

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

FINANCIAL REPORT

December 31, 2023 and 2022



THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-17



+ 1000 Pinellas Street, Clearwater, Florida 33756

+ p 727.446.5858 | f 727.443.3389

+ www.maloneynovotny.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Shirley Proctor Puller Foundation, Inc.
South St. Petersburg, Florida

Opinion

We have audited the financial statements of The Shirley Proctor Puller Foundation, Inc. (the "Organization", a Florida nonprofit organization), which comprise the statement of financial position as of December 31, 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 (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 December 31, 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 ("GAAS"). 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 the Organization 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 the Organization as of December 31, 2022 were audited by other auditors whose report dated April 30, 2023 expressed an unmodified opinion on those financial statements.

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; this includes 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.



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 it is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS, 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.

Meloney + Novotny LLC

Clearwater, Florida
May 20, 2024

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 243,976	\$ 209,728
Investments	21,453	15,333
Grant receivable	173,866	119,071
Accounts receivable	-	1,117
Prepaid expenses	<u>112,277</u>	<u>65,705</u>
Total current assets	551,572	410,954
Property and Equipment, net	<u>487,070</u>	<u>293,839</u>
Total assets	<u><u>\$ 1,038,642</u></u>	<u><u>\$ 704,793</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 5,028	\$ 13,126
Accrued expenses	9,272	5,906
Deferred revenue	<u>8,750</u>	<u>-</u>
Total current liabilities	23,050	19,032
Net Assets		
Without donor restrictions	965,592	685,761
With donor restrictions	<u>50,000</u>	<u>-</u>
Total net assets	<u><u>1,015,592</u></u>	<u><u>685,761</u></u>
Total liabilities and net assets	<u><u>\$ 1,038,642</u></u>	<u><u>\$ 704,793</u></u>

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

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Totals
Public Support and Other Revenues			
Public Support:			
Grants and contributions	\$ 1,903,304	\$ 50,000	\$ 1,953,304
In-kind contributions	168,386	-	168,386
Total public support	2,071,690	50,000	2,121,690
Other revenues:			
Program income - tuition	4,179	-	4,179
Other	15,570	-	15,570
Total other revenues	19,749	-	19,749
Total public support and other revenues	2,091,439	50,000	2,141,439
Expenses			
Program services:			
M.A.S.T.R. Kids ®	1,415,745	-	1,415,745
High School M.A.S.T.R. Plan	120,189	-	120,189
Total program services	1,535,934	-	1,535,934
Supporting services:			
General and administration	210,605	-	210,605
Fundraising	65,069	-	65,069
Total supporting services	275,674	-	275,674
Total expenses	1,811,608	-	1,811,608
Change in Net Assets	279,831	50,000	329,831
Net Assets			
Beginning of period	685,761	-	685,761
End of period	\$ 965,592	\$ 50,000	\$ 1,015,592

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

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals
Public Support and Other Revenues			
Public Support:			
Grants and contributions	\$ 1,398,347	\$ -	\$ 1,398,347
In-kind contributions	170,873	-	170,873
Total public support	1,569,220	-	1,569,220
Other revenues:			
Employee retention tax credit	73,112	-	73,112
Program income - tuition	16,046	-	16,046
Other	1,606	-	1,606
Total other revenues	90,764	-	90,764
Total public support and other revenues	1,659,984	-	1,659,984
Expenses			
Program services:			
M.A.S.T.R. Kids ®	1,352,443	-	1,352,443
Supporting services:			
General and administration	117,763	-	117,763
Fundraising	48,656	-	48,656
Total supporting services	166,419	-	166,419
Total expenses	1,518,862	-	1,518,862
Change in net assets	141,122	-	141,122
Net Assets			
Beginning of period	544,639	-	544,639
End of period	\$ 685,761	\$ -	\$ 685,761

