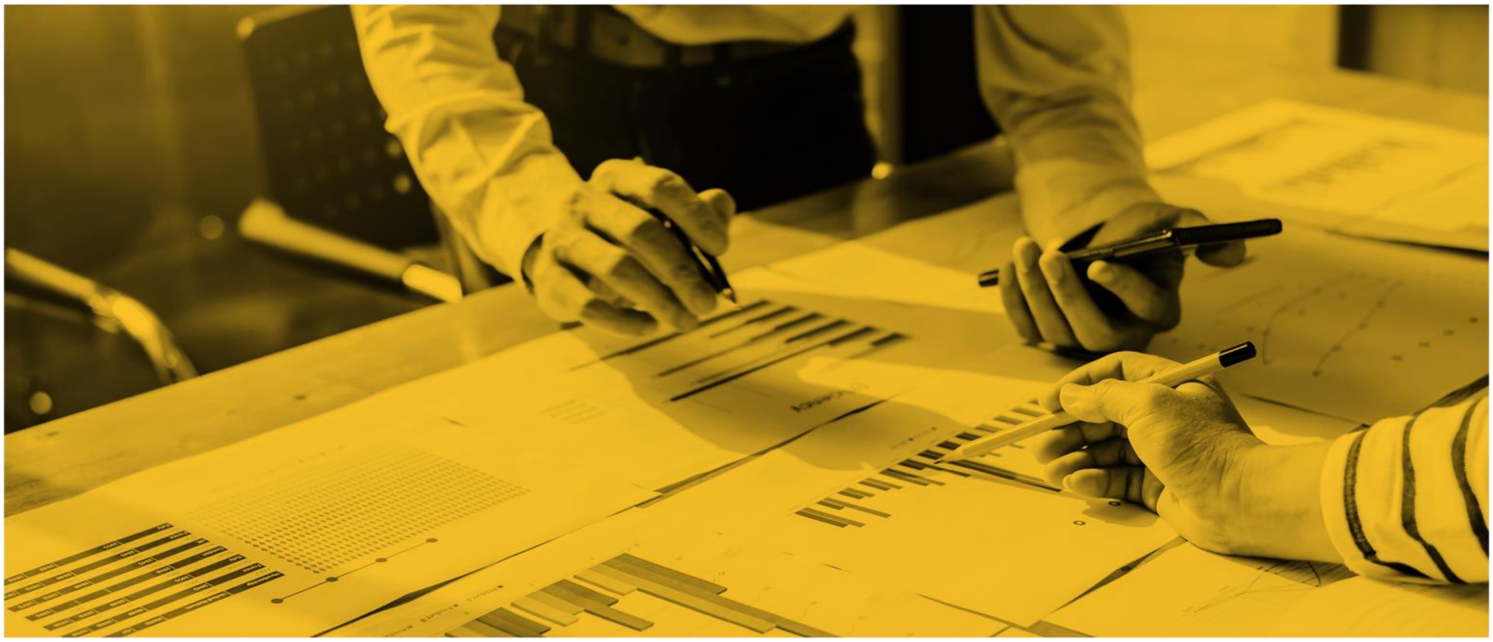

Financial Statements

Lawyers Concerned For Lawyers
Saint Paul, Minnesota

For the years ended June 30, 2023 (Audited) and 2022 (Reviewed)

Abdo
Lighting the path forward

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Lawyers Concerned For Lawyers
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June 30, 2023 (Audited) and 2022 (Reviewed)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lawyers Concerned For Lawyers
Saint Paul, Minnesota

Opinion

We have audited the accompanying financial statements of Lawyers Concerned For Lawyers (the Organization), which comprise the statement of financial position as of June 30, 2023, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 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 audits 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 the Organization 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 the Organization'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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

Prior Period Financial Statements

The financial statements of the Organization as of June 30, 2022 were reviewed by other accountants with a report dated January 19, 2023.

