

SHOWME AQUATICS AND FITNESS

***FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2023 AND 2022***

SHOWME AQUATICS AND FITNESS

ST. CHARLES, MISSOURI

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INDEPENDENT AUDITORS' REPORT



Board of Directors
SHOWME AQUATICS AND FITNESS

Opinion

We have audited the accompanying financial statements of ShowMe Aquatics and Fitness, (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, 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 ShowMe Aquatics and Fitness, as of June 30, 2023 and 2022, and the changes in their net assets and 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 ShowMe Aquatics and Fitness 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ShowMe Aquatics and Fitness' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ShowMe Aquatics and Fitness ' 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 ShowMe Aquatics and Fitness' 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.



St. Charles, Missouri

March 28, 2024

SHOWME AQUATICS AND FITNESS
STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	\$ 457,336	\$ 301,429
Accounts receivable	63,900	30,741
Pledge receivable - current	49,564	100,000
Prepaid expenses	4,991	4,991
TOTAL CURRENT ASSETS	575,791	437,161
NONCURRENT		
Pledge receivable, net current portion	-	46,943
FIXED ASSETS		
Furniture and equipment	80,890	63,788
Accumulated depreciation	(64,334)	(57,057)
Net Fixed Assets	16,556	6,731
Construction in progress	7,337	-
TOTAL FIXED ASSETS	23,893	6,731
TOTAL ASSETS	\$ 599,684	\$ 490,835

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	10,487	\$ 1,481
Pledge payable	37,500	37,500
Capital lease payable - amounts due in one year	2,462	-
Notes payable - amounts due in one year	3,688	3,588
TOTAL CURRENT LIABILITIES	54,137	42,569
LONG-TERM LIABILITIES		
Capital lease	8,077	-
Notes payable	147,293	150,000
Amounts due within one year	(6,150)	(3,588)
TOTAL LONG-TERM LIABILITIES	149,220	146,412
TOTAL LIABILITIES	203,357	188,981
NET ASSETS		
Without donor restrictions:		
Undesignated	346,763	154,911
With donor restrictions:		
Time-restricted for future periods	49,564	146,943
TOTAL NET ASSETS	396,327	301,854
TOTAL LIABILITIES AND NET ASSETS	\$ 599,684	\$ 490,835

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

SHOWME AQUATICS AND FITNESS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 32,037	\$ 2,621	\$ 34,658
Grants	530,287	-	530,287
Program fees	52,935	-	52,935
Special events, net of \$8,581 direct benefit to donors	27,592	-	27,592
In-kind donations	8,800	-	8,800
Interest	188	-	188
Miscellaneous	240	-	240
Employee retention credit reimbursement	210,273	-	210,273
Net assets released from restriction - time	100,000	(100,000)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>962,352</u>	<u>(97,379)</u>	<u>864,973</u>
 EXPENSES			
Program	641,316	-	641,316
Management and general	109,962	-	109,962
Fundraising	19,222	-	19,222
TOTAL EXPENSES	<u>770,500</u>	<u>-</u>	<u>770,500</u>
 CHANGE IN NET ASSETS	191,852	(97,379)	94,473
 NET ASSETS - BEGINNING OF YEAR	<u>154,911</u>	<u>146,943</u>	<u>301,854</u>
 NET ASSETS - END OF YEAR	<u>\$ 346,763</u>	<u>\$ 49,564</u>	<u>\$ 396,327</u>

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

SHOWME AQUATICS AND FITNESS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 31,901	\$ 4,900	\$ 36,801
Grants	502,281	-	502,281
Program fees	41,972	-	41,972
Special events, net of \$10,233 direct benefit to donors	24,856	-	24,856
In-kind donations	6,800	-	6,800
Miscellaneous	653	-	653
Net assets released from restriction - time	100,000	(100,000)	-
TOTAL REVENUE, GAINS AND OTHER SUPPORT	<u>708,463</u>	<u>(95,100)</u>	<u>613,363</u>
EXPENSES			
Program	602,416	-	602,416
Management and general	53,930	-	53,930
Fundraising	19,105	-	19,105
TOTAL EXPENSES	<u>675,451</u>	<u>-</u>	<u>675,451</u>
CHANGE IN NET ASSETS	33,012	(95,100)	(62,088)
NET ASSETS - BEGINNING OF YEAR	<u>121,899</u>	<u>242,043</u>	<u>363,942</u>
NET ASSETS - END OF YEAR	<u>\$ 154,911</u>	<u>\$ 146,943</u>	<u>\$ 301,854</u>

