CompassPoint Nonprofit Services

Financial Statements

December 31, 2023

Independent Auditors' Report

To the Board of Directors
CompassPoint Nonprofit Services

Opinion

We have audited the accompanying financial statements of CompassPoint Nonprofit Services (a California nonprofit corporation) (the 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.

In our opinion, the accompanying financial statements 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.

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 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 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 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.

Report on Summarized Comparative Information

We have previously audited the CompassPoint Nonprofit Services 2022 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated July 12, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Baker Tilly US, LLP

San Francisco, California
June 28, 2024

CompassPoint Nonprofit Services

Statement of Financial Position
December 31, 2023 (With Summarized Comparative Totals for 2022)

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 3,796,190	$ 5,071,451
Receivables:		
Grants receivable, net	250,000	1,035,600
Accounts receivable	11,738	26,188
Prepaid expenses	43,110	61,049
Deposits and other assets	7,129	1,836
Operating lease right-of-use assets current	59,241	-
Total current assets	4,167,408	6,196,124
Property and Equipment, Net	47,327	19,746
Grants Receivable, Noncurrent	75,000	-
Operating Lease Right-of-Use Assets, Noncurrent	46,193	-
Total assets	$ 4,335,928	$ 6,215,870
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 74,171	$ 99,813
Accrued payroll and vacation	91,642	168,890
Deferred revenue	128,659	167,532
Operating lease liabilities, current	57,875	-
Total current liabilities	352,347	436,235
Operating Lease Liabilities, Noncurrent	56,331	-
Total liabilities	408,678	436,235
Net Assets		
Without donor restrictions	3,589,547	3,886,372
With donor restrictions	337,703	1,893,263
Total net assets	3,927,250	5,779,635
Total liabilities and net assets	$ 4,335,928	$ 6,215,870

See notes to financial statements

CompassPoint Nonprofit Services

Statement of Activities

Year Ended December 31, 2023 (With Summarized Comparative Totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue				
Support:				
Foundations	$ 210,502	$ 575,000	$ 785,502	$ 3,372,000
Individuals	450	-	450	4,625
Contributed nonfinancial assets	18,706	-	18,706	16,752
Total support	229,658	575,000	804,658	3,393,377
Revenue:				
Contracts	36,563	-	36,563	89,250
Workshops	672,803	-	672,803	541,840
Total revenue	709,366	-	709,366	631,090
Net assets released from restrictions	2,130,560	(2,130,560)	-	-
Total support and revenue	3,069,584	(1,555,560)	1,514,024	4,024,467
Expenses				
Program services	2,874,098	-	2,874,098	2,137,589
Management and general	660,788	-	660,788	676,623
Fundraising	23,615	-	23,615	24,751
Total expenses	3,558,501	-	3,558,501	2,838,963
Change in net assets from operations	(488,917)	(1,555,560)	(2,044,477)	1,185,504
Other Revenues and Losses				
Interest income	181,216	-	181,216	55,585
Paycheck Protection Program loan forgiveness income	-	-	-	345,340
Other income	10,876	-	10,876	5,532
	192,092	-	192,092	406,457
Change In net assets	(296,825)	(1,555,560)	(1,852,385)	1,591,961
Net Assets, Beginning	3,886,372	1,893,263	5,779,635	4,187,674
Net Assets, Ending	$ 3,589,547	$ 337,703	$ 3,927,250	$ 5,779,635

See notes to financial statements

CompassPoint Nonprofit Services

Statement of Functional Expenses

Year Ended December 31, 2023 (With Summarized Comparative Totals for 2022)

	2023							2022
	Program Services							
	Leadership Programs and Organizational Contracts	Public Events and Workshops	Publishing and Community Influence	Total Program Services	Management and General	Fundraising	Total	Total
Salaries and employee benefits	$ 1,010,945	$ 906,133	$ 332,198	$ 2,249,276	$ 514,550	$ 21,574	$ 2,785,400	$ 2,380,745
Organizational gifts and sponsorships	3,880	3,526	177,178	184,584	1,773	68	186,425	22,625
Meetings and conferences	64,911	34,614	13,441	112,966	5,658	208	118,832	80,071
Professional services	17,533	15,930	7,634	41,097	60,806	283	102,186	90,363
Travel and reimbursement	55,450	24,122	10,138	89,710	9,482	364	99,556	39,781
Organizational contracting	44,679	22,179	6,216	73,074	25,670	208	98,952	118,585
Supplies, furniture, and equipment	18,828	10,276	3,873	32,977	5,286	195	38,458	23,256
Occupancy	13,880	12,613	4,752	31,245	6,311	242	37,798	9,159
Bank service fees	1	25,994	780	26,775	31	37	26,843	21,911
Donated services	-	-	-	-	18,706	-	18,706	16,752
Insurance	3,654	3,320	1,251	8,225	5,866	64	14,155	10,324
Depreciation and amortization	5,131	4,663	1,757	11,551	2,345	90	13,986	16,811
Printing and publication	-	-	-	-	-	-	-	1,685
Other	10,625	110	1,883	12,618	4,304	282	17,204	6,895
Total expenses	$ 1,249,517	$ 1,063,480	$ 561,101	$ 2,874,098	$ 660,788	$ 23,615	$ 3,558,501	$ 2,838,963

