RAISING SPECIAL KIDS, INC.

Financial Statements and Independent Auditors’ Report

For the Years Ended June 30, 2024 and 2023

RAISING SPECIAL KIDS, INC.

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the Board Directors of
Raising Special Kids, Inc.

Opinion

We have audited the accompanying financial statements of Raising Special Kids, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raising Special Kids, Inc. as of June 30, 2024, 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. 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 Raising Special Kids, Inc. 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.

Prior Period Financial Statements

The financial statements of Raising Special Kids, Inc. as of June 30, 2023 were audited by other auditors whose report dated March 12, 2024 expressed an unmodified opinion on those statements.

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 Raising Special Kids, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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, 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 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 Raising Special Kids, 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 Raising Special Kids, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

February 18, 2025

Baldwin Moffitt Behm LLP

CERTIFIED PUBLIC ACCOUNTANTS

Scottsdale, Arizona

RAISING SPECIAL KIDS, INC.
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and equivalents	$ 1,898,348	$ 1,470,148
Contributions receivable	216,801	192,478
Prepaid expenses	64,283	61,480
Assets held by others	442,243	401,158
Property and equipment, net	-	-
Operating lease right-of-use assets, net	39,589	120,760
Total assets	$ 2,661,264	$ 2,246,024
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 44,676	$ 21,161
Accrued expenses	76	251
Refundable advances	475,412	41,883
Operating lease liabilities	38,017	120,760
Total liabilities	558,181	184,055
NET ASSETS		
Without Donor Restrictions		
Undesignated	1,400,191	1,423,296
Designated by the Board for operating reserve	500,000	500,000
Designated by the Board for endowment	112,414	96,216
Total net assets without donor restrictions	2,012,605	2,019,512
With Donor Restrictions	90,478	42,457
Total net assets	2,103,083	2,061,969
Total liabilities and net assets	$ 2,661,264	$ 2,246,024

RAISING SPECIAL KIDS, INC.
Statements of Activities
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT						
Contributions - State grants	$ 817,598	$ -	$ 817,598	$ 819,391	$ -	$ 819,391
Contributions - Federal grants	942,083	-	942,083	987,561	-	987,561
Contributions - Donations	515,155	66,671	581,826	587,397	38,468	625,865
Investment return, net	102,391	-	102,391	34,249	-	34,249
Net assets released from restrictions	18,650	(18,650)	-	66,529	(66,529)	-
Total support and revenue	2,395,877	48,021	2,443,898	2,495,127	(28,061)	2,467,066
EXPENSES						
Program services	1,950,544	-	1,950,544	1,853,760	-	1,853,760
Supporting services:						
Management and general	293,476	-	293,476	176,066	-	176,066
Fundraising	158,764	-	158,764	368,931	-	368,931
Total support services	452,240	-	452,240	544,997	-	544,997
Total expenses	2,402,784	-	2,402,784	2,398,757	-	2,398,757
Change in net assets	(6,907)	48,021	41,114	96,370	(28,061)	68,309
Net assets, beginning of year	2,019,512	42,457	2,061,969	1,923,142	70,518	1,993,660
Net asssets, end of year	$ 2,012,605	$ 90,478	$ 2,103,083	$ 2,019,512	$ 42,457	$ 2,061,969

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

RAISING SPECIAL KIDS, INC.
Statements of Functional Expenses
For the Years Ended June 30, 2024 and 2023

	June 30, 2024			
	Family Support Services	Management and General	Fundraising	Total
Salaries and benefits	$ 1,539,307	$ 168,192	$ 51,709	$ 1,759,208
Professional fees	167,078	72,359	70,718	310,155
Lease cost	31,490	3,330	666	35,486
Data/website	37,389	2,235	1,726	41,350
Transportation	25,406	20,590	147	46,143
Supplies	17,251	3,327	2,190	22,768
Telephone	13,397	1,518	304	15,219
Postage and shipping	8,938	892	172	10,002
Insurance	11,401	1,295	259	12,955
Resource materials	674	125	80	879
Training and development	11,341	715	163	12,219
Bank charges	28	8,117	218	8,363
Membership dues and subscriptions	2,138	4,982	531	7,651
Depreciation	-	-	-	-
Other expenses	84,706	5,799	29,881	120,386
Total expenses	$ 1,950,544	$ 293,476	$ 158,764	$ 2,402,784

