

**SEXUAL ASSAULT RESOURCE AGENCY, INC.**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**

SEXUAL ASSAULT RESOURCE AGENCY, INC.

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Table of Contents

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	<u>Page</u>
Independent Auditors' Report.....	1-2
<b><i>Financial Statements:</i></b>	
Statement of Financial Position .....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements .....	7-13



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**Independent Auditors' Report**

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**To the Board of Directors  
Sexual Assault Resource Agency, Inc.  
Charlottesville, Virginia**

**Opinion**

We have audited the accompanying financial statements of Sexual Assault Resource Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 Sexual Assault Resource Agency, Inc. 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 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 Sexual Assault Resource Agency, 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.

**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 Sexual Assault Resource Agency, 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, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Sexual Assault Resource Agency, 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 Sexual Assault Resource Agency, 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.

*Anderson, Farnell, Cox Associates*

Charlottesville, Virginia  
December 15, 2024

**- Financial Statements -**

**SEXUAL ASSAULT RESOURCE AGENCY, INC.**

Statement of Financial Position

As of June 30, 2023

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 372,041
Investments	184,401
Prepaid expenses	1,397
Security deposit	<u>3,069</u>
Total current assets	<u>\$ 560,908</u>

Property and equipment (Note 3):

Furniture and fixtures	\$ 33,897
Lease Office	91,485
Accumulated depreciation	<u>(23,239)</u>
Net property and equipment	<u>\$ 102,143</u>
Total assets	<u><u>\$ 663,051</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities

Current liabilities:

Accounts payable	\$ 14,823
Accrued expenses	16,820
Lease Liabilites Current Portion	44,103
Compensated absences	17,385
Total current liabilities	<u>\$ 93,131</u>

Noncurrent liabilities:

Lease payable - net of current portion	\$ 48,147
Total noncurrent liabilities	<u>\$ 48,147</u>
Total liabilities	<u>\$ 141,278</u>

Net assets:

Net assets without donor restrictions	\$ 508,366
Net assets without donor restrictions - Board Designated Reserve	<u>13,407</u>
Total net assets	<u>\$ 521,773</u>
Total liabilities and net assets	<u><u>\$ 663,051</u></u>

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

**SEXUAL ASSAULT RESOURCE AGENCY, INC.**

Statement of Activities  
For the Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, gains, and other support:</b>			
Grants from government agencies:			
State VSGP	\$ -	\$ 291,283	\$ 291,283
State DCJS	-	24,110	24,110
State V-STOP	-	26,571	26,571
State SASP	-	19,571	19,571
State VDH	-	69,483	69,483
City of Charlottesville	11,550	-	11,550
County of Albemarle	21,855	-	21,855
University of Virginia	25,000	-	25,000
County of Fluvanna	1,300	-	1,300
Louisa County Community Fund	2,500	-	2,500
Other State Grants	1,280	-	1,280
	<hr/>	<hr/>	<hr/>
Total grants from government agencies	\$ 63,485	\$ 431,018	\$ 494,503
Other Grants/Contributions	340,372	-	340,372
Special Events	22,201	-	22,201
Other income	2,836	-	2,836
PPP loan forgiveness	148,998	-	148,998
Interest and dividends	9,117	-	9,117
Realized/Unrealized gain or (loss) on investments	(3,776)	-	(3,776)
Net assets released from restrictions	431,018	(431,018)	-
	<hr/>	<hr/>	<hr/>
Total revenues, gains, and other support	\$ 1,014,251	\$ -	\$ 1,014,251
<b>Expenses:</b>			
Program services:			
Crisis and direct services	\$ 422,437	\$ -	\$ 422,437
Prevention programs	184,504	-	184,504
Outreach services	102,141	-	102,141
General services	24,691	-	24,691
Supporting services:			
Management and general	224,250	-	224,250
Fundraising	26,066	-	26,066
	<hr/>	<hr/>	<hr/>
Total expenses	\$ 984,089	\$ -	\$ 984,089
<b>Change in net assets</b>	\$ 30,162	\$ -	\$ 30,162
<b>Net assets, beginning of year</b>	491,611	-	491,611
	<hr/>	<hr/>	<hr/>
<b>Net assets, end of year</b>	\$ 521,773	\$ -	\$ 521,773
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The accompanying notes to financial statements are an integral part of this statement.