Abdo
Minneapolis, Minnesota
Need Date, 2024

FINANCIAL STATEMENTS

Lawyers Concerned For Lawyers

Statements of Financial Position

June 30, 2023 and 2022

	2023 (Audited)	2022 (Reviewed)
Assets		
Current Assets		
Cash and cash equivalents	$ 533,064	$ 440,731
Grants receivable	52,042	63,204
Pledges receivable	100	500
Miscellaneous receivable	-	5,000
Prepaid expenses	6,641	6,601
Total Current Assets	591,847	516,036
Property and Equipment		
Furniture and equipment	67,859	62,709
Leasehold improvements	2,147	2,147
Website development costs	11,250	11,250
Total Property and Equipment, cost	81,256	76,106
Less: Accumulated depreciation	(58,224)	(48,395)
Property and Equipment, net	23,032	27,711
Noncurrent Assets		
Security deposit	3,786	3,786
Right-of-use asset - operating	103,677	-
Total Noncurrent Assets	107,463	3,786
Total Assets	$ 722,342	$ 547,533
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 10,089	$ 8,288
Accrued expenses	8,352	4,417
Deferred rent	-	5,513
Operating lease liability, current portion	31,658	-
Total Current Liabilities	50,099	18,218
Noncurrent Liabilities		
Operating lease liability, net of current portion	73,620	-
Total Liabilities	123,719	18,218
Net Assets		
Without donor restriction	532,706	465,832
With donor restriction	65,917	63,483
Total Net Assets	598,623	529,315
Total Liabilities and Net Assets	$ 722,342	$ 547,533

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

Lawyers Concerned For Lawyers

Statements of Activities

For the Year Ended June 30, 2023 (Audited)

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Support			
Contributions	$ 94,214	$ 7,725	$ 101,939
Government grants	596,556	-	596,556
Special events, net of expenses of $28,830	32,970	-	32,970
Total Support	723,740	7,725	731,465
Revenue			
Program fees and honoraria	7,965	-	7,965
Other revenue	965	-	965
Interest income	1,996	-	1,996
Total Revenue	10,926	-	10,926
Net Assets Released from Restrictions	5,291	(5,291)	-
Total Support and Revenue	739,957	2,434	742,391
Expenses			
Program services	542,740	-	542,740
Supporting services			
Management and general	111,130	-	111,130
Fundraising	19,213	-	19,213
Total supporting services	130,343	-	130,343
Total Expenses	673,083	-	673,083
Change in Net Assets	66,874	2,434	69,308
Net Assets, Beginning of Year	465,832	63,483	529,315
Net Assets, End of Year	$ 532,706	$ 65,917	$ 598,623

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

Lawyers Concerned For Lawyers
Statements of Activities (Continued)
For the Year Ended June 30, 2022 (Reviewed)

	Without Donor Restriction	With Donor Restriction	Total
Support and Revenue			
Support			
Contributions	$ 85,561	$ 8,340	$ 93,901
Government grants	577,319	-	577,319
Special events, net of expenses of $17,530	35,814	-	35,814
Total Support	698,694	8,340	707,034
Revenue			
Program fees and honoraria	2,900	-	2,900
Other revenue	403	-	403
Interest income	735	-	735
Total Revenue	4,038	-	4,038
Net Assets Released from Restrictions	5,192	(5,192)	-
Total Support and Revenue	707,924	3,148	711,072
Expenses			
Program services	486,925	-	486,925
Supporting services			
Management and general	98,903	-	98,903
Fundraising	15,957	-	15,957
Total supporting services	114,860	-	114,860
Total Expenses	601,785	-	601,785
Change in Net Assets	106,139	3,148	109,287
Net Assets, Beginning of Year	359,693	60,335	420,028
Net Assets, End of Year	$ 465,832	$ 63,483	$ 529,315

Lawyers Concerned For Lawyers
Statements of Functional Expenses
For the Year Ended June 30, 2023 (Audited)