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

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023

	Program Services		Supporting Services		Total
	M.A.S.T.R. KIDS ®	High School M.A.S.T.R. Plan	General and Administration	Fundraising	Expenses
Personnel expenses:					
Salaries	\$ 885,710	\$ 55,680	\$ 86,198	\$ -	\$ 1,027,588
Payroll taxes	68,907	4,242	6,394	-	79,543
Benefits	15,814	642	4,988	-	21,444
Total personnel expenses	970,431	60,564	97,580	-	1,128,575
Other expenses:					
In-kind donations	49,456	24,450	46,480	48,000	168,386
Supplies	119,837	26,701	1,791	106	148,435
Insurance	52,589	4,924	6,018	-	63,531
Contract services	44,260	219	29,195	11,322	84,996
Rent	51,237	-	-	-	51,237
Accounting and audit	-	-	7,300	-	7,300
Repairs and maintenance	6,861	-	-	-	6,861
Training and conference	6,138	-	4,563	-	10,701
Travel	10,720	855	-	-	11,575
Office	2,697	120	15,304	682	18,803
Field trip cost	4,963	2,160	-	-	7,123
Printing and postage	3,746	196	281	979	5,202
Website	-	-	1,721	-	1,721
Advertising and promotion	-	-	241	3,980	4,221
Software	7,021	-	131	-	7,152
Other	-	-	-	-	-
Total expenses before depreciation	1,329,956	120,189	210,605	65,069	1,725,819
Depreciation	85,789	-	-	-	85,789
Total expenses	\$ 1,415,745	\$ 120,189	\$ 210,605	\$ 65,069	\$ 1,811,608

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

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2022

	Program Services	Supporting Services		Total
	M.A.S.T.R. KIDS ®	General and Administration	Fundraising	Expenses
Personnel expenses:				
Salaries	\$ 852,197	\$ -	\$ -	\$ 852,197
Payroll taxes	66,530	-	-	66,530
Benefits	-	-	-	-
Total personnel expenses	918,727	-	-	918,727
Other expenses:				
In-kind donations	86,873	36,000	48,000	170,873
Supplies	127,409	1,346	-	128,755
Insurance	54,387	-	-	54,387
Contract services	20,714	29,444	-	50,158
Rent	46,605	-	-	46,605
Accounting and audit	-	41,086	-	41,086
Repairs and maintenance	20,665	-	-	20,665
Training and conference	12,864	1,106	-	13,970
Travel	12,065	210	-	12,275
Office	9,197	2,109	656	11,962
Field trip cost	6,323	-	-	6,323
Printing and postage	2,109	2,730	-	4,839
Website	-	1,989	-	1,989
Advertising and promotion	-	190	-	190
Other	-	1,553	-	1,553
Total expenses before depreciation	1,317,938	117,763	48,656	1,484,357
Depreciation	34,505	-	-	34,505
Total expenses	\$ 1,352,443	\$ 117,763	\$ 48,656	\$ 1,518,862

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

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 329,831	\$ 141,122
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	85,789	34,505
Net gain on investments	(957)	(418)
Donated securities	(5,163)	(4,846)
(Increase) Decrease in assets:		
Grant receivable	(54,795)	(28,651)
Accounts receivable	1,117	(1,117)
Prepaid expenses	(46,572)	(16,979)
Increase (Decrease) in liabilities:		
Accounts payable	(8,098)	3,659
Accrued expenses	3,366	-
Deferred revenue	8,750	-
Net cash provided by operating activities	<u>313,268</u>	<u>127,275</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>(279,020)</u>	<u>(183,999)</u>
Net cash used in investing activities	<u>(279,020)</u>	<u>(183,999)</u>
Net change in cash and cash equivalents	34,248	(56,724)
Cash and Cash Equivalents Balance		
Beginning of period	<u>209,728</u>	<u>266,452</u>
End of period	<u><u>\$ 243,976</u></u>	<u><u>\$ 209,728</u></u>

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

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A - NATURE OF ACTIVITIES

The Shirley Proctor Puller Foundation, Inc. (the "Organization" or "SPPF") incorporated as a not-for-profit organization in 2014. The Organization has two separate service locations in South St. Petersburg, Florida: Friendship Missionary Baptist Church located at 31st Street South and John Hopkins Middle School, Campbell Park Resource Center located at 26th Street South. SPPF was named in honor of the late Shirley Proctor Puller, a dedicated Pinellas County teacher and educator, who was a passionate advocate of children's literacy.

