

**JEFFERSON STREET BAPTIST
CENTER, INC. D/B/A
RE: CENTER MINISTRIES -
LOUISVILLE, KENTUCKY
FINANCIAL STATEMENTS
YEARS ENDED
SEPTEMBER 30, 2023 AND 2022**

**JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES**

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Independent Auditor's Report

Board of Directors
Jefferson Street Baptist Center, Inc. D/B/A Re:Center Ministries
Louisville, Kentucky

Opinion

We have audited the accompanying financial statements **Jefferson Street Baptist Center D/B/A Re:Center Ministries** (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Jefferson Street Baptist Center D/B/A Re:Center Ministries** as of September 30, 2023, and 2022 the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Jefferson Street Baptist Center D/B/A Re:Center Ministries** 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 **Jefferson Street Baptist Center D/B/A Re:Center Ministries'** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

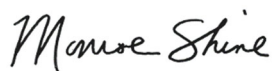
Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Jefferson Street Baptist Center D/B/A Re:Center Ministries** 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 **Jefferson Street Baptist Center D/B/A Re:Center Ministries** 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.



New Albany, Indiana
February 2, 2024

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 3,256,393	\$ 462,116
Investments	147,552	129,881
Pledges receivable	658,450	19,150
Inventory	47,537	39,689
Prepaid expenses	86,027	11,363
Total Current Assets	<u>4,195,959</u>	<u>662,199</u>
NON-CURRENT ASSETS		
Cash restricted for building renovation	211,597	200,900
Deposits	1,983	1,983
Total Non-Current Assets	<u>213,580</u>	<u>202,883</u>
PROPERTY AND EQUIPMENT		
Land	200,000	10,000
Building	633,624	1,885,798
Equipment	111,572	247,869
	<u>945,196</u>	<u>2,143,667</u>
Less accumulated depreciation	89,578	1,322,103
Net Property and Equipment	<u>855,618</u>	<u>821,564</u>
TOTAL ASSETS	<u><u>\$ 5,265,157</u></u>	<u><u>\$ 1,686,646</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 50,409	\$ 49,142
Total Current Liabilities	<u>50,409</u>	<u>49,142</u>
NET ASSETS		
Without donor restrictions	3,408,857	1,283,715
With donor restrictions	1,805,891	353,789
	<u>5,214,748</u>	<u>1,637,504</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,265,157</u></u>	<u><u>\$ 1,686,646</u></u>

See notes to financial statements.

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>			<u>2022</u>		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and support:						
General contributions	\$ 604,661	\$ 1,468,450	\$ 2,073,111	\$ 680,906	\$ 350,900	\$ 1,031,806
Program service revenue	151,322	-	151,322	154,986	-	154,986
Donated clothing and personal items	161,460	-	161,460	144,724	-	144,724
Donated use of facilities	183,100	-	183,100	-	-	-
Fundraising income, net of expenses of \$2,070	(930)	-	(930)	-	-	-
Investment return	44,003	-	44,003	(34,027)	-	(34,027)
Other income	5,024	-	5,024	4,231	-	4,231
Gain (loss) on disposal of property and equipment	2,211,511	-	2,211,511	(7,375)	-	(7,375)
Net assets released from restrictions	16,348	(16,348)	-	20,053	(20,053)	-
Total Revenues and Support	3,376,499	1,452,102	4,828,601	963,498	330,847	1,294,345
Expenses:						
Program services	973,073	-	973,073	763,035	-	763,035
Management and general	180,654	-	180,654	157,963	-	157,963
Fundraising	97,630	-	97,630	97,986	-	97,986
Total Expenses	1,251,357	-	1,251,357	1,018,984	-	1,018,984
Change in net assets	2,125,142	1,452,102	3,577,244	(55,486)	330,847	275,361
Net assets at beginning of year	1,283,715	353,789	1,637,504	1,339,201	22,942	1,362,143
Net Assets at End of Year	\$ 3,408,857	\$ 1,805,891	\$ 5,214,748	\$ 1,283,715	\$ 353,789	\$ 1,637,504

See notes to financial statements.