**SEXUAL ASSAULT RESOURCE AGENCY, INC.**

Statement of Functional Expenses  
For the Year Ended June 30, 2023

	Program Services					Supporting Services			Total
	Crisis and Direct Services	Prevention Programs	Outreach Services	General Program	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 320,921	\$ 137,512	\$ 86,023	\$ 20,502	\$ 564,958	\$ 76,130	\$ 17,832	\$ 93,962	\$ 658,920
Employee benefits	44,927	18,232	8,862	2,573	74,594	9,411	1,679	11,090	85,684
Payroll taxes	23,596	10,111	6,325	1,507	41,539	5,598	1,311	6,909	48,448
Accounting fees	-	-	-	-	-	28,930	-	28,930	28,930
Payroll Fees	-	-	-	-	-	2,023	-	2,023	2,023
Advertising	230	685	-	-	915	790	-	790	1,705
Bank and merchant fees	-	-	-	-	-	2,110	-	2,110	2,110
Consulting and facilitator fees	48	-	-	-	48	8,225	-	8,225	8,273
Depreciation	-	-	-	-	-	2,646	-	2,646	2,646
Dues and subscriptions	12,530	120	-	-	12,650	5,158	2,798	7,956	20,606
Utilities	939	540	-	-	1,479	1,895	31	1,926	3,405
Meals	312	611	-	-	923	-	-	-	923
Mileage and subsistence	-	357	118	-	475	-	-	-	475
Miscellaneous	-	1,996	-	-	1,996	(3,530)	350	(3,180)	(1,184)
Office Supplies/Expenses	788	470	-	-	1,258	11,627	-	11,627	12,885
Postage	-	-	-	-	-	12	-	12	12
Printing/awareness materials	401	803	-	109	1,313	1,219	935	2,154	3,467
Recruiting	31	-	-	-	31	55	-	55	86
Rent	1,591	11,399	813	-	13,803	34,136	71	34,207	48,010
Repair and maintenance	-	-	-	-	-	2,610	-	2,610	2,610
Equipment	-	-	-	-	-	11,328	1,059	12,387	12,387
Organizational insurance	41	-	-	-	41	8,318	-	-	8,359
Supervision	13,455	-	-	-	13,455	-	-	-	13,455
Special event expense	-	-	-	-	-	8,882	-	8,882	8,882
Telephone	1,036	-	-	-	1,036	6,398	-	6,398	7,434
Interest expense	-	-	-	-	-	172	-	-	172
Translation services	815	-	-	-	815	-	-	-	815
Travel	776	1,668	-	-	2,444	107	-	107	2,551
<b>Total</b>	<b>\$ 422,437</b>	<b>\$ 184,504</b>	<b>\$ 102,141</b>	<b>\$ 24,691</b>	<b>\$ 733,773</b>	<b>\$ 224,250</b>	<b>\$ 26,066</b>	<b>\$ 241,826</b>	<b>\$ 984,089</b>

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



**SEXUAL ASSAULT RESOURCE AGENCY, INC.**

Statement of Cash Flows  
For the Year Ended June 30, 2023

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Cash flows from operating activities:	
Change in net assets	\$ 30,162
Adjustments to reconcile net assets to net cash provided by (used for) operating activities:	
Investment loss	3,776
Depreciation	2,646
PPP Loan forgiveness of debt	(148,998)
(Increase) decrease in assets:	
Grants receivable	49,836
Investments	185
Prepaid expenses	2,226
Increase (decrease) in liabilities:	
Accounts payable	11,685
Accrued expenses	5,643
Net lease liability	765
Compensated absences	(2,185)
Net cash provided by (used for) operating activities	<u>\$ (44,259)</u>
Cash flows from investing activities:	
Purchase of property and equipment	\$ (9,990)
Purchase of investments	(4,330)
Sale of investments	185
Net cash provided by (used for) investing activities	<u>\$ (14,135)</u>
Cash flows provided by (used for) financing activities:	
Payroll protection loan	\$ -
Principal payments on PPP Loan	\$ -
Net cash provided by (used for) financing activities	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	\$ (58,394)
Cash and cash equivalents, beginning of year	<u>430,435</u>
Cash and cash equivalents, end of year	<u>\$ 372,041</u>

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

## SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements  
As of June 30, 2023

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### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

#### Background:

Sexual Assault Resource Agency, Inc. (SARA or the Organization) provides crisis intervention, support, advocacy, and companion services to the survivors of sexual violence. SARA also provides education and prevention programs to the City of Charlottesville, the University of Virginia, and the counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson.

SARA's crisis and direct services include a 24-hour hotline and 24/7/365 response to the University of Virginia Emergency Department to support survivors. Services at the office include therapy and advocacy. Advocacy includes psycho-educational support, support with law enforcement and the legal system, and referrals to other community resources. Services are provided to men, women, and children, both as survivors of assaults when children and as adults.

SARA's prevention programs work to build protective factors in our community. We work with area high schools using the Green Dot program to build a supportive culture within the school. We support area churches with the Safe Church program. We work with a local restaurant coalition to help restaurant staff create a safe environment for themselves and customers.