	June 30, 2023			
	Family Support Services	Management and General	Fundraising	Total
Salaries and benefits	$ 1,533,549	$ 83,953	$ 178,066	$ 1,795,568
Professional fees	52,605	53,696	129,229	235,530
Lease cost	53,104	1,207	6,034	60,345
Data/website	24,819	617	4,621	30,057
Transportation	21,366	198	7,123	28,687
Supplies	21,561	783	2,667	25,011
Telephone	17,775	402	2,009	20,186
Postage and shipping	15,000	336	1,686	17,022
Insurance	10,863	215	1,075	12,153
Resource materials	8,977	66	91	9,134
Training and development	6,534	149	1,738	8,421
Bank charges	22	853	4,534	5,409
Membership dues and subscriptions	-	150	4,843	4,993
Depreciation	1,256	172	-	1,428
Other expenses	86,329	33,269	25,215	144,813
Total expenses	$ 1,853,760	$ 176,066	$ 368,931	$ 2,398,757

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

RAISING SPECIAL KIDS, INC.
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 41,114	$ 68,309
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	1,428
Net realized and unrealized gains on assets held by others	(37,819)	(20,133)
(Increase) decrease in contributions receivable	(24,323)	(43,785)
(Increase) decrease in prepaid expenses	(2,803)	(14,293)
(Increase) decrease in operating lease right-of-use assets, net	81,171	48,106
Increase (decrease) in accounts payable	23,515	9,139
Increase (decrease) in accrued expenses	(175)	(5,203)
Increase (decrease) in refundable advances	433,529	(130,419)
Increase (decrease) in operating lease liabilities	(82,743)	(48,106)
Net cash provided by (used in) operating activities	431,466	(134,957)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of assets held by others	(3,266)	(2,577)
Net cash used in operating activities	(3,266)	(2,577)
Net increase (decrease) in cash and equivalents	428,200	(137,534)
Cash and equivalents, beginning of year	1,470,148	1,607,682
Cash and equivalents, end of year	$ 1,898,348	$ 1,470,148
SUPPLEMENTAL DISCLOSURES		
Right-of-use assets obtained for new operating lease liabilities	$ -	$ 168,866

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

NOTE A – DESCRIPTION OF ORGANIZATION

Raising Special Kids, Inc. (Organization) began operations in Arizona in 1985 and provides support, information, and education to parents of children with disabilities through parent-to-parent training and linkages. Throughout all areas, the Organization attempts to develop services for parents representing the variety of cultures and families in Arizona. The Organization is funded primarily by government grants and contracted services.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements of the Organization have been prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions**: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
>
> **Net assets with donor restrictions**: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.
>
> Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and equivalents – The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Concentrations of credit risk – Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and equivalents. The Organization maintains its cash and equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization's cash and equivalents accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Promises to give – Unconditional promises to give (contributions receivable) are recognized as revenue in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates, adjusted for market risk as determined by management, applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and bequests.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Assets held by others – The Organization follows US GAAP for transactions in which a community fund accepts a contribution from a donor and agrees to transfer these assets, the return on investment of these assets, or both, to another entity that is specified by the donor. US GAAP requires that if a not-for-profit organization establishes a fund at a community fund with its own funds and specifies itself as the beneficiary of that fund, it must record the fund as an asset and the community fund must account for the fund as a liability. The Organization has such funds with Arizona Community Fund, Inc. (ACF). The Organization may draw on these funds subject to the terms of the agreement when the funds were transferred to ACF.

The amounts held by ACF at June 30, 2024 and 2023 are recorded in the accompanying statements of financial position as assets held by others. The Organization reports its investments in ACF (various marketable securities) at fair value.

These investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect account balances and the amounts reported in the accompanying financial statements.

Leases – Leases are classified as operating or finance leases at the commencement date. Lease expense for operating leases and short-term leases are recognized on a straight-line basis over the lease term. Right-of-use 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. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The Organization uses the risk-free borrowing rate at lease commencement to calculate the present value of lease payments when the rate implicit in the lease is not known. The Organization only includes lease components and excludes non-lease components in determining lease amounts.

The Organization includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Association will exercise the option. The Organization has also elected not to recognize leases with original lease terms of 12 months or less (short-term leases) on the Organization’s statements of financial position and are expensed on the straight-line basis over the term of the lease.

Property and equipment, net – Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The useful lives range from 3 to 7 years. The Organization’s policy is to capitalize renewals and betterments acquired for greater than $3,000 and expense normal repairs and maintenance as incurred. The Organization’s management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Refundable advances – Refundable advances consist of funds received in a conditional contribution and are not recognized as revenue until the conditions have been substantially met or explicitly waived by the donor.

