TRIUMPH, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

TRIUMPH, INC.
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

INDEPENDENT AUDITORS' REPORT

Board of Directors
Triumph, Inc.
Taunton, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Triumph, Inc., 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 Triumph, 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 audits 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 Triumph, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Triumph, Inc.'s ability to continue as a going concern for one year after the date 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 GAAS 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 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 Triumph, 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 Triumph, 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.

Board of Directors
Triumph, Inc.

Summarized Comparative

The June 30, 2022 summarized comparative information has been derived from Triumph, Inc. and Subsidiary 2022 financial statements, and in our report dated November 15, 2022, we expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
November 9, 2023

TRIUMPH, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

		2023		2022
ASSETS				
CURRENT ASSETS				
Cash	$	2,253,205	$	1,468,013
Accounts Receivable		322,694		356,106
Contribution Receivable, Current		32,591		34,384
Prepaid Expenses		57,585		8,974
Total Current Assets		2,666,075		1,867,477
CONTRIBUTION RECEIVABLE, Noncurrent		107,587		133,661
PROPERTY AND EQUIPMENT				
Property and Equipment		5,813,707		5,139,898
Less: Accumulated Depreciation		1,867,874		1,709,718
Property and Equipment, Net		3,945,833		3,430,180
Total Assets	$	6,719,495	$	5,431,318
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current Maturities of Long-Term Debt	$	71,120	$	67,680
Accounts Payable		53,606		53,289
Accrued Expenses		243,065		141,879
Deferred Revenue		1,100,372		607,880
Total Current Liabilities		1,468,163		870,728
LONG-TERM DEBT, Net of Current Maturities		469,699		543,373
Total Liabilities		1,937,862		1,414,101
NET ASSETS				
Without Donor Restrictions		2,903,966		2,422,861
With Donor Restrictions		1,877,667		1,594,356
Total Net Assets		4,781,633		4,017,217
Total Liabilities and Net Assets	$	6,719,495	$	5,431,318

See accompanying Notes to Financial Statements.

TRIUMPH, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
OPERATING REVENUE AND SUPPORT				
Program Service Revenue	$ 7,748,792	$ 389,871	$ 8,138,663	$ 7,616,472
Contributed Services and Property	7,300	6,514	13,814	9,614
Contributions	11,321	69,000	80,321	88,520
Other Income	72,253	-	72,253	51,949
Net Assets Released from Restrictions	147,690	(147,690)	-	-
Total Operating Revenue and Support	7,987,356	317,695	8,305,051	7,766,555
EXPENSES				
Program Services	6,521,208	-	6,521,208	6,005,526
Management and General	973,675	-	973,675	1,041,946
Total Expenses	7,494,883	-	7,494,883	7,047,472
INCOME BEFORE DONATED RENT	492,473	317,695	810,168	719,083
Donated Rent Expense	(34,384)	-	(34,384)	(34,384)
Net Asset Releases - Donated Rent	34,384	(34,384)	-	-
INCOME FROM OPERATIONS	492,473	283,311	775,784	684,699
Loss on Property and Equipment Disposal	(11,368)	-	(11,368)	(72,278)
CHANGE IN NET ASSETS	481,105	283,311	764,416	612,421
Net Assets - Beginning of Year	2,422,861	1,594,356	4,017,217	3,404,796
NET ASSETS - END OF YEAR	$ 2,903,966	$ 1,877,667	$ 4,781,633	$ 4,017,217

See accompanying Notes to Financial Statements.

