,085	19,211	951,296
Property and equipment, net	426,180	-	426,180
Operating lease right of use asset, net	150,658	-	150,658
Other assets			
Deposits	3,278	-	3,278
Total Assets	$ 1,512,201	$ 19,211	$ 1,531,412
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable and accrued expenses	$ 44,743	$ -	$ 44,743
Current portion of operating lease liability	31,896	-	31,896
Total current liabilities	76,639	-	76,639
Long-term liability, less current portion	120,161	-	120,161
Total liabilities	196,800	-	196,800
Net assets			
Without donor restrictions			
Unrestricted	640,620	-	640,620
Invested in property, equipment, and lease assets	424,781	-	424,781
Board designated	250,000	-	250,000
With donor restrictions			
Purpose restrictions	-	19,211	19,211
Total net assets	1,315,401	19,211	1,334,612
Total Liabilities and Net Assets	$ 1,512,201	$ 19,211	$ 1,531,412

The accompanying notes to financial statements
are an integral part of this statement.

FAMILY RENEW COMMUNITY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Contributions			
Sponsoring organization	$ 76,252	$ -	$ 76,252
Individuals	74,737	-	74,737
Other organizations	158,702	-	158,702
Estate gifts	4,890	-	4,890
Fundraising appeals	125,252	8,285	133,537
Grants and allocations			
State grants	51,599	-	51,599
United Way	70,881	-	70,881
In-kind contributions			
Thrift store merchandise	254,696	-	254,696
Thrift store sales	249,324	-	249,324
Investment income (loss)	(22,714)	-	(22,714)
Other income	75,056	-	75,056
Total support	1,118,675	8,285	1,126,960
Net assets released from restrictions			
Satisfaction of purpose restrictions	9,621	(9,621)	-
Total net assets released from restrictions	9,621	(9,621)	-
Total support and net assets released from restrictions	1,128,296	(1,336)	1,126,960
Expenses			
Program services			
Holly Hill	242,424	-	242,424
Daytona Beach	155,335	-	155,335
DeLand	138,420	-	138,420
Supporting services			
Thrift store	484,925	-	484,925
Fundraising	105,094	-	105,094
Management and general	201,947	-	201,947
Total expenses	1,328,145	-	1,328,145
Change in net assets	(199,849)	(1,336)	(201,185)
Net assets, beginning of year	1,515,250	20,547	1,535,797
Net assets, end of year	$ 1,315,401	$ 19,211	$ 1,334,612

The accompanying notes to financial statements
are an integral part of this statement.

FAMILY RENEW COMMUNITY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services				Supporting Services				
	Holly Hill	Daytona Beach	DeLand	Total Program Services	Thrift Store	Fundraising	Management & General	Total Supporting Services	Total Expenses
Salaries	$ 75,042	$ 54,736	$ 49,832	$ 179,610	$ 93,387	$ 62,578	$ 124,427	$ 280,392	$ 460,002
Payroll taxes	5,936	4,383	3,891	14,210	7,505	3,826	9,387	20,718	34,928
Employee benefits	37,607	18,294	14,326	70,227	21,088	19,951	28,711	69,750	139,977
Total personnel expenses	118,585	77,413	68,049	264,047	121,980	86,355	162,525	370,860	634,907
Meetings and travel	237	183	118	538	8	660	802	1,470	2,008
Professional fees	2,429	1,877	1,214	5,520	2,300	2,300	15,780	20,380	25,900
Rent	-	-	-	-	36,495	-	-	36,495	36,495
Utilities	41,224	23,341	23,801	88,366	9,589	1,775	6,759	18,123	106,489
Repairs and maintenance	45,313	29,058	7,543	81,914	5,295	-	3,779	9,074	90,988
Insurance	7,956	6,823	4,825	19,604	7,703	16	4,992	12,711	32,315
Office expense	3,087	1,871	2,196	7,154	828	833	4,858	6,519	13,673
Client services	13,845	3,765	18,412	36,022	-	-	-	-	36,022
Public relations and advertising	44	34	22	100	42	791	453	1,286	1,386
Credit card and other fees	40	-	-	40	4,805	2,023	151	6,979	7,019
Store supplies	-	-	-	-	6,405	-	-	6,405	6,405
Information technology	5	4	3	12	1,933	505	50	2,488	2,500
Membership dues and subscriptions	369	713	641	1,723	53	988	787	1,828	3,551
Direct fundraising expenses	-	-	-	-	-	8,848	-	8,848	8,848
Depreciation	9,290	10,253	11,596	31,139	13,297	-	1,011	14,308	45,447
Operating lease	-	-	-	-	24,868	-	-	24,868	24,868
Cost of goods sold	-	-	-	-	249,324	-	-	249,324	249,324
Total non-personnel expenses	123,839	77,922	70,371	272,132	362,945	18,739	39,422	421,106	693,238
Total functional expenses	$ 242,424	$ 155,335	$ 138,420	$ 536,179	$ 484,925	$ 105,094	$ 201,947	$ 791,966	$ 1,328,145

The accompanying notes to financial statements are an integral part of this statement.