The mission of the Organization is to advance reading, math, and science literacy, helping to close the achievement gap for children in the "at-risk" communities of St. Petersburg, Florida. The vision is a fully engaged, highly literate youth population in St. Petersburg, Florida, who have achieved excellence in reading, math, and science, resulting in unlimited post-graduate opportunities. The Organization provides these tools and support through the M.A.S.T.R. Kids ® and High School M.A.S.T.R. Plan Programs as well as free book distributions at community events to continually promote reading as a catalyst for literacy.

SPPF is governed by an independent, volunteer Board of Directors (the "Board"), who oversees the Organization's operations. Revenues to support the Organization are primarily received by grants through the Juvenile Welfare Board (the "JWB"), United Way, and community and private foundations, as well as individual and corporate donations of cash, materials, and services.

NOTE B - BASIS OF ACCOUNTING

1. *Basis of Accounting*

SPPF prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

2. *Basis of Presentation*

For accounting and reporting purposes, the revenues and gains/losses of SPPF are classified in net assets based on the existence or absence of donor-imposed restrictions. A description of the classes of net assets are as follows:

- a. Net assets without donor restrictions – Net assets for use in general operations and not subject to donor-imposed stipulations.
- b. Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of SPPF and/or the passage of time. Net assets with donor restrictions totaled \$50,000 at December 31, 2023.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of SPPFs' significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. *Cash and Cash Equivalents*

For purposes of the statement of cash flows, cash and cash equivalents includes all of SPPFs' checking and savings accounts with original maturities of three months or less. SPPFs' checking and savings accounts are insured up to specified limits through the Federal Deposit Insurance Corporation. The cash balances may periodically exceed the insured limits. The cash balances did not exceed insured limits at December 31, 2023 and 2022. SPPF believes it is not exposed to any significant credit risk on its cash balances and has not experienced any loss in such accounts.

2. *Receivables*

Receivables represent amounts due to SPPF under various grants through the JWB, United Way, and community and private foundations, or SPPFs' projects. The balances are presented net of estimated allowances for credit losses. Management determines the allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts. Management also considers current economic conditions and their expectations for future economic conditions when determining the allowance for credit losses. As of December 31, 2023 and 2022, there was no allowance for credit losses. As of December 31, 2023, and 2022 the balance of grants receivable and projects accounts receivable was \$173,866, and \$120,188, respectively.

3. *Revenue Recognition*

Grant Revenue

Grant revenue is conditional upon incurring qualifying expenses or meeting conditions of the grant in accordance with the provisions of the grants. Amounts received are recognized as revenue when SPPF has incurred expenditures or met conditions in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures or meeting conditions are reported as deferred revenue in the statement of financial position. SPPF was awarded cost-reimbursable or conditional grants that have not been recognized at December 31, 2023 because qualifying expenditures or conditions have not yet been incurred or met, with advance payments of \$8,750 recognized in the statement of financial position as deferred grant revenue. When eligible expenditures are incurred or conditions are met and the grant funds have not yet been received, a grant receivable is reported on the statement of financial position.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. *Revenue Recognition (Continued)*

Contributions

Contributions are recognized as revenue upon the earlier of the receipt of a donor's unconditional written pledge to contribute or upon receipt of the contribution. 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.

Donated, or In-kind, Goods, Property, and Services

Support arising from donated, or in-kind, goods, property, and services is recognized in the financial statements at its estimated fair value. U.S. GAAP requires recognition of in-kind services, if such services (1) create or enhance nonfinancial assets or (2) require specialized skills and are provided by individuals possessing those skills, who would typically charge a fee. For the year ended December 31, 2023, volunteers provided services to assist the Organization's management and fundraising functions for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under U.S. GAAP.

4. *Investments*

SPPF is required to present its investments with readily determinable fair values at fair value within the statements of financial position. Net unrealized and realized gains and losses are to be reported within the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

5. *Property and Equipment*

Property and equipment is stated at cost. The company capitalizes property and equipment acquisitions and improvements when the cost exceeds \$1,000. Depreciation is computed using the straight-line method over the anticipated useful lives of the assets.