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

SHOWME AQUATICS AND FITNESS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program	Management and General	Fundraising	Total
Salaries	\$ 414,826	\$ 21,983	\$ 16,487	\$ 453,296
Employee benefits	64,940	1,770	1,328	68,038
Payroll taxes	35,411	1,877	1,407	38,695
TOTAL SALARIES AND RELATED EXPENSES	515,177	25,630	19,222	560,029
Advertising	9,030	1,276	-	10,306
Depreciation	4,604	-	-	4,604
Dues and subscriptions	1,342	271	-	1,613
Special events	-	-	8,581	8,581
Insurance	9,350	1,038	-	10,388
Interest	305	4,985	-	5,290
Miscellaneous	1,632	229	-	1,861
Office supplies	2,061	4,892	-	6,953
Pool and office rental	64,127	2,107	-	66,234
Postage	1,040	614	-	1,654
Professional	8,227	67,372	-	75,599
Program supplies	1,647	-	-	1,647
Program equipment	914	-	-	914
Repairs and maintenance	376	-	-	376
Telephone	3,378	438	-	3,816
Training and conferences	7,016	381	-	7,397
Travel	7,751	485	-	8,236
Utilities	3,339	244	-	3,583
TOTAL EXPENSES	\$ 641,316	\$ 109,962	\$ 27,803	\$ 779,081
Less expense with direct benefits to donors included with revenues on the statement of activities:				
Fundraising events	-	-	(8,581)	(8,581)
Total expenses on statement of activities	\$ 641,316	\$ 109,962	\$ 19,222	\$ 770,500

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

SHOWME AQUATICS AND FITNESS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 405,546	\$ 23,547	\$ 16,479	\$ 445,572
Employee benefits	56,250	1,696	1,272	59,218
Payroll taxes	33,319	1,935	1,354	36,608
TOTAL SALARIES AND RELATED EXPENSES	<u>495,115</u>	<u>27,178</u>	<u>19,105</u>	<u>541,398</u>
Advertising	947	369	-	1,316
Bad debt	-	199	-	199
Depreciation	3,433	-	-	3,433
Dues and subscriptions	773	255	-	1,028
Special events	-	-	10,233	10,233
Insurance	9,084	1,009	-	10,093
Interest	-	3,144	-	3,144
Miscellaneous	710	70	-	780
Office supplies	4,170	1,479	-	5,649
Pool and office rental	58,628	2,006	-	60,634
Postage	1,009	560	-	1,569
Professional fees	7,745	15,692	-	23,437
Program supplies	1,678	-	-	1,678
Program equipment	2,333	-	-	2,333
Repairs and maintenance	558	312	-	870
Telephone	3,862	450	-	4,312
Training and conferences	3,171	570	-	3,741
Travel	6,092	410	-	6,502
Utilities	3,108	227	-	3,335
TOTAL EXPENSES	<u>\$ 602,416</u>	<u>\$ 53,930</u>	<u>\$ 29,338</u>	<u>\$ 685,684</u>
Less expense with direct benefits to donors included with revenues on the statement of activities:				
Fundraising events	-	-	(10,233)	(10,233)
Total expenses on statement of activities	<u>\$ 602,416</u>	<u>\$ 53,930</u>	<u>\$ 19,105</u>	<u>\$ 675,451</u>

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

SHOWME AQUATICS AND FITNESS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from service recipients	\$ 46,478	\$ 32,376
Cash received from contributors and grantors	671,795	669,271
Cash paid to suppliers and employees	(751,381)	(677,095)
Interest received	188	-
Interest paid	(5,290)	(6,410)
Other cash received	210,513	653
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	172,303	18,795
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(11,306)	(5,767)
Principal lease payments - copier	(2,383)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(13,689)	(5,767)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on debt	(2,707)	(12,500)
NET INCREASE IN CASH	155,907	528
CASH - BEGINNING OF YEAR	301,429	300,901
CASH - END OF YEAR	\$ 457,336	\$ 301,429

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

**RECONCILIATION OF CHANGE IN NET ASSETS
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

	2023	2022
CHANGE IN NET ASSETS	\$ 94,473	\$ (62,088)
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Depreciation	4,604	3,433
Present value adjustment of pledges receivable	(2,621)	(4,895)
(Increase) decrease in assets:		
Accounts receivable	(6,457)	(9,596)
Employee retention credit receivable	(26,702)	-
Pledges receivable	100,000	99,995
Prepaid expenses	-	(4,991)
Increase (decrease) in liabilities:		
Accounts payable	2,331	203
Accrued current liabilities	6,675	-
Accrued interest	-	(3,266)
TOTAL ADJUSTMENTS	77,830	80,883
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 \$ 172,303	 \$ 18,795
 Supplemental Data For Noncash Activities		
In-kind contributions	\$ 8,800	\$ 6,800