FAMILY RENEW COMMUNITY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Cash flows from operating activities			
Change in net assets	$ (199,849)	$ (1,336)	$ (201,185)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:			
Depreciation and amortization	45,447	-	45,447
Amortization of right of use asset	21,659	-	21,659
Unrealized loss (gain) on investments	31,467	-	31,467
Changes in operating assets and liabilities:			
Receivables	(9,479)	3,664	(5,815)
Prepaid expenses	(32,551)	-	(32,551)
Inventory	(5,372)	-	(5,372)
Accounts payable and accrued expenses	2,400	-	2,400
Operating lease liabilities	(20,260)	-	(20,260)
Total adjustments	33,311	3,664	36,975
Net cash provided by (used in) operating activities	(166,538)	2,328	(164,210)
Cash flows used in investing activities			
Purchases of property and equipment	(11,270)	-	(11,270)
Purchases of investments	(205,369)	-	(205,369)
Net cash provided by (used in) investing activities	(216,639)	-	(216,639)
Net increase (decrease) in cash and cash equivalents	(383,177)	2,328	(380,849)
Cash and cash equivalents, beginning of year	769,769	10,706	780,475
Cash and cash equivalents, end of year	$ 386,592	$ 13,034	$ 399,626
Supplemental disclosure of non-cash investing and financing activities			
Right-of-use assets obtained in exchange for operating lease obligations	$ 172,317	$ -	$ 172,317

The accompanying notes to financial statements
are an integral part of this statement.

(1) Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies and practices of Family Renew Community, Inc. (the Organization), which affect significant elements of the Organization's financial statements:

(a) **Organization and purpose**—The Organization is a not-for-profit corporation incorporated under the laws of the State of Florida. The Organization provides a housing program with an educational component for homeless families with children. It is a drug and alcohol-free program which requires resident participation and accountability to complete the program and move into affordable permanent housing. The Organization provides housing, weekly case management, life skills workshops, assistance with child care, emergency medical/dental, transportation, food, clothing, education and counseling services. Parents must be employed, maintain a "housing fund" for their future home, design a family plan with goals, establish steps to attain those goals, and be willing to learn priorities.

Housing for one and two-parent families is provided at a converted motel acquired in 1992, located in Holly Hill, Florida. Single mother families are housed in an apartment building acquired in 1997, located in Daytona Beach, Florida. One and two-parent families are also housed in a facility donated to the Organization in 2001, located in DeLand, Florida.

In addition, the Organization provides homeless prevention services in the form of rental and utility assistance. The Organization also operates a thrift store in Ormond Beach, Florida, which provides a significant portion of the Organization's operating revenue through the sale of donated merchandise. The Organization is supported primarily through donor contributions, thrift store sales, grants, and the United Way.

(b) **Basis of accounting**—The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses the accrual basis of accounting principles generally accepted in the United States of America, which recognizes revenue when earned and expenses when incurred.

(c) **Revenue and Revenue Recognition**—The Organization bills federal, state, and local governmental entities for services provided. Revenue is recognized when fees are declared and billed. All thrift store sales revenue is recognized as performance obligation is satisfied, which is at a point in time when the merchandise is purchased by the customer. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the difference.

A portion of the Organization's revenue is derived from cost-reimbursable state and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as without donor restricted grant revenue when performance requirements have been met and expenses have been incurred in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenses or meeting other conditional performance requirement barriers are reported as with donor restrictions refundable advances in the statement of financial position. There are no refundable advances at the beginning or end of the year.

(1) **Summary of Significant Accounting Policies:** (Continued)

(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 that are not subject to donor-imposed or grantor-imposed stipulations

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. We report 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. 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.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

(e) **Cash and cash equivalents**—Cash and cash equivalents include investments in highly liquid debt instruments with an initial maturity of three months or less.

(f) **Investments—**Investments in marketable securities with readily determinable values and all investments in debt securities are reported at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Short-term investments consist of mutual funds, equities and exchange traded funds.

(g) **Inventory—**Inventory consists of donated thrift store merchandise and is valued at the estimated net realizable value of merchandise in a thrift store.