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

2023

2022

	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Functional expenses:								
Salaries and benefits	\$ 345,785	\$ 117,134	\$ 25,496	\$ 488,415	\$ 299,133	\$ 96,942	\$ 17,093	\$ 413,168
Payroll taxes	25,693	8,643	1,894	36,230	22,179	7,162	1,267	30,608
Clothing and personal items	153,612	-	-	153,612	145,453	-	-	145,453
Grants and assistance	62,704	-	-	62,704	39,385	-	-	39,385
Supplies	5,160	1,774	-	6,934	6,117	4,877	-	10,994
Rent expense	212,798	9,150	9,150	231,098	48,700	-	-	48,700
Utilities	96,556	5,364	5,364	107,284	76,624	4,257	4,257	85,138
Repairs and maintenance	29,119	1,618	1,618	32,355	19,386	1,077	1,077	21,540
Printing and publications	-	4,011	-	4,011	-	4,125	-	4,125
Postage and shipping	-	2,290	-	2,290	-	2,379	-	2,379
Information technology	-	1,063	-	1,063	-	1,503	-	1,503
Insurance	14,707	817	817	16,341	13,731	763	763	15,257
Memberships	750	5,065	-	5,815	600	4,361	-	4,961
Professional services	1,619	14,678	119	16,416	1,513	19,807	15,086	36,406
Conferences and meetings	1,347	1,580	-	2,927	1,055	1	-	1,056
Volunteer/Donor appreciation	3,390	180	-	3,570	2,083	344	-	2,427
Interest	-	-	-	-	1,871	208	-	2,079
Bank charges	-	6,006	-	6,006	-	5,584	-	5,584
Depreciation	17,002	945	945	18,892	82,322	4,573	4,573	91,468
Advertising	-	336	52,227	52,563	-	-	53,870	53,870
Miscellaneous	2,831	-	-	2,831	2,883	-	-	2,883
Total Functional Expenses	\$ 973,073	\$ 180,654	\$ 97,630	\$ 1,251,357	\$ 763,035	\$ 157,963	\$ 97,986	\$ 1,018,984

See notes to financial statements.

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 3,577,244	\$ 275,361
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	18,892	91,468
(Gain) loss on disposal of property and equipment	(2,211,511)	7,375
Realized and unrealized (gains) and losses on investments	(15,129)	34,097
Contributions restricted for long-term purposes	(1,468,450)	(200,900)
(Increase) decrease in current assets:		
Pledges receivable	7,900	(19,150)
Inventory	(7,848)	730
Prepaid expenses	(74,664)	851
Increase in current liabilities:		
Accounts payable and accrued expenses	1,267	6,118
Net Cash Provided By (Used in) Operating Activities	<u>(172,299)</u>	<u>195,950</u>
INVESTING ACTIVITIES		
Proceeds from sales of property and equipment	2,947,050	328,481
Purchase of property and equipment	(788,486)	(47,536)
Purchases of investments	(2,541)	(50,000)
Net Cash Provided By Investing Activities	<u>2,156,023</u>	<u>230,945</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	-	(183,156)
Payments received on contributions restricted for building renovation	821,250	200,900
Net Cash Provided By Financing Activities	<u>821,250</u>	<u>17,744</u>
Net Increase in Cash and Restricted Cash	2,804,974	444,639
Cash and restricted cash at beginning of year	<u>663,016</u>	<u>218,377</u>
Cash and Restricted Cash at End of Year	<u><u>\$ 3,467,990</u></u>	<u><u>\$ 663,016</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for:		
Interest	\$ -	\$ 2,079

See notes to financial statements.

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE:CENTER MINISTRIES
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Jefferson Street Baptist Center, Inc. d/b/a Re:Center Ministries (the "Organization") was organized to provide gospel centered mercy ministries to the homeless and hurting in Louisville, Kentucky and surrounding areas.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The terms are defined below:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations.

Certain prior year accounts have been reclassified to conform with current year presentations.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

The Organization considers all undesignated cash and certificates of deposit with original maturities of three months or less at time of purchase to be cash and cash equivalents.

The Organization maintains its cash at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation. At times, the balances may be in excess of federal insured limits. The Organization had \$3,219,568 in excess of federal insured limits at September 30, 2023.