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel Costs					
Salaries and wages	$ 303,459	$ 65,276	$ 9,015	$ 74,291	$ 377,750
Payroll taxes	23,032	4,954	684	5,638	28,670
Employee benefits	34,824	10,063	1,152	11,215	46,039
Total Personnel Costs	361,315	80,293	10,851	91,144	452,459
Expenses					
Rent	52,063	11,199	1,548	12,747	64,810
Telephone	6,955	1,496	207	1,703	8,658
Office supplies and equipment	12,138	3,173	1,112	4,285	16,423
Insurance	5,993	2,798	178	2,976	8,969
Professional fees	6,424	9,689	-	9,689	16,113
Staff development	6,292	365	-	365	6,657
Public awareness	14,557	419	5,082	5,501	20,058
Travel	9,193	-	-	-	9,193
Mental and chemical health services	59,914	-	-	-	59,914
Expenses before depreciation	534,844	109,432	18,978	128,410	663,254
Depreciation	7,896	1,698	235	1,933	9,829
	-				
Total Expenses	$ 542,740	$ 111,130	$ 19,213	$ 130,343	$ 673,083
	80.6%	16.5%	2.9%	19.4%	100.0%

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

Lawyers Concerned For Lawyers

Statements of Functional Expenses (Continued)
For the Year Ended June 30, 2022 (Reviewed)

		Supporting Services			
	Program Services	Management and General	Fundraising	Total Supporting Services	Total
Personnel Costs					
Salaries and wages	$ 269,632	$ 54,293	$ 7,124	$ 61,417	$ 331,049
Payroll taxes	21,113	4,251	558	4,809	25,922
Employee benefits	33,919	8,625	974	9,599	43,518
Total Personnel Costs	324,664	67,169	8,656	75,825	400,489
Expenses					
Rent	53,724	10,818	1,419	12,237	65,961
Telephone	7,475	1,505	198	1,703	9,178
Office supplies and equipment	7,191	2,830	415	3,245	10,436
Insurance	5,724	2,485	148	2,633	8,357
Accounting	-	12,255	-	12,255	12,255
Professional services	1,700	-	-	-	1,700
Staff development	3,888	329	-	329	4,217
Public awareness	15,600	419	4,978	5,397	20,997
Travel	1,050	-	-	-	1,050
Mental and chemical health services	59,742	-	-	-	59,742
Expenses before depreciation	480,758	97,810	15,814	113,624	594,382
Depreciation	6,167	1,093	143	1,236	7,403
Total Expenses	$ 486,925	$ 98,903	$ 15,957	$ 114,860	$ 601,785
	80.9%	16.4%	2.7%	19.1%	100.0%

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

Lawyers Concerned For Lawyers
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023 (Audited)	2022 (Reviewed)
Cash Flows from Operating Activities		
Change in net assets	$ 69,308	$ 109,287
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,829	7,403
(Increase) decrease in assets:		
Grants receivable	11,162	(4,101)
Contributions receivable	400	(500)
Miscellaneous receivable	5,000	(3,400)
Prepaid expenses	(40)	5,271
Right-of-use asset, operating	31,027	-
Increase (decrease) in liabilities:		
Accounts payable	1,801	(1,253)
Accrued expenses	3,935	(2,505)
Deferred rent	(5,513)	1,539
Lease liability	(29,426)	-
Net Cash Provided by Operating Activities	97,483	111,741
Cash Flows from Investing Activities		
Purchase of fixed assets	(5,150)	(18,610)
Net Change in Cash and Cash Equivalents	92,333	93,131
Beginning Cash and Cash Equivalents	440,731	347,600
Ending Cash and Cash Equivalents	$ 533,064	$ 440,731

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

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

Lawyers Concerned For Lawyers (the Organization) was organized August 1, 1976 and has been determined to be a charitable, nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization serves as Minnesota's lawyers assistance program. The Organization offers free, confidential help to lawyers, judges, law students and their immediate family members affected by alcohol and/or drug abuse, other addictions, depression and other mental illness, stress and other life-related problems and any condition which negatively affects the quality of one's life at work or at home. The Organization provides professional and peer assistance including up to four free counseling sessions and referrals to other professional services as well as mentoring and other support. The Organization also offers workshops and other programs to lawyers which qualify for continuing legal education credits. In addition to funds from the grant agreement with the Legal Services Advisory Committee (LSAC), funding has come from contributions by members and non-members in the legal profession and by grants from foundations and firms interested in this program.

