

AUDITED FINANCIAL STATEMENTS

**MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)**

For the Years Ended December 31, 2023 and 2022

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)

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McAuley & Crandall, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Mid-Coast Radio Project, Inc.

Opinion

We have audited the accompanying financial statements of Mid-Coast Radio Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mid-Coast Radio Project, Inc. as of December 31, 2023, and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mid-Coast Radio Project, 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.

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 Mid-Coast Radio Project, Inc.' 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 Mid-Coast Radio Project, 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 Mid-Coast Radio Project, Inc.' 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.

A handwritten signature in cursive script that reads "McAuley & Crandall, PA".

McAULEY & CRANDALL, PA
Overland Park, Kansas
April 23, 2024

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2023 and 2022

ASSETS	2023	2022
Current Assets:		
Cash and Cash Equivalents	\$ 359,283	\$ 624,984
Accounts Receivable (net of allowance for bad debts of \$0)	18,466	66,624
Prepaid Expenses	24,226	21,349
Total Current Assets	<u>401,975</u>	<u>712,957</u>
Fixed Assets:		
Equipment and Fixtures	565,708	556,491
Facility Improvements	67,456	61,903
Software	18,104	18,104
Easement	308,465	5,035
Right of Use-Asset	324,497	377,102
Accumulated Depreciation	(544,013)	(519,703)
Net Fixed Assets	<u>740,217</u>	<u>498,932</u>
TOTAL ASSETS	<u><u>\$ 1,142,192</u></u>	<u><u>\$ 1,211,889</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 9,185	\$ 17
Accrued Expenses	50,706	41,949
Current Portion of Lease Liability	54,747	52,604
Total Current Liabilities	<u>114,638</u>	<u>94,571</u>
Long Term Liabilities:		
Lease Liability	324,497	377,102
Less: Current Portion	(54,747)	(52,604)
Total Long Term Liabilities	<u>269,750</u>	<u>324,497</u>
TOTAL LIABILITIES	<u>384,388</u>	<u>419,068</u>
Net Assets:		
Net Assets Without Donor Restrictions	703,885	465,553
Net Assets With Donor Restrictions	53,919	327,268
TOTAL NET ASSETS	<u>757,804</u>	<u>792,821</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,142,192</u></u>	<u><u>\$ 1,211,889</u></u>

See accompanying notes.

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
As of December 31, 2023 and 2022

	<u>2023</u>			<u>2022</u>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Support						
Donations and underwriting	\$ 803,337	\$ 13,986	\$ 817,323	\$ 643,695	\$ 264,597	\$ 908,292
Grants	-	114,681	114,681	89,851		89,851
Sublease Income	5,250		5,250	7,350		7,350
Interest Income	13,475		13,475	1,783		1,783
Other Income	(24)		(24)	(191)		(191)
Net assets released from restrictions	402,015	(402,015)	-	41,174	(41,174)	-
<i>Total Revenue</i>	<u>1,224,054</u>	<u>(273,348)</u>	<u>950,705</u>	<u>783,662</u>	<u>223,423</u>	<u>1,007,085</u>
Expenses						
Program Service	634,868	-	634,868	574,404	-	574,404
Management and Administrative	117,472		117,472	124,341		124,341
Fundraising expenses	233,382		233,382	247,627		247,627
<i>Total Support Expenses</i>	<u>985,722</u>	<u>-</u>	<u>985,722</u>	<u>946,372</u>	<u>-</u>	<u>946,372</u>
Change in Net Assets	\$ 238,331	\$ (273,348)	\$ (35,017)	\$ (162,709)	\$ 223,423	\$ 60,714
Prior Period Adjustment	-		-	\$ (23,138)		\$ (23,138)
Net Assets, Beginning of Year	465,553	327,268	792,821	651,400	103,845	755,245
Net Assets, End of Year	<u>\$ 703,885</u>	<u>\$ 53,919</u>	<u>\$ 757,804</u>	<u>\$ 465,553</u>	<u>\$ 327,268</u>	<u>\$ 792,821</u>

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
STATEMENTS OF FUNCTIONAL EXPENSES
As of December 31, 2023 and 2022