See notes to financial statements

CompassPoint Nonprofit Services

Statement of Cash Flows
Year Ended December 31, 2023 (With Summarized Comparative Totals for 2022)

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ (1,852,385)	$ 1,591,961
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	13,986	16,811
Amortization of operating right-of-use asset	19,229	-
Paycheck Protection Program loan forgiveness income	-	(345,340)
Changes in operating assets and liabilities:		
Grants receivable, net	710,600	(785,500)
Accounts receivable	14,450	(24,917)
Prepaid expenses	17,939	(24,459)
Deposits and other assets	(5,293)	(1,836)
Accounts payable and accrued liabilities	(25,642)	5,918
Accrued payroll and vacation	(77,248)	26,440
Deferred revenue	(38,873)	21,580
Operating lease liabilities	(10,457)	-
Net cash from operating activities	(1,233,694)	480,658
Cash Flows From Investing Activities		
Purchase of equipment	(41,567)	(19,767)
Net cash from investing activities	(41,567)	(19,767)
Net change in cash and cash equivalents	(1,275,261)	460,891
Cash and Cash Equivalents, Beginning	5,071,451	4,610,560
Cash and Cash Equivalents, Ending	$ 3,796,190	$ 5,071,451
Supplemental Disclosure of Noncash Financing Activities		
PPP loan forgiveness	$ -	$ 345,340

See notes to financial statements

1. Description of Organization

CompassPoint Nonprofit Services (the Organization) works shoulder to shoulder with leaders, nonprofit organizations and movement networks to build a more equitable world together. The Organization is a national nonprofit leadership practice that believes that nonprofits are powerful vehicles for positive social change and that creating a world free of oppression means practicing liberation inside and out. The primary areas of work include:

- Developing programming that nurtures technical skills while creating space, time and community for leaders to explore emotional dimensions of leadership and examine critical issues of race, power and privilege. This is done through cohort leadership programs and consulting engagements that are co-designed with clients and partners.

- Creating exceptional learning experiences that increase participants' skills and prepare them to lead improvements in organizational practice. The Organization practitioners and key partners design and deliver regular offerings of public workshops. The core content includes supervision and coaching skills, financial management, fund development and conflict resolution among other subjects.

- Producing and curating content that informs and inspires leaders and capacity builders to consider and evolve their practice. Publishing regularly is essential to the practice because with writing, the Organization makes sense of what it is learning while doing this work, reading the work of others is essential to the Organization’s development as capacity builders, and because the Organization has a platform from which to share great content with leaders across the country.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for not-for-profit organizations.

Financial Statement Presentation

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

Net Assets Without Donor Restrictions - Net assets without donor restrictions represent net assets that are not subject to donor-imposed stipulations. The Organization's Board of Directors may designate net assets without restrictions for a specific purpose. At December 31, 2023, there were no board designated net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets with donor restrictions represent 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 and net assets to be held in perpetuity as directed by donors. The Organization currently has no assets held in perpetuity.

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants and Accounts Receivable

Grants receivable include unconditional promises to give from donors. Accounts receivable represent amounts billed and accrued but not yet collected for services. Grants and accounts receivable are recorded at net realizable value. Grants receivable that are expected to be received in future years are discounted to the anticipated present value of future cash flows using a discount risk free rate. The present value discount as of December 31, 2023 is immaterial.