Outreach services are provided in multiple ways. SARA participates in area Multi-Disciplinary Teams working to support child abuse victims. SARA is actively involved with area Sexual Assault Response Teams which work to coordinate the criminal justice response to adult survivors. Community outreach and training is provided with activities throughout the area as well with an active social media presence.

The Organization receives its funds primarily from state, city, and county governments and through private donations and fundraising.

#### Basis of Accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized in the period in which they are earned, while expenses are recognized in the accounting period in which the related liability is incurred.

#### Financial Statement Presentation:

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

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations. At June 30, 2023, the Organization had net assets without donor restrictions of \$521,773.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. At June 30, 2023, the Organization had no net assets with donor restrictions.

## SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements  
As of June 30, 2023 (continued)

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### **NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)**

#### Receivables:

The Organization has historically collected substantially all of its receivables. Grants receivable are primarily made up of receivables for grants from governmental agencies. At June 30, 2023, the Organization had \$0 of accounts receivable.

#### Contributions:

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

### **NOTE 2 - CASH AND CASH EQUIVALENTS:**

The Organization considers all highly liquid investments with a maturity of three months or less at the date of acquisition to be "cash equivalents."

The Organization maintains its deposits in two financial institutions. At June 30, 2023, \$345,361 of the Organization's cash equivalents were held in investments not covered by FDIC.

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
<u>Cash and cash equivalents:</u>			
Cash	\$ 224,072	\$ 224,072	\$ -
Money market mutual fund	147,969	147,969	-
Total cash and cash equivalents	<u>\$ 372,041</u>	<u>\$ 372,041</u>	<u>\$ -</u>
<u>Investments:</u>			
Fixed income securities	\$ 197,392	\$ 184,401	\$ 12,991
Total cash, cash equivalents, and investments	<u>\$ 569,433</u>	<u>\$ 556,442</u>	<u>\$ 12,991</u>

## SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements  
As of June 30, 2023 (continued)

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### **NOTE 3 - FAIR VALUE MEASUREMENT:**

The Organization has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification for financial instruments measured at fair value on a recurring basis. The standard defines fair value and establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

These tiers include:

- Level 1 Fair Value Measurements – Defined as observable inputs such as quoted prices (unadjusted) for identical investments in active markets
- Level 2 Fair Value Measurements – Defined as inputs other than quoted prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active. There are no level 2 investments as of June 30, 2023.
- Level 3 Fair Value Measurements – Defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions such as valuation derived from valuation techniques in which one or more significant value drivers are observable. There are no level 3 investments as of June 30, 2023.

The Organization measured certain financial instruments at fair value on a recurring basis. Financial assets measured at fair value on a recurring basis are as follows as of June 30, 2023:

	<b>Fair Value Measurements at Reporting Date</b>	
	<b>6/30/2023</b>	<b>Quoted Prices in Active Markets for Identical Assets</b>
		<b>(Level 1)</b>
Vanguard Short Term Bond Index	\$ 166,096	\$ 166,096
Vanguard Intermediate Term Bond Index	18,305	18,305
Total	<u>\$ 184,401</u>	<u>\$ 184,401</u>

## **SEXUAL ASSAULT RESOURCE AGENCY, INC.**

Notes to Financial Statements  
As of June 30, 2023 (continued)

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### **NOTE 4 - PROPERTY AND EQUIPMENT:**

Purchased property and equipment costing in excess of \$250 are recorded at cost. Donated property and equipment are recorded at the estimated fair value at the date of the gift. Depreciation is provided over the estimated useful lives of the asset on a straight-line basis. Estimated useful lives range from 5 to 7 years for furniture and fixtures. Depreciation expense for property and equipment was \$2,646 for the year.

### **NOTE 5 - PREPAID EXPENSES:**

Prepaid expenses consists entirely of prepaid rent.

### **NOTE 6 - SECURITY DEPOSIT:**

Security Deposit consists entirely of one deposit made at lease inception for the Organization's lease of the Greenbrier Drive location.

### **NOTE 7 - USE OF 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.

### **NOTE 8 - INCOME TAX STATUS:**

The Organization is a not-for-profit organization exempt from income taxes under 501(c) (3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi).

### **NOTE 9 - DONATED MATERIALS AND CONTRIBUTED SERVICES:**

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the year received. There were no donated materials and services received during the year.

### **NOTE 10 - FUNCTIONAL ALLOCATION OF EXPENSES:**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Some categories of expenses are attributed to more than one program or supporting function. Accordingly, some expense apportionments are estimates because of the overlap of activities and the difficulty of record keeping for usage. Allocation of expenses such as salaries and wages, education and training, and supplies are allocated based on time, effort, and usage. Specifically identifiable expenses are directly allocated.

