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**LEAP for Education, Inc.  
Financial Statements  
For the Years Ended  
June 30, 2024 and 2023**

LEAP for Education, Inc.

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**Independent Auditor's Report**

**Financial Statements:**

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## Independent Auditor's Report

To the Board of Directors  
LEAP for Education, Inc.  
Salem, MA

### Opinion

I have audited the accompanying financial statements of LEAP for Education, Inc. (a nonprofit organization, the "Organization"), which comprise the statement of financial position as of June 30, 2024 and 2023, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LEAP for Education, Inc. as of June 30, 2024 and 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Organization and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about LEAP for Education, Inc.'s 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

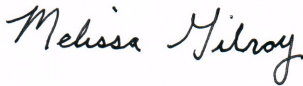
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements - continued**

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

- 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 my 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.

I am 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 I identified during the audit.



Melissa Gilroy, Certified Public Accountant  
Westwood, Massachusetts  
September 25, 2024

**LEAP for Education, Inc.**  
**Statement of Financial Position**

As of June 30,	2024	2023
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 877,747	\$ 1,614,694
Certificates of deposit - short-term	791,490	-
Grant receivables, net	68,260	116,052
Pledge receivables, net	45,000	25,000
Prepaid expenses	45,067	36,733
Total current assets	<u>1,827,564</u>	<u>1,792,479</u>
<b>Non Current Assets</b>		
Pledge receivables, net	29,418	46,837
Other assets	5,999	4,333
Fixed assets, net	4,332	-
Operating lease - right of use assets	147,379	224,475
Deferred rent	6,589	6,589
Total non-current assets	<u>193,717</u>	<u>282,234</u>
<b>Total Assets</b>	<u>\$ 2,021,281</u>	<u>\$ 2,074,713</u>
<b><u>Liabilities and Net Assets</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 211,159	\$ 202,579
Operating lease liability, current portion	85,362	80,546
Economic injury disaster loan, current portion	3,738	3,627
Total current liabilities	<u>300,259</u>	<u>286,752</u>
<b>Long Term Liabilities</b>		
Operating lease liability	70,641	150,518
Economic injury disaster loan	141,890	145,624
Total long term liabilities	<u>212,531</u>	<u>296,142</u>
<b>Total liabilities</b>	<u>512,790</u>	<u>582,894</u>
<b>Net Assets</b>		
Without donor restrictions	1,268,216	1,221,773
With donor restrictions	240,275	270,046
<b>Total net assets</b>	<u>1,508,491</u>	<u>1,491,819</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 2,021,281</u>	<u>\$ 2,074,713</u>

**LEAP for Education, Inc.**  
**Statement of Activities**

For the years ended June 30,	<b>2024</b>			<b>2023</b>		
	Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	
<b>Revenue and Support</b>						
Contract revenue	\$ 700,635	395,290	<b>1,095,925</b>	\$ 993,162	200,000	1,193,162
Grants	804,671	225,000	<b>1,029,671</b>	237,682	602,177	839,859
Contributions	361,390	26,000	<b>387,390</b>	331,099		331,099
Special events, net	236,086	-	<b>236,086</b>	219,369	-	219,369
Interest income	59,732	-	<b>59,732</b>	3,822	-	3,822
Other income	5,000	-	<b>5,000</b>	-	-	0
Release from restriction	676,061	(676,061)	-	582,131	(582,131)	-
<b>Total revenue and support</b>	<b>2,843,575</b>	<b>(29,771)</b>	<b>2,813,804</b>	<b>2,367,265</b>	<b>220,046</b>	<b>2,587,311</b>
<b>Expenses</b>						
Program services	2,307,636	-	<b>2,307,636</b>	1,900,651	-	1,900,651
Management and administrative	213,198	-	<b>213,198</b>	227,928	-	227,928
Fundraising	273,053	-	<b>273,053</b>	203,528	-	203,528
<b>Total expenses</b>	<b>2,793,887</b>	<b>-</b>	<b>2,793,887</b>	<b>2,332,107</b>	<b>-</b>	<b>2,332,107</b>
<b>Change in Net Assets from Operations</b>	<b>49,688</b>	<b>(29,771)</b>	<b>19,917</b>	<b>35,158</b>	<b>220,046</b>	<b>255,204</b>
<b>Other Expense</b>						
Interest Expense	3,245	-	<b>3,245</b>	3,934	-	3,934
Total other expense	3,245	-	<b>3,245</b>	3,934	-	3,934
<b>Total Change in Net Asset</b>	<b>46,443</b>	<b>(29,771)</b>	<b>16,672</b>	<b>31,224</b>	<b>220,046</b>	<b>251,270</b>
<b>Net Assets at Beginning of Year</b>	<b>1,221,773</b>	<b>270,046</b>	<b>1,491,819</b>	<b>1,190,549</b>	<b>50,000</b>	<b>1,240,549</b>
<b>Net Assets at End of Year</b>	<b>\$ 1,268,216</b>	<b>240,275</b>	<b>1,508,491</b>	<b>\$ 1,221,773</b>	<b>270,046</b>	<b>1,491,819</b>

The accompanying notes are integral to the financial statements.