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

SHOWME AQUATICS AND FITNESS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. DESCRIPTION OF OPERATIONS

ShowMe Aquatics and Fitness (the Organization) is a nonprofit organization dedicated to removing barriers to fitness and improving quality of life. The Organization offers physical therapy, water exercise and adaptive swimming lessons for the purpose of improving health, mobility and psycho/social well being especially targeted for people with physical limitations. The majority of revenue obtained by the Organization is received from state and local government agency grants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Revenue Recognition - The Organization recognizes revenue primarily from fees for provided services. The Organization's performance obligations are satisfied at a point in time when the service occurs. Revenues are recognized (performance obligation is met) when earned (service provided), in an amount that reflects the consideration the Organization expects to be entitled to in exchange for the service provided. Terms and conditions are set at the time the service is provided, and do not include any financing component. Grant revenues under cost-reimbursable contracts are recognized when the condition is met. Funds received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Facilities - Donations of pool usage provided to the Organization are recorded as contributions at fair market value of the facilities provided. Such donations are reported as unrestricted support.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Donated Services - Donated services are recognized as contributions in accordance with FASB Accounting Standards Codification Topic 958, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and administrative tasks. Services that meet the criteria of FASB Accounting Standards Codification Topic 958 are recorded as in-kind donation of services.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentration of Cash - The Organization maintains its cash balances at three local financial institutions. The balances are insured up to the amounts allowed by Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. As of June 30, 2023, there were no uninsured deposits.

Concentration of Credit Risk - At June 30, 2023 and 2022, 44% and 87%, respectively, of the accounts receivable balance was due from a local taxing authority. At June 30, 2023, 42% was due from the Federal government.

Concentration of Revenue - Grants from state and local agencies represent 61% and 77% of the Organization's revenue, gains and other support for the years ended June 30, 2023 and 2022, respectively.

Accounts Receivable - Accounts receivable consists of fees billed for program services provided. Management believes all balances are collectible based on knowledge of their business and their history of collections. Therefore, no allowance for doubtful accounts is deemed necessary. It is the Organization's policy to write off uncollectible accounts when management determines the receivable will not be collected. Approximately 85% of accounts receivable is due from federal and local government entities.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectible promise to give based on historical experience, and assessment of economic conditions, and a review of subsequent collections. An allowance for uncollectible promises to give is recorded when a promise to give is deemed uncollectible. At June 30, 2023 and 2022, all promises to give are deemed 100% collectible.

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 and disclosures. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fixed Assets - Acquisitions of furniture and equipment in excess of \$500 are capitalized. Fixed assets are recorded at cost or fair market value at time of donation and depreciated over estimated useful lives as follows:

<u>Major Group</u>	<u>Method</u>	<u>Life</u>
Furniture and equipment	Straight-line	3 - 7 years

Depreciation expense was \$4,604 and \$3,433 for the years ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expense - The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Expenses which directly benefit programs, management and general or fundraising are charged to the respective functional area on the basis of actual costs. Other expenses attributed to more than one program or supporting function, are allocated using an appropriate allocation method that is consistently applied. The expenses allocated based on the Organization's estimates of time and effort of individual employees are salaries, employee benefits, advertising, dues and subscriptions, insurance, miscellaneous, office supplies, postage, some professional fees, repairs and maintenance, telephone, training and conferences, travel, and utilities.

Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Advertising - The Organization follows the policy of charging advertising to expense when incurred. Advertising costs amounted to \$10,306 and \$1,316 for the years ended June 30, 2023 and 2022, respectively.

3. PLEDGES RECEIVABLE

During 2019, the Organization received a pledge from the Schaeffer Foundation whereby \$500,000 would be donated to the organization over a five-year period, in quarterly installments of \$25,000. Total pledges receivable as of June 30, 2023 and 2022, are \$49,564 and \$146,943, respectively. All pledges are deemed 100% collectible.

Due to the long-term duration of the receivable, the five year treasury rate of 2.37% was utilized to calculate the present value of future cash flows.

3. PLEDGES RECEIVABLE - continued

Unconditional promises to give are estimated to be collected as follows;

Within one year	\$ 50,000
In one to four years	-
Total	<u>50,000</u>
Less: Discount to net present value at 2.37%	<u>436</u>
 Total Pledges Receivable, Net	 <u>\$ 49,564</u>

4. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

Financial assets:	
Cash	\$ 457,336
Accounts receivable	63,900
Pledges receivable	<u>49,564</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 570,800</u>

The Organization receives significant revenue from state and local agencies, along with contributions from donors, which are available to meet cash needs for general expenditures.