Contributions and grants – Contributions and grants, including unconditional promises to give, are recognized as revenue in the period received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until they become unconditional, that is, when the barrier(s) in the agreement are overcome.

Unconditional contributions with no purpose or time restrictions are reported as revenues without donor restrictions. Unconditional contributions, bequests, strategic partnerships, and grants with donor-imposed restrictions that limit the use of the asset are reported as revenue with donor restrictions and are reclassified to net assets without donor restrictions when an expense is incurred that satisfies the donor-imposed restriction. However, for unconditional donor-restricted contributions there were initially conditional, if donor-imposed restrictions are met in the same year that they become unconditional, the revenues are reported as revenues without donor restrictions on the statements of activities.

Revenue recognition – Revenue consists of amounts earned from federal, state, and local sources through contributions, bequests, and grants. A majority of funds are generally received on a reimbursement basis and, accordingly, revenues are recognized when qualifying expenses have been incurred and when all other requirements have been met.

Donated materials and services – The Organization recognizes donations of materials and services received at their estimated fair value if such services create or enhance nonfinancial assets or require specialized skills which are provided by individuals possessing those skills and would otherwise need to be purchased if not donated. No amounts have been reflected in the financial statements for certain donated volunteer services because they did not qualify for recording under U.S. GAAP; however, a substantial number of volunteers have donated significant amounts of their time to the Organization's program services. Volunteer hours not recognized in the financial statements were received for the following programs:

	2024	2023
Parent-to-parent peer support	1,456	1,312
Training / other professional services	209	382
Board of Directors	336	329
Total volunteer hours	2,001	2,023

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investment return, net – Net investment income from assets held by others consisted of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Interest and dividend income	$ 68,383	$ 17,664
Net realized and unrealized gains	37,819	20,133
Direct external investment expense	(3,811)	(3,548)
Investment return, net	$ 102,391	$ 34,249

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Salaries and related expenses are allocated based on job descriptions and the best estimates of time and effort by management. Rent expenses are allocated on the basis of estimated square footage utilized. Expenses, other than salaries and related expenses and rent, which are not directly identifiable by program or supporting services, are allocated based on the best estimate of management.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Income taxes – The Organization is exempt from income tax under Internal Revenue Code (IRC) Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose unless that income is otherwise excluded by the IRC. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status, to identify and report unrelated income, to determine its filing and tax obligations in jurisdictions for which it has nexus, and to identify and evaluate other matters that may be considered tax positions.

The Organization follows US GAAP related to accounting for income tax uncertainties. Under this guidance, the Organization accounts for the effect of any uncertain tax positions based on whether it is “more-likely-than-not” that the position will be sustained by the taxing authority upon examination. The Organization routinely evaluates potential uncertain tax positions. The Organization has identified its status as an exempt organization as a tax position; however, the Organization has determined that such tax position does not result in an uncertainty that requires recognition.

Reclassifications – Certain prior year amounts have been reclassified to conform to current year presentation.

New accounting pronouncements – In June 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) that requires entities to estimate all expected credit losses for most financial assets held at the reporting date based on an expected loss model, which requires consideration of historical experience, current conditions, and reasonable and supportable forecasts. The Organization adopted this ASU effective July 1, 2023, and the adoption of this ASU did not have a material impact on its financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Subsequent events – The Organization's management has evaluated subsequent events through February 18, 2025, which is the date the financial statements were available to be issued.

NOTE C – AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2024 and 2023:

	2024	2023
Financial assets at year-end:		
Cash and equivalents	$ 1,898,348	$ 1,470,148
Contributions receivable	216,801	192,478
Assets held by others	442,243	401,158
Total financial assets	2,557,392	2,063,784
Less amounts not available to be used within one year:		
Net assets with donor restrictions	90,478	42,457
Board designations	612,414	596,216
	702,892	638,673
Financial assets available to meet general expenditures over the next twelve months	$ 1,854,500	$ 1,425,111

The Organization is supported by 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. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity, management follows a policy to maintain and utilize the Organization's financial assets in such a way that the financial assets are available as the Organization's general expenditures, liabilities, and other obligations come due. Additionally, there is a quasi-endowment established by the board of directors that may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

NOTE D – FAIR VALUE MEASUREMENTS

The Organization follows US GAAP for accounting for certain assets and liabilities that are required to be measured at fair value. This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an "exit price") on the measurement date in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants (with no compulsion to buy or sell). This guidance also establishes a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures.