Vehicles	5 years
Leasehold improvements	3-10 years

Expenditures for maintenance and repairs which do not extend the life of the applicable asset are charged to expense as incurred.

If donors stipulate how long the assets must be used or restrict the use of such assets for a specific purpose, the contributions are recorded as restricted support. In the absence of such stipulations, gifts of property are recorded as unrestricted support.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. *Fair Value Measurement*

SPPF estimates the fair value of financial securities using available market information and other generally accepted valuation methodologies. The inputs used to measure fair value are classified into three levels:

Level 1: Inputs consist of unadjusted quoted prices in active markets for identical assets.

Level 2: Inputs consist of observable inputs other than quoted prices in active markets for identical assets (Level 1) but are corroborated by market data.

Level 3: Inputs are unobservable with little or no market data.

Following is a description of the valuation methodology used for the investments, which are measured at fair value. There have been no changes in the methodologies from 2022 to 2023:

Corporate Stock and Exchange Traded Fund: Valued at the daily closing price reported on the active market on which the stocks and funds are traded. Classified as Level 1.

Mutual Fund: Valued at the daily closing price as reported by the fund. Mutual funds held by SPPF are open-end mutual funds that are registered with the Securities and Exchange Commission. This fund is required to publish their daily price and to transact at that price. Classified as Level 1.

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

7. *Functional Allocation of Expenses*

The cost of providing the various programs and other activities have been reported in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on employee time spent on each specific function or benefit each function received from the applicable expenses.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. *Income Taxes*

SPPF is a nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

SPPFs' evaluation on December 31, 2023 and 2022, revealed no uncertain tax positions that would have a material impact on the financial statements. SPPF does not believe that any reasonably possible changes in tax positions will occur within the next twelve months that will have a material impact on the financial statements.

9. *Use of Management's Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

10. *Leases*

SPPF determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. SPPF determines these identified assets are leased because SPPF has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because SPPF determines it does not have the right to control and direct the use of the identified asset.

SPPF recognizes right-of-use ("ROU") assets and lease liabilities at the inception of a contract that is or contains a lease. ROU assets and lease liabilities are recognized at the present value of future payments over the lease term as defined in the agreement. If the rate implicit in the lease is not readily determinable, SPPF has elected to adopt the practical expedient to use the risk-free rate to discount future lease payments. Lease term is defined as the non-cancellable period of the lease plus any options to extend the lease when it is reasonably certain that SPPF will exercise the option.

SPPF has elected not to record leases with an initial term of 12 months or less. Lease expense on such leases is recognized on a straight-line basis over the term of the lease. During the year ended December 31, 2023, all lease agreements had an initial term of 12 months or less, and therefore, are being expensed.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. *New Accounting Pronouncement*

As of January 1, 2023, SPPF adopted Accounting Standards Update No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)* (“ASC 326”). ASC 326 replaced the incurred loss model for measuring the allowance for credit losses with a new model that reflects current expected credit losses (“CECL”) that are expected to occur over the lifetime of the underlying asset. The CECL methodology is applicable to financial assets that are measured at amortized cost, including grants receivable and project accounts receivable. SPPF adopted ASC 326 using a modified retrospective approach, which did not have a material impact to the financial statements.

12. *Reclassifications*

Prior year amounts have been reclassified to be consistent with the presentation in the current year financial statements. These reclassifications had no effect on net asset or the changes in net assets.

NOTE D - FINANCIAL ASSETS AND LIQUIDITY

The following table reflects SPPFs’ financial assets as of December 31, 2023 and 2022 available for general expenditures within one year:

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash and cash equivalents	\$ 243,976	\$ 209,728
Investments	21,453	15,333
Grants receivable	173,866	119,071
Accounts receivable	<u>-</u>	<u>1,117</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 439,295</u>	<u>\$ 345,249</u>

As part of SPPFs’ liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. SPPF also continues to receive revenues to provide financial assets to pay its expenditures.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE E – INVESTMENTS