TRIUMPH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	Program Services				Supporting Services		
	Early Childhood Services	Transportation Services	Heath and Nutrition Services	Total Program Services	Management and General	2023 Total	2022 Total
OPERATING EXPENSES							
Salaries	$ 3,797,647	$ (3,079)	$ 204,197	$ 3,998,765	$ 681,139	$ 4,679,904	$ 4,424,104
Employee Benefits	765,063	1,499	50,102	816,664	130,099	946,763	887,493
Payroll Taxes	274,361	(244)	14,587	288,704	47,658	336,362	272,556
Occupancy	234,031	116	3,576	237,723	8,439	246,162	200,060
Supplies	97,291	91	62,334	159,716	1,406	161,122	148,153
Lunch Program Supplies	(21)	-	295,560	295,539	-	295,539	243,639
Professional Fees	212,701	219	9,219	222,139	21,719	243,858	217,871
Transportation	4,406	-	-	4,406	1,642	6,048	5,871
Training	59,031	17	4,035	63,083	8,840	71,923	73,181
Insurance	34,828	1,559	3,418	39,805	9,847	49,652	46,143
Office Expense	26,177	16	2,974	29,167	7,973	37,140	27,905
Dues and Subscriptions	5,797	35	525	6,357	17,396	23,753	21,352
Postage and Printing	10,149	2	253	10,404	830	11,234	4,363
Interest Expense	25,725	-	-	25,725	-	25,725	32,575
Other Expense	62,938	160	735	63,833	7,497	71,330	91,529
Equipment Expense	16,808	17	309	17,134	1,301	18,435	43,168
Telephone	30,018	81	782	30,881	4,177	35,058	34,545
Vehicle Expense	6,631	861	481	7,973	3,192	11,165	102,239
Depreciation	196,376	508	6,306	203,190	20,520	223,710	170,725
Total Operating Expenses	$ 5,859,957	$ 1,858	$ 659,393	$ 6,521,208	$ 973,675	$ 7,494,883	$ 7,047,472

See accompanying Notes to Financial Statements.

TRIUMPH, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 764,416	$ 612,421
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	223,710	170,725
Loss on Property and Equipment Disposal	11,368	72,278
(Increase) Decrease in:		
Accounts Receivable	33,412	(217,669)
Contribution Receivable	27,867	26,624
Prepaid Expenses	(48,611)	58,467
Increase (Decrease) in:		
Accounts Payable	317	7,358
Accrued Expenses	101,186	(36,696)
Deferred Revenue	492,492	537,968
Net Cash Provided by Operating Activities	1,606,157	1,231,476
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(750,731)	(711,487)
Net Cash Used by Investing Activities	(750,731)	(711,487)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(70,234)	(65,465)
Net Cash Used by Financing Activities	(70,234)	(65,465)
NET INCREASE IN CASH	785,192	454,524
Cash - Beginning of Year	1,468,013	1,013,489
CASH - END OF YEAR	$ 2,253,205	$ 1,468,013
SUPPLEMENTAL DISCLOSURE ON CASH FLOWS INFORMATION		
Cash Paid for Interest	$ 25,725	$ 32,575

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Triumph, Inc. (the Organization) is a Massachusetts corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code as a public charity. The Organization provides comprehensive child development, school readiness, and family support services to pregnant women and children six weeks to four years old. The Organization is funded primarily by the Head Start program of the U.S. Department of Health and Human Services. Additional funding is provided by the Massachusetts Department of Early Education and Care.

Summarized Comparative Data

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Triumph, Inc.'s financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all short-term debt securities purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded net of an allowance of expected losses. The allowance is estimated from historical performance and projections of trends. Management considers all amounts to be fully collectible. Accordingly, no allowance for doubtful accounts has been established. Historically, interest has not been charged on delinquent accounts.

Contributions Receivable

Contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Contributions that are expected to be collected in future years are recorded at the present value of the amount expected to be collected unless immaterial. Conditional promises are not included as revenue until such times as the conditions are substantially met. Unconditional promises to give the use of long-lived assets are included as contributions receivable (see Note 9). Management considers all amounts to be fully collectible. Accordingly, no allowance for doubtful accounts has been established.

Property and Equipment

Property and equipment are recorded at cost. Assets with an estimated useful life of more than one year and a historical cost in excess of $5,000 are capitalized. Gifts of long-lived assets are reported as support without donor restrictions unless explicit donor stipulations specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

The useful lives of property and equipment for purposes of computing depreciation are:

Buildings and Improvements	5 to 40 Years
Equipment	5 to 10 Years
Vehicles	5 Years

Absent explicit donor stipulation about how long those assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed into service. Depreciation is computed using the straight-line method over the estimated useful life of the assets. At various times, government agencies provide the Organization with grants to purchase furniture, vehicles, leasehold improvements, and equipment. Title to such property does not vest with the Organization and the assets must be returned to the grantor upon request. Government/Grantor owned assets are recorded at depreciated cost with offsetting net assets with donor restrictions of an equal amount. The net assets with donor restrictions are decreased as the assets depreciate.

It is the Organization's policy to assess impairment losses on assets when events and circumstances indicate that the assets might be impaired. The Organization did not identify any impairment losses as of June 30, 2023.

Basis of Presentation

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

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Designated amounts represent those revenues that the board has set aside for a particular purpose.

Net Assets With Donor Restrictions – Net assets subject to donor-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 purposes for which the resources was restricted has been fulfilled, or both.