(h) **Fair value of financial instruments**—The carrying value of cash and cash equivalents, pledges and grants receivable and accounts payable approximates fair value due to the short maturity of these instruments. None of the financial instruments are held for trading purposes.

(i) **Pledges, grants and contributions receivable**—Pledges, grants and contributions receivable for program services are primarily from individuals, state and local governmental agencies and local organizations. Unconditional promises to give are recognized as revenues in the period received and as assets, or decreases in liabilities or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management has determined that no allowance is needed for pledges, grants and contributions receivable based on the historical experience and the financial condition of the donors.

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Contributions**—Contributions, including unconditional promises to give, are recorded as received. All contributions are considered to be available for use as net assets without donor restrictions unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are reflected as short-term contributions receivable and are recorded at their net realizable value. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases the net assets with donor restrictions net asset class. When a donor restriction expires, that is, when a stipulated timerestriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released form restrictions.

(k) **Donated service, facilities and other in-kind support**—Contributions of donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations, are recorded at their fair value in the period received. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation.

(l) **Property and equipment**—The Organization's policy requires all property and equipment purchased or donated with a value or cost of $5,000 or more to be capitalized. Purchased property and equipment is capitalized at cost. Donated property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over their estimated useful lives. Donated land and buildings are reported as contributions without donor restrictions absent an explicit donor restriction. Assets donated with explicit restrictions are reported as contributions with donor restrictions. Absent donor stipulations regarding how long donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings and improvements	7 – 60 years
Furniture and equipment	5 – 7 years
Vehicles	5 years

(m) **Leases—**The Organization leases thrift shop space and office equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities on the Organization's balance sheets. Finance leases are included in finance lease right-of-use (ROU) assets, other current liabilities, and other long-term liabilities on the Organization's balance sheet.

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

(1) **Summary of Significant Accounting Policies:** (Continued)

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately. For certain leases the Organization accounts for the lease and non-lease components as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are primarily comprised of common area maintenance that are passed on from the lessor in proportion to the space leased, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the it has obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

In allocating consideration in the contract to the separate lease components and the non-lease components, the Organization uses the standalone prices of the lease and non-lease components. Observable standalone prices are used, if available. If the standalone price for a component has a high level of variability or uncertainty, this allocation may require significant judgment.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, the Organization's incremental borrowing rate is used. The organization's incremental borrowing rate is based on an estimated secured rate comprised of a risk-free rate plus a credit spread as secured by the organization's assets. Determining a credit spread as secured by the organization's assets may require significant judgment.

(n) **Expense allocation**—The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

(o) **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 of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The most significant estimates are the estimated fair market value of donated merchandise and the fair market value of inventory at year-end.

(1) **Summary of Significant Accounting Policies:** (Continued)

(p) **Income taxes**—Under Section 501(c)(3) of the Internal Revenue Code and Florida Statutes, the Organization is exempt from taxes on income other than unrelated business income. The Organization had no unrelated business income during the year ended December 31, 2022. Therefore, no provision for income taxes has been made in these financial statements.

The Organization files income tax returns in the U.S. federal jurisdiction. Tax returns for the Organization for the past three years are subject to examination by tax authorities. The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

(q) **Subsequent events**—Management has evaluated subsequent events through September 14, 2023, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

(r) **Recently adopted accounting guidance**—In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective January 1, 2022. Since there were no material operating or finance leases in effect as of January 1, 2022, requiring recognition under ASC 842, the adoption did not have a material impact on the Organization's financial position, results of operations and cash flows. Certain terminology changes have been implemented, including references to rent and/or short-term rent being referenced as short-term.

(2) **Liquidity and Availability:**

The Organization strives to maintain liquid financial assets sufficient to cover general expenditures. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$ 386,592
Grants receivable	12,515
Investments	473,369
	872,476
Board-designated operating reserve	(250,000)
	$ 622,476

The Organization is substantially supported by contributions, some of which are restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors.

(2) **Liquidity and Availability:** (Continued)

Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments, typically money market funds, certificates of deposit, equities and exchange traded funds. Occasionally, the Board also designates a portion of any operating surplus as reserves for various anticipated needs.

(3) **Investments and Fair Value Measurements:**

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's financial instruments consist principally of cash and cash equivalents, equities, exchange traded funds, grants and other receivables, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

Investments held by the Organization at December 31, 2022, consisted of equities and exchange traded funds. The fair value of the Organization's investments was determined based on "Level 1" inputs. There were no significant transfers between Levels 1 and 2 and no purchases, issues, or transfers in or out of Level 3 and no changes in valuation techniques for these assets or liabilities for the year ended December 31, 2022.