Expense	2023				2022			
	Mgmt & General	Fundraising	Program	Total	Mgmt & General	Fundraising	Program	Total
Affiliations Expense	-	-	6,465	6,465	-	-	6,340	6,340
Bad Debt expense	-	4,000	-	4,000	-	-	-	-
Board of Directors Expense	389	-	-	389	1,878	-	-	1,878
Computer Software,Svc & Support	4,104	-	4,104	8,209	2,965	-	2,965	5,930
Conferences, Travel, Meetings & Meals	-	1,509	3,311	4,820	-	254	289	543
Depreciation Expense	2,431	-	21,879	24,310	-	-	16,790	16,790
Employment Expenses	38,758	92,444	85,509	216,710	47,599	98,925	62,446	208,970
Engineering and Maintenance	-	-	18,015	18,015	-	-	19,425	19,425
Financial Expenses	-	12,309	-	12,309	584	13,067	-	13,651
Fundraising Expenses	-	97,078	-	97,078	-	78,605	-	78,605
Insurance Expense	14,253	-	-	14,253	14,066	-	-	14,066
Legal and Professional	33,391	-	-	33,391	37,541	-	-	37,541
Marketing Costs	-	11,818	108,811	120,629	-	36,431	85,319	121,750
Miscellaneous expenses	1,039	28	-	1,067	1,207	61	-	1,268
Postage and delivery	374	1,495	-	1,869	205	818	-	1,023
Programming Expenses	-	-	302,296	302,296	-	-	282,506	282,506
Rent Expense	15,387	6,155	40,007	61,549	11,735	11,735	53,638	77,108
Supplies	1,654	1,102	-	2,756	1,562	1,042	-	2,604
Utilities	4,583	1,146	31,363	37,091	4,999	1,250	31,192	37,441
Volunteer Costs	1,110	4,297	431	5,839	-	5,440	4,959	10,399
Website and Streaming	-	-	12,677	12,677	-	-	8,534	8,534
Total	117,472	233,382	634,868	985,722	124,341	247,627	574,404	946,372

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
STATEMENTS OF CASH FLOWS
As of December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Cash received from gifts without donor restrictions	\$ 574,826	\$ 628,172
Cash received from Sublease	5,250	7,350
Dividends and Interest Received	13,475	1,783
Cash disbursed for expenses	(541,053)	(557,304)
Net cash flows from Operating Activities	52,499	80,002
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(14,770)	(87,850)
Purchase of Easement	(303,430)	(2,775)
Loss on asset disposal	0	(314)
Net cash flows from Investing Activities	(318,200)	(90,939)
Net cash flows for period	(265,701)	(10,937)
Cash and equivalents, beginning of year	624,984	635,921
Cash and equivalents, end of year	\$ 359,283	\$ 624,984
 Reconciliation of Changes in Net Assets to Net Cash Provided by		
Operating Activities		
Change in net assets without donor restrictions	\$ (35,017)	\$ 60,714
Net Cash changes by operating activities:		
Depreciation	24,310	16,790
(Increase)/Decrease in Accounts Receivable	48,159	25,920
(Increase)/Decrease in Prepaid Expenses	(2,877)	(6,577)
Increase/(Decrease) in Accounts Payable	9,168	(2,790)
Increase/(Decrease) in Accrued Expenses	8,756	(14,055)
Net Cash Flows from Operating Activities	\$ 52,499	\$ 80,002

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 1: Summary of Accounting Policies

(a) Nature of Activities

The Mid-Coast Radio Project, Inc. (90.1 FM KKFI) is a non-profit corporation in the State of Missouri, organized in 1977, as a non-commercial, educational public radio station serving Kansas City, Missouri and its surrounding areas. Mid-Coast Radio Project, Inc. operates and broadcasts under the call letters KKFI at 90.1 FM.

(b) Mission

90.1 FM KKFI is the Kansas City's area independent, non-commercial community radio station. It seeks to stimulate, educate and entertain its audience, to reflect the diversity of the local and world community, and to provide a channel for individuals, groups, issues and music that have been overlooked, suppressed, or underrepresented by other media.

(c) Basis of Accounting

The financial statements are presented on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when realized and earned and expenses are recognized when incurred. All revenues and expenses are considered for operations.

(d) Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of 90.1 FM KKFI and changes therein are classified and reported as follows: net assets without donor restrictions and net assets with donor restrictions.