The Organization has an agreement with the Legal Services Advisory Committee, an instrumentality of the Minnesota Supreme Court, to establish and operate a "Lawyer Assistance Program" (LAP) to provide consultation and assessments and facilitate access to extended mental health and chemical dependency services to Minnesota lawyers and their families, and in connection therewith, to coordinate the activities of the volunteer network of the Organization for peer support. This agreement is effective through June 30, 2023.

B. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Net Assets Without Donor Restriction - Resources over which the Board has discretionary control are net assets without donor restrictions.

Net Assets With Donor Restriction - Resources subject to donor-imposed stipulations that require they be maintained permanently or that may or will be met by actions of the Organization and/or the passage of time are net assets with donor restrictions.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from these estimates.

D. Cash and Cash Equivalents

The Organization considers unrestricted currency, demand deposits, and certificates of deposit with an initial maturity of three months or less to be cash and cash equivalents. The Organization maintains cash balances with quality financial institutions. At any point in time, bank balances may exceed FDIC insurance limits.

E. Grants Receivable

Grants receivable are stated at net realizable value. Grants receivable are individually analyzed for collectability. No allowance for doubtful accounts has been provided as grants receivable are considered collectible based on management's estimate and past history of the Organization with the grantor agency. As of June 30, 2023 and 2022, the Organization had $52,042 and $68,204 in grants receivable, respectively.

Note 1: Summary of Significant Accounting Policies (Continued)

F. Contributions Receivable

Contributions receivable consist of promises to give and contributions made by donors to supporting organizations for the Organization but had not been received by the Organization prior to June 30, 2023 and 2022. No allowance for doubtful accounts has been provided as contributions receivable are all considered collectible. As of June 30, 2023 and 2022, contributions receivable of $100 and $500, respectively, were receivable in less than one year.

G. Website Development Costs

Website development costs are stated at cost; purchases in excess of $500 are capitalized. Planning stage costs, costs of training and site maintenance are expensed as incurred.

H. Fixed Assets

Fixed assets owned by the Organization are stated at cost if purchased and at fair value if donated. The Organization capitalizes all fixed assets with a cost of $500 or more at the date of donation if received by contribution. Additions and improvements are capitalized while maintenance and repairs are charged to expense as incurred. Depreciation for leasehold improvements is calculated over the estimated useful life or over the remaining term of the lease, whichever is shorter. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Asset	Useful Lives in Years
Furniture and equipment	5 - 7
Leasehold improvements	5 - 7
Website development costs	3

Depreciation expense was $9,829 and $7,403 for the years ended June 30, 2023 and 2022, respectively.

I. Leases

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

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.
- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.

Note 1: Summary of Significant Accounting Policies (Continued)

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

J. Deferred Rent

The Organization records rent expense on a straight-line basis for its office lease which contains annual rent increases. The difference between rent expense and payments made under the lease are reflected as deferred rent.

K. Functional Expense Allocation

The costs of providing programs and activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program and the supporting services benefited. The allocation of expenses has been determined by management on a reasonable basis that is consistently applied. Salaries and related expenses are allocated based on job descriptions and the best estimate of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management.

L. Support and Revenue

The Organization follows the provisions of Accounting Standards Codification 606, *Contracts with Customers* on revenues derived from its program fees and honoraria. In the case of program fees and honoraria it is recognized at the time the time of the program, which is at a point in time.