The fair value of SPPFs investments as of December 31, 2023 and 2022, presented by hierarchy level, are as follows:

December 31, 2023				
	Level 1	Level 2	Level 3	Total
Mutual fund - Money market fund	\$ 535	\$ -	\$ -	\$ 535
Corporate stock	15,722	-	-	15,722
Exchange traded fund	5,196	-	-	5,196
	<u>\$ 21,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,453</u>
December 31, 2022				
	Level 1	Level 2	Level 3	Total
Mutual fund - Money market fund	\$ 267	\$ -	\$ -	\$ 267
Corporate stock	15,066	-	-	15,066
	<u>\$ 15,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,333</u>

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2023 and 2022:

	2023	2022
Leasehold improvements	\$ 199,860	\$ 156,688
Vehicles	434,407	199,858
	634,267	356,546
Less: Accumulated depreciation	(147,197)	(62,707)
	<u>\$ 487,070</u>	<u>\$ 293,839</u>

Depreciation expense was \$85,789 and \$34,505 for the years ended December 31, 2023 and December 31, 2022, respectively.

NOTE G - CONCENTRATIONS

JWB provided 50% and 64% of the Organization's public support and other revenues, excluding those derived from in-kind goods and services, during the year ended December 31, 2023 and 2022, respectively.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE H – CONTRIBUTED GOODS AND SERVICES

The Organization received goods and services recognized as in-kind support for the years ended December 31, 2023 and 2022, as follows:

	2023			
	Program	General Administration	Fundraising	Total
Pro bono CEO	\$ 48,000	\$ 24,000	\$ 48,000	\$ 120,000
Pro bono CIO	-	20,000	-	20,000
IT service	4,593	-	-	4,593
Software	8,123	2,480	-	10,603
Nonperishable food	13,190	-	-	13,190
Total	<u>\$ 73,906</u>	<u>\$ 46,480</u>	<u>\$ 48,000</u>	<u>\$ 168,386</u>

	2022			
	Program	General Administration	Fundraising	Total
Pro bono CEO	\$ 36,000	\$ 36,000	\$ 48,000	\$ 120,000
IT service	20,000	-	-	20,000
Software	18,000	-	-	18,000
Nonperishable food	12,873	-	-	12,873
Total	<u>\$ 86,873</u>	<u>\$ 36,000</u>	<u>\$ 48,000</u>	<u>\$ 170,873</u>

All donated services and assets were utilized by SPPFs' programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. Donated professional services are valued at the standard hourly rates and annual salaries charged for those services. Donated food and software are valued at the estimated wholesale prices that would be received for selling similar products in the United States.

NOTE I – LINE-OF-CREDIT

SPPF has a revolving line-of credit with Valley National Bank, which allows for borrowings up to \$100,000 as of December 31, 2023. Amounts borrowed under the line-of credit are payable on demand. The debt is secured by all business assets owned by SPPF. The line-of-credit bears interest at the Wall Street Journal Prime Rate plus 1.0%, which was 8.5% as of December 31, 2023. There was no balance on this line-of credit at December 31, 2023 and 2022.

NOTE J – RETIREMENT PLAN

SPPF has adopted the Paychex Pooled Employer 401(k) Plan (the "Plan") on April 26, 2023. The Plan covers all SPPF employees, who meet certain eligibility requirements. Under the Plan, eligible employees may elect to defer a portion of their compensation and contribute it to their individual retirement account. SPPF contributes a fixed matching contribution equal to 100 percent of the employee's contributions up to 2 percent of eligible compensation. Retirement plan expense for the year ended December 31, 2023 was \$7,987.

THE SHIRLEY PROCTOR PULLER FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023 and 2022

NOTE K – COMMITMENTS AND CONTINGENCIES

SPPF leases classroom space under short-term financing leases that automatically renew for 12-month terms, through 2031. SPPF or the lessors may terminate either of the leases upon nine-months' written notice.

NOTE L - SUBSEQUENT EVENTS

SPPF has evaluated subsequent events through the date of the independent auditors' report, which is the date the financial statements were available to be issued. SPPF has determined that there were no subsequent events that required disclosure through the evaluation date.