In 2016, 90.1 FM KKFI elected early adoption of the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 958-205-45-2 as prescribed by FASB Accounting Standards Update (ASU) 2016-14. Under the previous standard, net assets were classified and reported in three groups—permanently restricted, temporarily restricted, and unrestricted—based on the existence or absence of donor-imposed restrictions and the nature of those restrictions. Under the updated standard, net assets are classified and reported in two groups— net assets without donor restrictions and net assets with donor restrictions—based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to any donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions on their use that may be met by actions of 90.1 FM KKFI or the passage of time. When a donor restriction expires, temporarily restricted

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 1: Summary of Accounting Policies (continued)

net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

(e) Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation, therefore no provision has been made for federal and state income taxes in the accompanying financial statements. The tax years 2023-2021 are currently open to examination by federal and state taxing agencies.

(f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

(g) Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased. Assets reserved for property improvements on the statements of financial position include restricted cash received with restrictions imposed by donors (but not yet spent) for property improvements.

(h) In-Kind Donations

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

There was \$293,109, and \$273,794, recognized by the Organization for in-kind service donations for the years ending December 31, 2023, and 2022, respectively by program directors and radio personalities for their broadcasting services rendered. The increase is a result in a change in estimate. For years ending December 31, 2023, and prior, the estimate was based on one programmer for an entire year. For the year ending December 31, 2023, the estimate is based on the actual number of programmers per program during the year, increasing the accuracy of the estimate. These services were recorded as income and expense during this period.

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 1: Summary of Accounting Policies (continued)

(i) Functional Allocation of Expenses

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

(j) Advertising Costs

Advertising costs are charged to operations when incurred. There was \$120,629, and \$121,750, reported by the Organization for advertising costs for the years ended December 31, 2023, and 2022, respectively.

(k) Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. All other donor contributions and donor contributions with restrictions that expire in the fiscal year are reported as increases in net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(l) Receivables

Receivables consist of underwriting and pledges receivables recorded at cost due at year end, net of an allowance for bad debts. Management evaluates the accounts at year end to determine collectability and adjusts the allowance for any amounts deemed to be questionable at year end. Bad debt is adjusted for uncollectible accounts. At years ended December 31, 2023, and 2022, all receivables were considered collectable by management, and there was no allowance for bad debt.

At the years ended December 31, 2023, and 2022, receivables were \$18,466, and \$66,624, respectively.

(m) Fixed Assets and Depreciation

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. The useful lives are as follows:

Equipment	5-7 years
Facility Improvements	7 years
Software	3 years

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 2: Cash

The following table provides a reconciliation of cash, cash equivalents, restricted cash, and restricted cash equivalents reported within the statements of financial position that sum to the totals of the same such amounts in the statements of cash flows.

	<u>12/31/2023</u>	<u>12/31/2022</u>
Cash	\$ 305,363	\$ 620,923
Restricted cash included in assets reserved for property improvements	53,919	4,060
Totals	<u>\$ 359,283</u>	<u>\$ 624,984</u>

As of December 31, 2023, and 2022, cash deposits in financial institutions that were not insured by the Federal Deposit Insurance Corporation (FDIC) were reported as follows:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Cash and Cash Equivalents Not Insured by FDIC	\$0	\$153,689

As of December 31, 2023, and 2022, the cash deposits in financial institutions that were not insured by the FDIC were as follows:

	<u>12/31/2023</u>	<u>12/31/2022</u>
US Treasury Bills Not Insured by FDIC	\$199,179	\$199,417
Money Market Not Insured by FDIC	\$96,844	\$28,668
Cash and Cash Equivalents Not Insured by FDIC	\$656	\$680

Note 3: Property and Equipment

It is the Organization's policy to capitalize property and equipment over \$2,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donated assets are recorded at their fair market value on the date of donation. Assets donated with the explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, 90.1 FM KKFI reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. 90.1 FM KKFI reclassifies temporarily restricted net assets to net assets without donor restrictions at that time. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expenses as incurred. Property and equipment are depreciated over their estimated useful lives using the straight-line method. The estimated useful life of the assets may be different than their actual economic useful lives.

There were \$318,200, and \$92,885, in fixed asset additions in the years ending December 31, 2023, and 2022, respectively.