The Organization manages its liquidity and reserves following three principles; operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining reserves to provide reasonable assurance that long-term obligations will be discharged.

The Organization expects to collect sufficient revenue in addition to cash and cash equivalents on hand to meet cash needs for the next 12 months. When necessary the Organization may obtain short-term loans from related parties to satisfy any cash shortages.

5. LEASES

The Organization leases office space under an agreement expiring June 30, 2023. Monthly lease payments accelerated from \$1,509 to \$1,760 over the course of the lease term. This lease continued on a short-term basis beginning July 1, 2023. In addition to office space, the Organization leases storage on a monthly basis and pool time on a per usage basis. Total rent expense was \$66,234 and \$60,634 for the years ended June 30, 2023 and 2022, respectively. Total rent expense includes in-kind pool rent of \$8,800 and \$6,800 for the years ended June 30, 2023 and 2022, respectively.

The Organization entered into a 63 month financing lease for a copy machine, commencing May 26, 2021 and ending August 26, 2026. Monthly payments of \$224 began June 26, 2021. Total fixed asset cost of \$12,956 and accumulated depreciation of \$5,141 as of June 30, 2023. Lease payments totaled \$2,688, including \$305 of interest, for the year ended June 30, 2023.

5. **LEASES - continued**

Future minimum lease payments for the years ended June 30 are as follows:

2024	\$	2,688
2025		2,688
2026		2,688
2027		<u>447</u>
Total		8,511
Less: interest discount		<u>(434)</u>
Capital Lease Payable	\$	<u><u>8,077</u></u>

6. **PLEDGES PAYABLE**

During the year ending June 30, 2019, the Organization pledged \$50,000 to Rainbow Village, payable over a five-year period. Per the agreement, the Organization will make quarterly installment payments of \$2,500. Effective June 30, 2021, as a result of the economic impact caused by COVID-19, the quarterly commitment payments were temporarily suspended. Temporary suspension of payments continued through June 30, 2023 as result of continued, unfavorable economic conditions. The unpaid balance as of June 30, 2023 and 2022 was \$37,500. Remaining future installment payments for the years ended June 30 are as follows:

2024	\$	10,000
2025		10,000
2026		10,000
2027		<u>7,500</u>
Total	\$	<u><u>37,500</u></u>

7. **NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2023</u>	<u>2022</u>
Subject to the passage of time	\$49,564	\$146,943

8. **IN-KIND DONATION**

Donated materials, equipment and facilities are recorded as support income at their estimated fair market values at the time they are received. Such donations are reported as unrestricted support unless the donor has restricted these donations to a specific purpose.

The Organization received donated facilities in the form of pool time. For the years ended June 30, 2023 and 2022 the Organization recognized \$8,800 and \$6,800, respectively in pool and office rental expense. The donated pool rent is valued at the fair value of facility usage at similar properties in the area.

9. ECONOMIC INJURY DISASTER LOAN PAYABLE

The Organization, received the Economic Injury Disaster Loan (EIDL) as part of the federal small business loan program offered through the Small Business Administration during the year ended June 30, 2021. The EIDL is provided to help overcome the effects of the COVID-19 pandemic by providing working capital to meet operating needs. The loan bears a fixed interest rate of 2.75%. Payments are deferred the first two years, during which time interest accrues. Principle and interest payments are made over the remaining 28 years. Loan payments of \$641 monthly, totaling \$7,692 were paid during the year ended June 30, 2023, including \$4,985 in interest expense.

Notes payable consist of the following:

	<u>2023</u>	<u>2022</u>
SBA EIDL Loan	\$ 147,293	\$ 150,000
Date of note - September 17, 2020		
Interest rate - 2.75%		
Maturity - September 17, 2051		
Payments - \$641, monthly		

Estimated future maturities/payments for the year ended June 30 are as follows:

2024	\$ 3,688
2025	3,790
2026	3,896
2027	4,004
2028	4,116
Thereafter	<u>127,799</u>
Total	<u>\$ 147,293</u>

10. INCOME TAX

FASB Accounting Standards Codification Topic 740, Income Taxes, provides for the recognition of tax benefits related to uncertain tax positions. For the year ended June 30 2023 and 2022, management believes there are no material uncertain tax positions. The Organization files form 990 Return of Organization Exempt From Income Tax. Returns prior to 2019 are closed.

11. COMMITMENTS AND CONTINGENCIES

The Organization receives a substantial amount of its support from federal, state and local governments and agencies. A significant reduction in the level of this support, if this were to occur, may have a negative effect on the Organization's programs and activities. Although this is a possibility, management deems this possibility remote.

12. RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

13. **SUBSEQUENT EVENT**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.