- **Performance Obligations**

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

- **Contract Balances**

  Program fees and honoraria revenues received in advance of the event are recorded as deferred revenue on the statement of financial position. These deferred revenues are liquidated when revenue is recognized. Deferred revenue was $0 as of June 30, 2023 and 2022.

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

Legal Services Advisory Committee grants are recorded as support when the terms of the grant are met. Expenditures under this contract are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time of the final assessment.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a stipulated time restriction ends or the purpose of a restriction is accomplished, net assets with donor restrictions are reclassified to net assets released from restrictions. The Organization has chosen to report contributions that are received with donor-imposed restrictions that are met in the same reporting period as contributions with donor restrictions with an accompanying reclassification showing the satisfaction of the restriction. Grants and contributions are reported as support in the year in which the payments are received and/or unconditional promises to give are made. Conditional promises to give are not recognized until they become unconditional, that is when all conditions have been substantially met. Grants and contributions that have been committed to the Organization, but have not been received as of year-end, are reflected as grants receivable and contributions receivable in the accompanying statements of financial position.

Note 1: Summary of Significant Accounting Policies (Continued)

M. Advertising

The Organization uses advertising to promote public awareness and further its program purpose, as well as post job opportunities within the Organization. Advertising costs are expensed when incurred. Expenses for advertising were $1,681 and $2,762 for the years ended June 30, 2023 and 2022, respectively, and are classified in public awareness in the accompanying statements of functional expense.

N. Income Taxes

Lawyers Concerned For Lawyers is a nonprofit corporation as described in section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Lawyers Concerned For Lawyers does not have any significant unrelated business income that would be subject to tax.

O. Adoption of New Accounting Standards

In March 2016, the FASB issued ASU No. 2016-02, Leases, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021 and was applied using a modified retrospective approach.

P. Upcoming Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This ASU amends the guidance on the impairment of financial instruments and adds an impairment model, known as the current expected credit losses model, that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes, as an allowance, its estimate of expected credit losses over the contractual life of a financial asset. In November 2019, the FASB issued ASU 2019-10, Financial Instruments – Credit Losses (Topic 326), which defers the effective date to annual reporting periods beginning after December 15, 2022, with early adoption permitted. The provisions of this ASU are to be applied using the modified retrospective approach. The Organization is currently evaluating the impact this standard will have on its financial statements.

Q. Reclassifications

Certain prior year amounts have been reclassified for consistency with the current year presentation.

R. Subsequent Event

Subsequent events were evaluated through Need Date, 2024, which is the date the financial statements were available to be issued.

Note 2: Concentrations

A major portion of the Organization's support is received from the Legal Services Advisory Committee. The loss of this funding source would have an adverse effect on the Organization. During the years ended June 30, 2023 and 2022, the Legal Services Advisory Committee contributed $596,556 and $577,319, respectively. These contributions accounted for approximately 80% and 81% of total support and revenue for the years ended June 30, 2023 and 2022, respectively.

Note 3: Leases

A. ASC 840

The Organization had been operating under a month-to-month operating lease for office equipment. The lease required monthly rental payments of $184, plus copy charges for overages. During the year ended June 30, 2022, the Organization terminated the month-to-month lease and signed a sixty-month lease for office equipment with $204 monthly rental payments. The Organization's rent expense for office equipment for the year ended June 30, 2022 as $2,752 and is included in office supplies and equipment in the accompanying financial statements.

The Organization had a lease for their administrative offices under a month-to-month lease. In August 2019, the Organization signed an amendment to the lease extending the lease expiration seven years and adjusting the monthly base rent. The lease was effective as of January 1, 2020, the first month after completion of tenant improvements. The lease requires monthly base rent ranging from $2,608 to $3,114, plus operating expenses. Under generally accepted accounting principles in the United States of America, all rental payments, including rent increases, are recognized on a straight-line basis over the term of the lease. The difference between the straight-line rent expense and the required lease payments is reflected as deferred rent liability in the accompanying financial statements. The Organization's total occupancy expense for the year ended June 30, 2022 was $65,961.