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 4: Commitments and Contingencies

Mid-Coast Radio Project, Inc. leases office space under an 11-year leasing agreement that expired on May 31, 2019, with two five-year options available after the original term. The lease was renewed for the first five-year option and will expire on May 31, 2024, but the Organization is planning to renew the lease. Rent obligation under this lease is \$3,433 per month, with a yearly increase of 3% at the lease anniversary. Required future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2024	63,396
2025	65,296
2026	67,251
2027	69,266
2028	71,341

Note 5: Compensated Absences

Employees of the Mid-Coast Radio Project, Inc. are entitled to paid vacation, paid sick days, and personal days off, depending on length of service. Employees can accumulate sick leave and vacation leave and, upon separation, are paid out any unused vacation. At December 31, 2023, and 2022, the Organization's liability for compensated absences is estimated at \$1,406, and \$4,023, respectively.

Note 6: Functional Expenses

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses are allocated to their respective programs or function.

As of December 31, 2023, of the total expenses reported, \$634,868 is for program service fees, \$117,472 is for management and general expenses, and \$233,382 is for fundraising expenses. As of December 30, 2022, of the total expenses reported, \$574,404 is for program service fees, \$124,341 is for management and general expenses, and \$247,627 is for fundraising expenses.

Note 7: Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following programs as of December 31, 2023:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Grants	\$ 16,429	\$ -
Fundraising Drive	37,491	327,268
Totals	<u>\$ 53,919</u>	<u>\$ 327,268</u>

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

	<u>12/31/2023</u>	<u>12/31/2022</u>
Grants	\$ 70,693	\$ 15,527
Event Sponsorships	27,559	-
Fundraising Drive	303,763	25,647
Totals	<u>\$ 402,015</u>	<u>\$ 41,174</u>

Note 8: Liquidity and Availability of Financial Resources

Those matters include the following:

	<u>12/31/2023</u>	<u>12/31/2022</u>
Current assets, excluding non-financial assets	\$ 377,748	\$ 691,608
Donor restrictions	(53,919)	(327,268)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 323,829</u>	<u>\$ 364,340</u>

90.1 FM KKFI receives contributions each year from donors and funds from operating activities that are used to fund program initiatives and are available to meet annual cash needs for general expenditures. 90.1 FM KKFI does not have any board designated net assets, so all financial assets are available to meet the needs of general expenditures. During the year ended December 31, 2023, and 2022, the organization was able to meet its cash needs utilizing current year contributions.

Note 9: Revenue from Contracts with Customers

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes nearly all existing revenue recognition guidance under U.S. accounting principles. This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. The core principle of the new standard is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. The new accounting standard defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. accounting principles.

Note 9: Accounting Standards Adopted (continued)

90.1 FM KKFI adopted the standard on January 1, 2020. Its program revenue is generated substantially from grants and contributions. The Organization analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, and has concluded that no changes are necessary to conform with the new standard. The timing of revenue recognition was not affected by the new standard.

MID-COAST RADIO PROJECT, INC.
(90.1 FM KKFI)
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

Note 10: Leases

The Organization leases office space under a lease expiring in May 2024. Beginning June 2022 through May 2023 the monthly base rent is \$5,041 with increasing rental payments of approximately 3% each year. Rent expense for the year ended December 31, 2023, was \$61,549.

Reductions of the right-of-use asset under this lease are as follows:

Years Ending December 31,	
2024	54,747
2025	56,978
2026	59,299
2027	61,715
2028	64,230
Total	<u>\$ 296,969</u>

The Organization is a party to one, 60-month operating lease. The Company adopted FASB ASC 842, *Leases*, at the beginning of the year. This new lease is the only lease required to be included on the balance sheet under FASB ASC 842. As a result, adopting FASB ASC 842 had no impact to prior year balance sheet information, and because these leases are operating leases, the adoption of this standard has no impact on the results of operations. The Company has elected to apply the short-term lease exception to all leases with a term of one year or less. The Company has not entered into any other material, short-term lease commitments as of December 31, 2023.

As of December 31, 2023, the right-of-use (ROU) asset had a balance of \$324,497,102, as shown in noncurrent assets on the balance sheet; the lease liability is included in long-term liabilities (\$269,750). The lease asset and liability were calculated utilizing the risk-free discount rate (4%), according to the Organization's elected policy.

Additional information about the Organization's leases is as follows:

Total Lease Payments	428,189
Less: Interest	<u>(51,087)</u>
Present Value of Lease Liabilities	<u>377,102</u>

Note 10: Management's Review

Subsequent events were evaluated through April 23, 2024. The audit report date is the date the financial statements were available to be issued.