(3) **Investments and Fair Value Measurements:** (Continued)

The following tables summarize the assets of the Organization as of December 31, 2022, for which fair value is determined on a recurring basis:

Description	Quoted Prices (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Equities and exchange traded funds	$ 473,369	$ -	$ -	$ 473,369
Total	$ 473,369	$ -	$ -	$ 473,369

(4) **Pledges Receivable:**

Pledges receivable, including unconditional promises to give, at December 31, 2022, consist of the following amounts due in:

Less than one year	$ 2,362
One to five years	3,815
Total pledges receivable	$ 6,177

Pledges receivable consist of amounts due from individuals and organizations. Differences between the amounts recorded and collected have historically been insignificant. Accordingly, no provision is made for uncollectible accounts.

(5) **Property and Equipment:**

Property and equipment at December 31, 2022, consists of the following:

Land	$ 241,635
Buildings and improvements	1,135,184
Furniture and equipment	39,137
Vehicles	70,904
	1,486,860
Less: Accumulated depreciation	(1,060,680)
Property and equipment, net	$ 426,180

Depreciation expense for the year ended December 31, 2022 was $45,447.

(6) Retirement Plan:

The Organization has a Simple Plan funded through elective deferrals from employees' wages and a discretionary match of 3% of eligible employees' salary contributed by the Organization. The Organization's matching contribution was $7,591 during the year ended December 31, 2022.

(7) Leases:

The Organization leases approximately 4,685 square feet of rental space in Ormond Beach, Florida for the purpose of operating its thrift store under the name "Secret Attic". The lease is a noncancelable operating lease that expires on March 31, 2027. The Organization also leases a copier under a noncancelable lease agreement that expires on October 31, 2027. Lease expense for the year ended December 31, 2022 was $24,868.

Other information related to leases for the year ended December 31, 2022, was as follows:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$23,044
Weighted-average remaining lease term—operating leases	4.34 years
Weighted-average discount rate—operating leases	3.0%

Future minimum lease payments under non-cancellable operating leases as of December 31, 2022, were as follows:

Year Ending December 31,	Operating
2023	$ 35,934
2024	36,859
2025	37,812
2026	38,793
2027	12,733
Total future minimum lease payments	162,131
Less: Imputed interest	10,074
	$ 152,057

(8) Net Assets with Donor Restrictions:

Net assets with donor-imposed restrictions that apply to all of the Organization's programs consists of the following at December 31, 2022:

Childcare	$ 5,219
Guardian Angel/Archangel	6,177
Thrift Store Marketing	65
Daytona Beach Mattresses	7,750
Total Net Assets with Donor Restrictions	$ 19,211

(9) Net Assets Released from Restrictions:

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

Childcare	$	1,641
Guardian Angel/Archangel		7,949
Thrift Store Marketing		31
Total Net Assets Released from Restrictions	$	9,621

(10) Contributed Services and Merchandise:

The Organization receives a substantial amount of donated merchandise for use as inventory in its thrift store. Contributed merchandise is recorded at fair value at the date received and totaled $254,696 for the fiscal year ended December 31, 2022. All gifts-in-kind received by the Organization for the year ended December 31, 2022 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

In addition, 5,568 volunteer hours were provided to the Organization during the year ended December 31, 2022. However, these services do not meet the criteria for recognition as contributed services and have not been recognized in the accompanying financial statements.

(11) Concentration of Credit Risk:

Revenue to support the Organization's programs is received primarily through donor contributions, thrift store sales of donated merchandise, and state and local grants. Thus, the Organization is subject to changes in contributions and grant funding allocations. In the event these entities and individual contributors discontinue funding these programs, the Organization would have a difficult time achieving current program goals.

Credit risk with respect to grants receivables is limited due to the credit worthiness of the entities and organizations from whom the amounts are due. Credit risk with respect to pledges receivable is limited based on the Organization's experience and the financial condition of the donors. The Organization does not require collateral to support financial instruments.

The Organization maintains cash in demand deposit accounts with two federally insured banks. At December 31, 2022, no cash balances exceeded Federal Deposit Insurance Corporation (FDIC) coverage. The aggregate bank balances of these accounts were $401,906 at December 31, 2022.

The Organization maintains investments in equities and exchange traded funds with two brokerage firms. The funds with the brokerage firms of $473,369 at December 31, 2022, are insured up to $500,000 by the Securities Investor Protection Corporation.

(12) **Risk and Uncertainties:**

In the normal course of business, the Organization could be party to various matters involving disputes and/or litigation. While it is not possible at this time to determine the ultimate outcome of any such matters, management believes that any ultimate liability will not be material to the financial statements. Management and the Organization's legal counsel believe there is no pending or threatened litigation at December 31, 2022.