Revenue Recognition

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program, as are contributions of cash restricted to the purchase of property and equipment.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor-restricted support is reported as an increase in net assets with donor restrictions based on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

The majority of the Organization’s revenue is derived from federal and state contracts and grants, which are conditional based on certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. As of June 30, 2023, conditional contracts and grants of $2,574,039 have not been recognized in the financial statements.

A portion of the revenue included in program service revenue is from private pay childcare services. Private pay childcare revenue is recorded over time when services are provided to the children. As of June 30, 2023, there was $65,612 of private pay childcare revenue included in program service revenue in the statement of activities.

Promotional Advertising

Promotional advertising costs are expensed as incurred. Promotional advertising costs charged to operations amounted to $5,940 for 2023.

Contributed Services

Contributed services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The cost of providing the various programs and services are summarized on a functional basis. Costs are generally identified as to program site, and are then allocated between programs and supporting services. Expenses including fringe benefits, utilities, supplies, and materials are allocated based on related salary expense, funded enrollment, personal activity reports, and square footage.

Income Taxes

The Organization is a nonprofit corporation as described in section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to section 501(a) of the code.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The FASB issued ASU 2020-05, which deferred the effective date for the Organization until annual periods beginning after December 15, 2021. The Organization adopted ASU 2020-07 in fiscal year 2023 which did not significantly impact the audited financial statements.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 9, 2023, the date the financial statements were available to be issued.

NOTE 2 CONTRIBUTED NONFINANCIAL ASSETS

The Organization receives contributed services for volunteer time, program supplies, facilities, and property for use in the operations of the Organization. Contributed goods included supplies and services received without donor restrictions, which were used for program purposes and amounted to $13,814. The Organization used the fair market value of these goods to recognize the related revenue and expense.

The Organization also received contributed property that was donated for the Organization’s usage in operations. The value of the contributed property was based on comparable real estate market values and amounted to $34,384 for the year ended June 30, 2023.

NOTE 3 PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows as of June 30, 2023:

Land	$ 358,166
Building and Improvements	5,235,871
Equipment	65,483
Vehicles	154,187
Total Property and Equipment	5,813,707
Less: Accumulated Depreciation	(1,867,874)
Total Property and Equipment, Net	$ 3,945,833

At June 30, 2023, the Organization had in its possession $1,571,597, net of accumulated depreciation, in vehicles, leasehold improvements, and equipment purchased with grants from government agencies and for which the government possesses a reversionary interest.

Total depreciation expense for the year totaled $223,710. Depreciation expense on those assets for which the federal government has a reversionary interest amounted to $124,405 for 2023. Depreciation expense on assets owned by the Organization amounted to $94,305 for 2023.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable are comprised of the following as of June 30, 2023:

Governmental Agencies	$ 322,694
Total	$ 322,694

NOTE 5 CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of the following:

Cash and Cash Equivalents

The Organization maintains cash and cash equivalent balances in various federally insured financial institutions in the same geographic area. The Federal Deposit Insurance Corporation (FDIC) insures balances up to certain amounts. At times during the year, cash balances may exceed the federally insured amounts. The Organization has not experienced any losses in such accounts and monitors the credit worthiness of the banks at which it conducts business and management does not believe it is exposed to any significant risk with respect to such cash balances.

NOTE 5 CONCENTRATION OF CREDIT RISK (CONTINUED)

Accounts Receivable

Amounts due from governmental agencies comprise 100% of the Organization's total accounts receivable balance at June 30, 2023.

Major Funding

The Organization receives significant funding from the Head Start program by the U.S. Department of Health and Human Services (Head Start). The funds provide comprehensive developmental services for preschool children. The Head Start contract is subject to annual renewal and, if a significant reduction in the level of support were to occur, the Organization's programs and activities would be affected proportionately. The Organization received $5,450,840 from Head Start programs, which approximated 66% of the Organization's operating revenue for 2023.

NOTE 6 LINE OF CREDIT

The Organization maintains a $200,000 revolving line of credit agreement with a bank. The line of credit is payable on demand, with interest payable at the greater of 5% or the bank's base lending rate plus 1% (9.5% at June 30, 2023). The agreement is subject to annual renewal and is secured by a second mortgage on property located in Taunton, Massachusetts. The unused portion at June 30, 2023 amounted to $200,000.