**SEXUAL ASSAULT RESOURCE AGENCY, INC.**

Notes to Financial Statements  
As of June 30, 2023 (continued)

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**NOTE 11 - RETIREMENT PLAN:**

The Organization has a defined contribution retirement plan under Section 403(b) of the Internal Revenue Code. All full-time employees are eligible to participate in the plan on the first day of their second year of employment. Contributions of \$16,404 were made by SARA on behalf of its employees for the year ended June 30, 2023.

**NOTE 12 - COMPENSATED ABSENCES:**

The Organization has a policy which allows for employees to accumulate a maximum for 80 vacation hours and 200 sick leave hours. The Organization has compensated absences totaling \$17,385 at June 30, 2023.

**NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets were released from restrictions by incurring expenditures satisfying the following restricted purpose:

State VOCA	\$	291,283
State FACT		24,110
State V-STOP		26,571
State SASP		19,571
State VDH		<u>69,483</u>
Total	\$	<u><u>431,018</u></u>

**NOTE 14 - LEASE COMMITMENTS:**

On August 1, 2016, the Organization undertook a five-year lease for new office space at a new location, with an option to renew for an additional five years. Rent expense for the fiscal year 2023 was \$48,010. Below are the future lease payments:

<u>Year Ending</u> <u>June 30,</u>		<u>Future Lease</u> <u>Payments</u>
2024	\$	44,473
2025		44,563
2026		<u>3,714</u>
Total	\$	<u><u>92,750</u></u>

## SEXUAL ASSAULT RESOURCE AGENCY, INC.

Notes to Financial Statements  
As of June 30, 2023 (continued)

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### **NOTE 15 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:**

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

Cash and cash equivalents	\$	372,041
Investments		184,401
Grants receivable		-
	\$	<u>556,442</u>

### **NOTE 16 – PAYROLL PROTECTION LOAN:**

On April 17, 2020, the Organization received a Payroll Protection Loan from the Small Business Administration as created by the Coronavirus Aid, Relief, and Economic Security Act (the “CARES” Act) in the amount of \$162,500. On March 22, 2021, the Organization received a second Payroll Protection Loan in the amount of \$148,997. According to the rules of the program, the loans will be forgiven if they are spent on allowable costs (i.e. Payroll, rent and utilities payments, and interest payments on mortgages). In August of 2021, \$126,592 of the \$162,500 was forgiven. The remainder is expected to be repaid in full, with accrued interest. In July of 2022, the second Payroll Protection Loan of \$148,997 was forgiven in full.

### **NOTE 17 – BOARD DESIGNATED RESERVE:**

The Board Designated Reserve was established to set aside funds to use as needed to off-set year end deficits, or unexpected expenses. The funds may be utilized as necessary after being approved by a vote of the Board of Directors. No Board Designated Reserve funds were unitized during the year ending June 30, 2023.

### **NOTE 18 – SUBSEQUENT EVENTS:**

The Organization evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 15, 2024, which is the date financial statements were available to be issued.

The COVID-19 pandemic and its impact on operations continues to evolve. Specific to the Organization, COVID-19 impacted various parts of its 2021 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Federal relief has been received through various programs. Management believes the Organization is taking appropriate actions to mitigate the negative impact. The extent to which COVID-19 may impact operations in subsequent years remains uncertain, and management is unable to estimate the effects on future results of operations, financial condition, or liquidity for fiscal year 2023.

**SEXUAL ASSAULT RESOURCE AGENCY, INC.**

Notes to Financial Statements  
As of June 30, 2023 (continued)

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**NOTE 19 – OPERATING LEASES**

The Company leases office space from Hurt Investment Company under a lease dated July 21, 2015. The original lease agreement expiration date was July 31, 2020. The Company exercised the option to renew the lease for five additional years, and the new expiration date is July 31, 2026. The original lease terms provide for monthly rent payments of \$3,069. The renewed lease terms provide for monthly rent payments of \$3,448 with scheduled annual increases of 2.5% per year. The remaining lease term was 2.1 years as of June 30, 2023. The Company used a \_% discount rate for purposes of calculating the present value of lease payments as of June 30, 2023.

Amounts reported in the financial statements as of June 30, 2023 were as follows:

ST operating lease liability	\$	<u>91,485</u>
ST operating lease liability	\$	44,103
LT operating lease liability		<u>48,147</u>
Total operating lease liability	\$	<u>92,250</u>

Maturities of the lease liability under the noncancellable operating lease as of June 30, 2023 are as follows:

2024	\$	44,473
2025		44,563
2026		<u>3,714</u>
Total	\$	<u>92,750</u>
Less imputed interest	\$	<u>(500)</u>
Total	\$	<u>92,250</u>