The Organization recognizes an allowance for credit losses for trade and other receivables to present the net amount expected to be collected as of the statement of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on our expectation as of the statement of financial position date. Receivables are written off when the Organization determined that such receivables are deemed uncollectible. The Organization pools its receivables based on similar risk characteristics in estimating its expected credit losses. In situations where a receivable does not share the same risk characteristics with other receivables, the Organization measures those receivables individually. The Organization also continuously evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics change. The Organization utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Organization's historical loss experience. In determining its loss rates, the Organization evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: past due receivables, the customer creditworthiness, changes in the terms of receivables, effect of other external forces such as competition, and legal and regulatory requirements on the level of estimated credit losses in the existing receivables.

Management reviews the collectability of grants and contributions receivable and establishes reserves for uncollectible amounts when needed. The Organization considers all grants contributions receivable collectable and has not recorded an allowance at December 31, 2023.

Property and Equipment

Property and equipment, if purchased, are recorded at cost or, if donated, at fair market value at the time of receipt. Furniture and equipment are depreciated over three to fifteen years, depending on their estimated useful lives on the straight-line basis. Website/database development costs are amortized over three to seven years depending on their estimated useful lives on the straight-line basis. Leasehold improvements are recorded at cost and amortized on the straight-line basis over the shorter of the estimated useful lives of the respective assets or remaining term on the lease.
The Organization generally capitalizes assets with an original cost of over $2,000. Costs for repairs and maintenance are expensed as incurred.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

The Organization reviews long-lived assets including property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no impairment charges recorded during the years ended December 31, 2023.

Leases

Effective January 1, 2022, the Organization adopted ASU No. 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach. ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. At lease inception, leases are classified as either finance leases or operating leases with associated right-of-use assets and lease liability measured at the net present value of future lease payments. Operating lease right-of-use assets are expensed on a straight-line basis as lease expense over the noncancelable lease term. Lease expense for an Organization's finance leases is comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. The Organization has no finance leases.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Organization elected:

- The package of practical expedients permitted under the transition guidance which does not require the Organization to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.

- The practical expedient to use hindsight in determining the lease term (that is, when considering options to extend or terminate the lease or to purchase the underlying asset) and in assessing impairment of the Organization's right-of-use assets.

The new standard also provides for several accounting policy elections, as follows:

- The Organization has elected the policy not to separate lease and nonlease components for all asset classes.

- When the rate implicit in the lease is not determinable, rather than use the Organization's incremental borrowing rate, the Organization elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities.

- The Organization elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 10.

Revenue Recognition

Contributions

Grants and contributions revenue are accounted for as nonreciprocal transactions. Unconditional contributions and grants received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence and nature of any donor restrictions. 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.

Conditional contributions and grants are recognized only when the conditions they depend on are substantially met and contributions become unconditional. Grants and contributions to be received over more than one fiscal year are recorded at the present value of estimated future cash flows.

Contributed Nonfinancial Assets

Donated services are recognized at fair value when received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During the year ended December 31, 2023, the value of donated services included as contributed nonfinancial assets in the accompanying financial statements was $18,706 and consisted of a donated license for the accounting system valued using the list price of the licensed software.

Contracts and Workshops

Revenue recognition for the Organization's contracts are through the following five steps: (i) identification of the contract or contracts with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

Revenue from contracts includes revenue from consulting services and coaching sessions and is recognized when performance obligations under the terms of the contracts with the customers are satisfied. The contract generally consists of a combination of written agreements and invoices. The performance obligation represents performance of a contractually agreed-upon task, which may include consulting services and coaching sessions. Time and expense arrangements require the customer to pay based on the numbers of hours worked at contractually agreed-upon rates. The Organization recognizes revenue for these arrangements based on hours incurred and contracted rates utilizing the right-to-invoice practical expedient because the Organization has a right to consideration for services completed to date.

Revenue from workshops is recognized when the related services are provided at a point-in-time. The performance obligation includes registration and training sessions on a specific date and time. The transaction price is fixed, and the amount is identified on the Organization's workshop fee schedule and standard pricing model. Discounts are established upfront and do not contain variable consideration. There are no significant financing components.

The Organization offers a ten-business day cancelation policy after registration in which guests can cancel for a full refund. After this time has expired, a cancellation fee may be charged in accordance with the Organization's terms and conditions.

For the year ended December 31, 2023, the contract revenues recognized over time amounted to $36,563, and contract revenues recognized at a point-in-time amounted to $672,803.

Payments in advance for consumer fees and workshops are reflected as deferred revenue in the statement of financial position.

Functional Allocation of Expenses

The costs of providing the various program services and supporting activities of the Organization are shown on the Statements of Activities and Functional Expenses. Expenses that can be identified with a specific program or activity are allocated directly according to the function benefited. Certain costs, including occupancy, office supplies and others have been allocated among the program services and supporting activities benefited on a pro-rata basis based on the proportion of direct costs incurred by each program.