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES
NOTES TO FINANCIAL STATEMENTS – CONTINUED
SEPTEMBER 30, 2023 AND 2022

(1 – continued)

Property and Equipment

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are recorded as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over the assets useful lives.

Expenditures for maintenance and repairs are expensed as incurred.

Revenue Recognition

The Organization's non-contribution revenue, which is most commonly associated with thrift store sales, contains a single delivery element and revenue is recognized at a single point in time when goods are transferred and payment is received.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

Contributions receivable are stated at the amount management expects to collect from outstanding balances. Management reviews all contribution receivable balances that are past due and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Estimated uncollectible accounts increase the allowance for doubtful accounts and when the accounts receivable are written off, the allowance for doubtful accounts is decreased.

Contributions of noncash assets are recorded at their fair value at the date of donation. Contributed services that require specific expertise and would normally have been purchased and donated services that create or enhance non-financial assets are recorded at fair market value. Those donated services that do not meet these specific criteria are not reflected in the financial statements.

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES
NOTES TO FINANCIAL STATEMENTS – CONTINUED
SEPTEMBER 30, 2023 AND 2022

(1 – continued)

Advertising

The Organization charges the costs of advertising to expense as incurred. Advertising costs were \$52,563 and \$53,870 for years ended September 30, 2023 and 2022, respectively.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not provide for income taxes.

The Organization has implemented the accounting guidance for uncertainty in income taxes. Under that guidance, tax positions need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of September 30, 2023 and 2022, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

(2) **LIQUIDITY**

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2023</u>	<u>2022</u>
Cash	\$ 3,256,393	\$ 462,116
Investments	147,552	129,881
Pledges receivable	658,450	19,150
Cash restricted for building renovation	211,597	200,900
	<hr/> 4,273,992	<hr/> 812,047
Less net assets with donor restrictions	<hr/> (1,805,891)	<hr/> (353,789)
	<hr/> <u>\$ 2,468,101</u>	<hr/> <u>\$ 458,258</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments such as equity and fixed income funds.

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES
NOTES TO FINANCIAL STATEMENTS – CONTINUED
SEPTEMBER 30, 2023 AND 2022

(3) CASH

Cash as of September 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 3,256,393	\$ 462,116
Cash restricted for building renovation	211,597	200,900
	<hr/>	<hr/>
Cash and restricted cash shown in the statement of cash flows	<u><u>\$ 3,467,990</u></u>	<u><u>\$ 663,016</u></u>

Restricted cash represents cash received with a donor-imposed restriction that limits the use of that cash to the acquisition of property. Unless donor stipulations limit the use of the assets for a period of time or for a particular purpose, the donor-imposed restriction expires when the assets are placed in service in accordance with FASB ASC 958-205-45-12.

(4) INVESTMENTS

Amounts reported in the statement of financial position under the caption of “Investments” represent the net cumulative transfers by the Organization to the Kentucky Baptist Foundation (the “Foundation”), as well as earnings thereon. These amounts totaled \$147,552 September 30, 2023. The Foundation holds and invests the funds on behalf of the Organization. The Foundation has no variance power over the funds. Instead, the funds are distributed to the Organization upon request to the Foundation.

The following is a summary of the Organization’s investments held as of September 30, 2023 and 2022:

	Cost	Net Depreciation in Fair Value of Assets	Fair Value
September 30, 2023:			
Equity fund	\$ 99,638	\$ (6,780)	\$ 92,858
Fixed income fund	66,581	(11,887)	54,694
	<hr/>	<hr/>	<hr/>
	<u>\$ 166,219</u>	<u>\$ (18,667)</u>	<u>\$ 147,552</u>
	<hr/>	<hr/>	<hr/>
September 30, 2022:			
Equity fund	\$ 96,287	\$ (20,033)	\$ 76,254
Fixed income fund	64,349	(10,722)	53,627
	<hr/>	<hr/>	<hr/>
	<u>\$ 160,636</u>	<u>\$ (30,755)</u>	<u>\$ 129,881</u>
	<hr/>	<hr/>	<hr/>

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE: CENTER MINISTRIES
NOTES TO FINANCIAL STATEMENTS – CONTINUED
SEPTEMBER 30, 2023 AND 2022

(5) FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

- Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted market price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.
- Level 2: Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted market prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to all of the Organization's financial assets and liabilities carried at fair value. The table below presents the balances of assets measured at fair value on a nonrecurring basis as of September 30, 2023 and 2022.