NOTE 7 LONG-TERM DEBT

The Organization is obligated under long-term debt at June 30, 2023 as follows:

Description	Amount
Mortgage payable to a bank, bearing interest at 6.00% at June 30, 2023 secured by a first mortgage on property located in Taunton, Massachusetts, payable in monthly installments of $8,344 including interest, due with all unpaid interest and principal on December 17, 2029; subject to interest rate conversion on April 17, 2024 to the bank's base rate plus 1% annually, with a floor of 5.00%.	$ 540,819
Less: Current Maturities	(71,120)
Long-Term Debt, Net	$ 469,699

NOTE 7 LONG-TERM DEBT (CONTINUED)

The following are maturities of long-term debt for each of the next five years:

Year Ending June 30,	Amount
2024	71,120
2025	73,890
2026	78,910
2027	84,270
2028	89,962
Thereafter	142,667
Total	$ 540,819

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

The Organization has received donor-restricted contributions, which have been accounted for as net assets with donor restrictions.

Net assets with donor restrictions consist of the following at June 30, 2023:

Property and Equipment Purchased with Government Funds (Note 3)	$ 1,665,448
Contribution Receivable (Note 9)	141,439
Security System	12,000
DEI Initiatives	31,000
Quinn Playground	25,000
Scholarships	2,780
Total Net Assets With Donor Restriction	$ 1,877,667

NOTE 9 LEASES

The Organization occupies its main facility on land owned by the City of Taunton School Department. Base rent under the lease agreement is $1, payable annually. Management's estimate of the fair market value of the annual lease payments have been determined to be immaterial and therefore the in-kind contribution of the free use of the land is not reflected in the financial statements. In June of 2016, the lease agreement was extended for a term of ten years with a base rent of $1, payable annually. The Organization has treated this as a contribution receivable, and therefore the estimated fair market value of the annual lease payments has been reflected in the financial statements. At June 30, 2023, the contribution receivable amounted to $118,783 net of unamortized discount of $26,091. The amortization of the lease expense included in occupancy expense in 2023 amounted to approximately $10,988.

NOTE 9 LEASES (CONTINUED)

The Organization occupies a building under a lease for a term of five years beginning July 1, 2014, with two options to extend the term for periods of five years each through June 30, 2029. Base rent under the lease agreement is $1, payable annually. The Organization exercised their first right to extend the term for five additional years, beginning July 1, 2019, through June 30, 2024. Management's estimate of the fair market value of the annual lease payments for the next five-year extension granted is $23,395, for a total value over the lease term of $116,979. At June 30, 2023, the contribution receivable amounted to $21,395, net of unamortized discount of $1,792. The amortization of the lease expense included in occupancy expense in 2023 amounted to approximately $23,395.

NOTE 10 PENSION PLAN

The Organization offers a tax-deferred savings plan and Roth IRA option which are available to all employees that meet the terms of the plan's eligibility criteria. Employees may provide tax deferred contributions to fully vested individual retirement accounts up to the Internal Revenue Code limit. The Organization matches 100% of these contributions up to 5% of wages. Pension plan expenses amounted to $112,189 for 2023.

NOTE 11 CONTINGENCY

A significant portion of the Organization's revenues are derived from government agencies. Due to budgetary constraints at all levels of government, the Organization cannot determine whether there will be any changes in funding in the near term.

NOTE 12 LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programmatic activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

Financial assets available for general expenditure within one year of the statement of financial position date consisted of the following:

Cash	$ 2,253,205
Accounts Receivable, Net	322,694
Total	2,575,899
Less: Financial Assets Restricted for Program Purposes	(70,780)
Financial Assets Available to Meet General Expenditures	$ 2,505,119

In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization has a line of credit in the amount of $200,000 available for use as of June 30, 2023. (See Note 6)

NOTE 13 SURPLUS REVENUE RETENTION (UNAUDITED)

The Operational Services Division (OSD) of the Commonwealth of Massachusetts regulates nonprofit contractors per regulation 808 CMR 1.00 Compliance, Reporting, and Auditing for Human and Social Services. This regulation allows nonprofit contractors to accrue an annual net surplus, not to exceed 20% of the current year's total revenue of Commonwealth of Massachusetts programs as unrestricted net assets to further its charitable purposes, but may not use these funds for nonreimbursable expenses as defined in CMR 808 1.15. OSD shall be responsible for determining the amount of surplus that may be retained by each contractor in any given year and may determine whether any excess surplus shall be used to reduce future prices or be recouped. The Organization did not exceed the 20% allowable amount; therefore, no liability has been recorded as of year-end.