Comparative Financial Information

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 U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code, Section 23701d. Accordingly, it has not provided for income taxes in these financial statements.

Each year, management considers whether any material tax position the Organization has taken is more likely than not to be sustained upon examination by the applicable taxing authority. Management believes that any positions the Organization has taken are supported by substantial authority and, hence, do not need to be measured or disclosed in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the functional allocation of expenses.

Subsequent Events

The Organization has evaluated subsequent events for potential recognition or disclosure through June 28, 2024, the date which the financial statements were available to be issued.

3. New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The ASU introduces a new credit loss methodology, *Current Expected Credit Losses (CECL)*, which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. The adoption did not have a material impact on the Organization's financial statements and results of activities.

4. Liquidity and Availability of Financial Assets

The Organization receives significant contributions that are restricted by donors. Contributions, which are restricted for programs that are ongoing, major, and central to the Organization's annual operations, are deemed available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Financial assets at December 31, 2023:	
Cash and cash equivalents	$ 3,796,190
Receivables	
Grants receivable, net	325,000
Accounts receivable	11,738
Total financial assets	4,132,928
Donor restricted assets not expected to be used within one year	(75,000)
Financial assets available to meet general expenditures within one year	$ 4,057,928

5. Concentrations

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and grants receivable. Such balances with any one institution may, at times, be in excess of federally insured amounts (currently $250,000 per depositor). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

At December 31, 2023, 100% of the total grants receivable were from two grantors. Total revenue from two grantors made up 73% of the total support for the year ended December 31, 2023.

6. Grants Receivable

Grants receivable consists of commitments made by individuals and foundations. At December 31, 2023, grants receivable were due as follows:

Receivable in one year or less	$ 250,000
Receivable in two to five years	75,000
	$ 325,000

7. Property and Equipment

Property and equipment consist of:

Furniture and equipment	$	328,900
Leasehold improvements		28,377
		357,277
Less accumulated depreciation		(309,950)
		47,327
Website/database development costs		47,272
Less accumulated amortization		(47,272)
		-
Property and equipment, net	$	47,327

8. Line of Credit

The Organization had a $200,000 revolving line of credit with a bank which expired in September 2023. The line was not utilized during 2023 and was not renewed as of December 31, 2023.

9. Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2023 have the following purpose and time restrictions:

Subject to expenditure for specific purposes		
Racial equity	$	175,000
HIVE leadership program		12,703
Subject to passage of time		
Time restricted, general support releases in 2024		150,000
	$	337,703

For the year ended December 31, 2023, net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Time restricted, general support	$	1,075,000
HIVE leadership program		527,399
Public training		463,000
Organizational equity		65,161
	$	2,130,560

10. Leases

The Organization started leasing one office in Oakland on September 25, 2023 under an operating lease agreement. The total rent expense was $26,149 for the year ended December 31, 2023.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses the rate implicit in the lease, or if not readily available, the Organization uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Organization made significant assumptions and judgments in applying the requirements of Topic 842. In particular, the Organization:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.

- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases, although this election was not made.

- Determined whether contracts contain embedded leases.

- Determined for leases that contain a residual value guarantee, whether a payment at the end of the lease term was probable and, accordingly, whether to consider the amount of a residual value guarantee in future lease payments.

- Allocated consideration in the contract between lease and nonlease components.

The Organization does not have any material leasing transactions with related parties.

At December 31, 2023, the operating lease right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 4.11%. At December 31, 2023, the weighted average remaining lease term was 1.84 years.

The table below summarizes the Organization's scheduled future minimum lease payments for years ending after December 31, 2023:

Years ending December 31:	
2024	$ 66,913
2025	57,599
Total lease payments	124,512
Less present value discount	(10,306)
Total operating lease liabilities	$ 114,206

The following table includes supplemental cash flow and noncash information related to the leases for the year ended December 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 6,625
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ 105,434

11. Retirement Plan

The Organization sponsors a defined contribution 401(k) plan and 401(k) Roth (the Plan) for all eligible employees. All employees who have completed a 90-day period of employment and are twenty-one years of age or older are eligible to participate and may make elective deferrals up to the maximum amounts allowed by the Internal Revenue Service. The Organization contributes to eligible employees based on a profit sharing contributions. For the year ended December 31, 2023, employer contributions were $11,810.