NOTE D – FAIR VALUE MEASUREMENTS – continued

The hierarchy below lists the three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs that are deprived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

For assets and liabilities measured at fair value on a recurring basis, the fair value hierarchy requires the use of observable market data when available. In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Assets held by others are made up of various marketable securities based on quoted market prices. Investment income is recorded on an accrual basis, and purchases and sales of marketable securities are reflected on a trade-date basis. Realized gains and losses are calculated using the average cost for marketable securities sold.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, the Organization's assets that are measured at fair value on a recurring basis as of June 30, 2024 and 2023:

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets held by others	$ 442,243	$ -	$ -	$ 442,243

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets held by others	$ 401,158	$ -	$ -	$ 401,158

NOTE E – PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following at June 30, 2024 and 2023:

	2024	2023
Furniture and equipment	$ 59,955	$ 59,955
Less: accumulated depreciation	(59,955)	(59,955)
Property and equipment, net	$ -	$ -

For the years ended June 30, 2024 and 2023, depreciation expense totaled $0 and $1,428, respectively.

NOTE F – LEASE COMMITMENTS

The Organization leases its offices in Phoenix, Arizona under a non-cancelable lease that was scheduled to expire in September 2025. The lease required fixed monthly of approximately $4,000. Termination of the leases is generally prohibited unless there is a violation under the lease agreement. The Organization signed an amendment in October 2023 reducing space leased and the monthly payment to approximately $1,800. The Organization leases additional office space on a month-to-month basis and total lease expense for this arrangement was insignificant for the years ended June 30, 2024 and 2023.

The Organization also leases office equipment that expires through November 2027. Total monthly lease payments are approximately $400. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

Right-of-use assets and lease liabilities by lease type, and the associated statements of financial position classification are as follows:

	Statements of Financial Position Classification	2024	2023
Right-of-use assets:			
Operating leases	Operating lease right-of-use assets, net	$ 39,589	$ 120,760
Lease liabilities:			
Operating leases	Operating lease liabilities	$ 38,017	$ 120,760

The components of total lease cost were as follows for the years ended June 30:

	Statements of Functional Expenses Classification	2024	2023
Operating lease cost	Lease cost	$ 33,073	$ 60,345

NOTE F – LEASE COMMITMENTS – continued

Future undiscounted lease payments for operating leases with initial terms of one year or more as of June 30, 2024 are as follows:

Year Ending June 30		Amount
2025	$	26,636
2026		9,239
2027		2,550
2028		1,063
Total undiscounted lease payments		39,488
Less: imputed interest		(1,471)
Net lease liability	$	38,017

Supplemental lease information:

		2024		2023
Operating lease weighted average remaining least term (years)		1.74		2.45
Operating lease weighted average discount rate		4.58%		2.92%
Right-of-use asset obtained in exchange for new operating lease liabilities	$	-	$	168,866

NOTE G – BOARD DESIGNATED ENDOWMENT

In May 2022, the Organization's Board of Directors designated $100,000 to function as an endowment. The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The endowment funds are held by ACF. Net investment return related to the endowment was approximately $10,000 and $5,700 for the years ended June 30, 2024 and 2023, respectively, and no amounts were appropriated for expenditure.

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2024 and 2023, and are available for the following purposes or periods:

		2024		2023
Subject to expenditure for specific purposes:				
Family support staff / licensed social worker	$	90,478	$	42,457

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS – continued

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by donors, as follows during the years ended June 30:

	2024	2023
Satisfaction of Purpose Restrictions		
Family support staff / licensed social worker	$ (18,650)	$ (66,529)

NOTE I – RETIREMENT PLAN

The Organization maintains a defined contribution 403(b) Salary Reduction Plan which is available to all employees. Under the plan, employees can elect to have their salary reduced on a pre-tax basis, based on a percentage of compensation. The Organization has the option of matching employee contributions and the employee may contribute up to 15% of his or her salary. Raising Special Kids, Inc. contributed 1% of each eligible employee's salary to the plan during the fiscal years ended June 30, 2024 and 2023 for a total of $5,314 and $6,059, respectively.

NOTE J – CONCENTRATION OF RISK

The Organization received significant contributions from a few major donors. Contributions from Donor A were approximately 27% and 26% of total support for the years ended June 30, 2024 and 2023, respectively. Contributions from donor B were approximately 20% and 18% of total support and revenue for the years ended June 30, 2024 and 2023, respectively.