		Carrying Value			
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
September 30, 2023					
<i>Assets Measured on a Recurring Basis</i>					
Investments:					
Equity Fund	-	92,858	-	92,858	
Fixed Income Fund	-	54,694	-	54,694	
September 30, 2022					
<i>Assets Measured on a Recurring Basis</i>					
Investments:					
Equity Fund	-	76,254	-	76,254	
Fixed Income Fund	-	53,627	-	53,627	

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE:CENTER MINISTRIES
NOTES TO FINANCIAL STATEMENTS – CONTINUED
SEPTEMBER 30, 2023 AND 2022

(5 – continued)

Investments – Units in pooled separate accounts by the Kentucky Baptist Foundation are valued at the fair value of the assets underlying the funds. There have been no changes in the valuation techniques and related inputs used for assets measured at fair value during the year ended September 30, 2023.

(6) **MAJOR DONORS**

The Organization had one donor that accounted for a total of 21% of total revenues and support and two donors that accounted for 30% of total revenue and support for the years ending September 30, 2023 and 2022, respectively.

(7) **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are contributions whose use by the Organization has been limited by donors to a specific time period or purpose. When the restriction has been satisfied, net assets with donor restrictions are reported in the statements of activities as net assets released from restriction.

Net assets with donor restrictions at September 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Contributions for new location renovation	\$ 1,669,350	\$ 200,900
Contributions for program expansion personnel costs	134,339	150,000
Contributions for specific expenditures	<u>2,202</u>	<u>2,889</u>
Net assets with donor restrictions	<u><u>\$ 1,805,891</u></u>	<u><u>\$ 353,789</u></u>

(8) **DONATED CLOTHING AND PERSONAL ITEMS**

The Organization regularly receives gifts-in-kind from charitable organizations and individuals that consists of clothing and personal items to be sold at the Organization's thrift store or distributed to visitors of the Organization. The Organization records the estimated fair value of the inventory on hand based on the average price for similar items sold during the prior year.

If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

The Organization received donated clothing and personal items with an estimated fair market value of \$161,460 and \$144,724 for the years ended September 30, 2023 and 2022, respectively. These goods were all either sold at the Organization's thrift store or distributed to visitors.

All gifts-in-kind received by the Organization for the years ended September 30, 2023 and 2022 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

JEFFERSON STREET BAPTIST CENTER, INC.
D/B/A RE:CENTER MINISTRIES
NOTES TO FINANCIAL STATEMENTS – CONTINUED
SEPTEMBER 30, 2023 AND 2022

(9) DONATED USE OF FACILITIES

During the year ended September 30, 2023, the Organization sold their facility and purchased a new building. The purchaser agreed to let the Organization use the old location until renovation of the new building was complete. The Organization is currently under contract to spend approximately \$4.5 million on renovations and expects them to be completed in April 2024. As of September 30, 2023, the Organization had spent approximately \$650,000 on the new building and \$180,000 on renovations. The location has been provided for \$1 per month, but based on current market rates the organization would have paid \$183,000 during the year ended September 30, 2023.

(10) OPERATING LEASE

The Organization adopted FASB ASC 842, Leases, as of the effective date of adoption which was January 1, 2022. The Organization elected the package of practical expedients permitted under the transition guidance, which among other things, allowed the Organization to carry forward the historical lease classification. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized. All nonlease components are recognized separately from the lease components.

The Organization leases space for its thrift store location under an operating lease. The lease is a one-year non-cancelable lease expiring in July 2024. Rent expense was \$47,998 and \$48,700 for the years ended September 30, 2023 and 2022.

(11) RETIREMENT PLAN

The Organization has a contributory retirement savings plan available to all employees. The Organization has elected to match employee contributions up to 2% of eligible compensation. The Organization may also make discretionary profit sharing and matching contributions. The Organization made contributions to the plan in the amount of \$3,204 and \$2,629 for the years ended September 30, 2023 and 2022, respectively.

(12) SUBSEQUENT EVENTS

The Organization has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through February 2, 2024, the date these financial statements were available to be issued.