Minimum future rental payments, including operating expenses, under noncancelable operating leases having initial terms in excess of one year as of June 30, 2022 are as follows:

Year Ending June 30,	Amount
2023	$ 66,121
2024	67,132
2025	68,174
2026	69,246
2027	34,282
Total	$ 304,955

B. ASC 842

Effective January 1, 2020, the Organization entered into a property lease agreement with Court International, LLC that calls for monthly base payments of approximately $2,608-$3,114 and is set to expire in January 2027. The stated monthly base payments are variable and may be subject to increases based on the relative increase in the Consumer Price Index, as determined annually. The agreement also provides that the Organization is responsible for the property's incurred real estate taxes, insurance premiums and attributable operating expenses. The Organization has determined that this lease is an operating lease.

As disclosed in Note 1, the Organization adopted FASB ASC 842, effective July 1, 2022, using a modified retrospective approach. As a result, the Organization was required to recognize a ROU asset and corresponding lease liability on the face of the statement of financial position for the year ended June 30, 2023. As the standard was implemented using a modified retrospective approach, the balance sheet as of June 30, 2022, was not impacted.

The ROU lease asset and corresponding lease liability were calculated utilizing a risk-free discount rate of 3.96%, according to the Organization's elected policy. The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Note 3: Leases (Continued)

Additional information about the Organization's lease for the year ended June 30, 2023, is as follows:

	Amount
Lease expense	
Operating lease expense	$ 35,719
Short term lease expense	29,180
Total	$ 64,899
Other information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 34,119
ROU assets obtained in exchange for new operating lease liabilities	$ 132,162
Weighted-average remaining lease term in years for operating leases	3.08
Weighted average discount rate for operating leases	3.96%

Maturities of operating lease liabilities are as follows:

Period Ended June 30:	
2024	$ 35,142
2025	36,197
2026	37,283
2027	3,144
Total undiscounted cash flows	111,766
Less present value	(6,488)
Total lease liabilities	$ 105,278

Note 4: Retirement Plan

The Organization established a retirement plan pursuant to section 401(k) of the Internal Revenue Code effective January 1, 2006. Employees are eligible to make elective salary deferrals under the plan and share in the Organization's contributions to the plan upon attaining age 21 and completing one year of eligibility service. The Organization provides a mandatory matching contribution of 100% of the first 3% that an employee contributes to the plan. The Organization may, in its sole discretion, elect to make additional employer contributions for any plan year. Employees are fully vested in the Organization's contributions to the plan after three years of service; employees are immediately vested in their contributions to the plan. Retirement expense was $7,677 and $9,839for the years ended June 30, 2023 and 2022, respectively, and is classified in employee benefits in the accompanying financial statements of functional expense.

Note 5: Net Assets

Net assets with donor restrictions consist of the following as of June 30, 2023 and 2022:

	2023	2022
Founders memorial fund	$ 62,542	$ 57,730
Advertising and contract services for program service expansion	3,375	5,753
Total Net Assets with Donor Restrictions	$ 65,917	$ 63,483

Note 6: Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2023 and 2022:

	2023	2022
Cash and cash equivalents	$ 533,064	$ 440,731
Grants receivable	52,042	63,204
Contributions receivable	100	500
Miscellaneous receivable	-	5,000
Total Financial Assets	585,206	509,435
Less amounts unavailable for general expenditures within one year, due to:		
Donor restrictions	(65,917)	(63,483)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 519,289	$ 445,952

The Organization is primarily funded by grants and contributions from donors without donor restrictions and with donor restrictions. Donor restrictions require that resources be used in a certain manner or in a future period; therefore, the Organization must maintain adequate resources to meet those responsibilities to its donors and certain financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, the Organization strives to structure their financial assets to be available as their general expenditures, liabilities and other obligations become due. In addition, the Organization invests cash in excess of short-term requirements in a savings account.