**LEAP for Education, Inc.**  
**Statement of Functional Expenses**

For the years ended June 30,

2024

2023

	2024				2023			
	Program	Management and Administrative	Fundraising	Total	Program	Management and Administrative	Fundraising	Total
Salaries	\$ 1,679,055	98,929	212,721	1,990,705	\$ 1,417,273	81,983	167,719	1,666,975
Payroll taxes	158,237	10,529	19,540	188,306	135,635	11,646	10,954	158,235
Benefits	75,298	19,345	5,447	100,090	64,070	21,284	3,854	89,208
	<u>1,912,590</u>	<u>128,803</u>	<u>237,708</u>	<u>2,279,101</u>	<u>1,616,978</u>	<u>114,913</u>	<u>182,527</u>	<u>1,914,418</u>
Contract and professional services	96,685	53,837	11,112	161,634	70,801	60,005	9,311	140,117
Facility expenses	112,204	15,417	16,402	144,023	71,035	34,408	5,550	110,993
Materials and supplies	86,125	3,859	1,380	91,364	67,201	6,747	1,234	75,182
Student service expense	95,962	-	-	95,962	71,659	-	-	71,659
Insurance	-	10,989	-	10,989	-	9,142	-	9,142
Travel and conferences	4,070	293	98	4,461	2,893	1,152	301	4,346
Development and marketing	-	-	6,353	6,353	84	1,561	4,605	6,250
	<u>2,307,636</u>	<u>213,198</u>	<u>273,053</u>	<u>2,793,887</u>	<u>1,900,651</u>	<u>227,928</u>	<u>203,528</u>	<u>2,332,107</u>
<b>Total Functional Expenses</b>	<b>\$ 2,307,636</b>	<b>213,198</b>	<b>273,053</b>	<b>2,793,887</b>	<b>\$ 1,900,651</b>	<b>227,928</b>	<b>203,528</b>	<b>2,332,107</b>

**LEAP for Education, Inc.**  
**Statement of Cash Flows**

For the years ended June 30,

2024

2023

**Cash Flows from Operating Activities**

<b>Change in Net Assets</b>	\$	16,672	\$	251,270
<b>Adjustments to reconcile change in net assets to cash provided by operations</b>				
Certificate of deposit interest reinvested		(31,932)		-
Operating lease		2,035		-
<b>Changes in operating assets and liabilities:</b>				
Grant receivables		47,792		(40,945)
Pledge receivables		(2,581)		(61,837)
Prepaid expenses		(8,334)		(24,195)
Other assets		(1,666)		-
Accounts payable and accrued expenses		8,580		27,117
Deferred revenue		-		(7,800)
<b>Net Cash Provided by Operating Activities</b>		<u>30,566</u>		<u>143,610</u>

**Cash Flows from Investing Activities**

Purchase of fixed assets		(4,332)		-
Purchase of certificate of deposit		(759,558)		-
<b>Net Cash (Used in) Provided by Investing Activities</b>		<u>(763,890)</u>		<u>-</u>

**Cash Flows from Financing Activities**

Repayment on EIDL loan		(3,623)		(749)
<b>Net Cash Provided by (Used in) Financing Activities</b>		<u>(3,623)</u>		<u>(749)</u>

**Net (Decrease) Increase in Cash and Cash Equivalents**

(736,947)      142,861

**Cash and Cash Equivalents - Beginning**

1,614,694      1,471,833

**Cash and Cash Equivalents - Ending**

\$ 877,747      \$ 1,614,694

**Supplement Disclosure of Cash Flow Information**

Cash paid during the year for interest	\$	<u>3,245</u>	\$	<u>3,934</u>
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**Supplement Data for Noncash Investing and Financing Activities**

Right of use assets acquired in exchange for operating lease	\$	<u>-</u>	\$	<u>299,502</u>
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# LEAP for Education, Inc.

## Notes to Financial Statements

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### 1. Nature of the Business

LEAP for Education, Inc. ("LEAP" or the Organization) was incorporated in July 2014 as a Massachusetts non-profit and is tax exempt for federal purposes under the Internal Revenue Code. LEAP for Education empowers underserved students to achieve economic and social mobility by cultivating personal, education, and career growth. Substantially all of the participants of the Organization's programs are in the Essex County Massachusetts area. The Organization's main programs include:

*Middle School and Teen Center* – this program helps middle and high school students learn and explore their interests through enrichment, civic engagement, field trips and community service. These programs also offer extensive career services and provides mentoring and other social-emotional supports.

*College Success Program* – this program helps students further explore their strengths and interests in order to develop their aspirations and get the support needed to pursue their career interests with a post-secondary degree or credential. This program also provides advisers to provide ongoing support to students through college graduation. LEAP partner's with Salem State University and Salem High School in an early college program.

Additionally, LEAP offers a variety of programs to students in science, technology, engineering, arts and math (STEM) including robotics, coding, marine science and health science as well as after school programs and summer programs.

### 2. Summary of Significant Accounting Policies

#### **Use of Estimates**

The preparation of financial statements are in conformity with generally accepted accounting principles in the United States of America ("GAAP") which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis with net assets, revenues, expenses, gains, and losses classified in two categories based on the existence or absence of externally imposed restrictions. Operating revenues consist of those monies received and contributions attributable to the Organization's ongoing efforts. The net assets of the Organization are classified and defined as follows:

#### ***Net Assets Without Donor Restrictions***

Net assets that are not subject to donor-imposed stipulations are considered unrestricted.

#### ***Net Assets With Donor Restrictions***

Net assets subject to donor- (or certain grantor-) 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-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

# LEAP for Education, Inc.

## Notes to the Financial Statements

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### 2. Summary of Significant Accounting Policies (continued)

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less, when acquired, to be cash equivalents. The Organization maintains their cash in bank accounts which, at times, may exceed federally insured limits. The Organizations have not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

#### **Certificates of Deposit**

A certificate of deposit with an original maturity of 90 days or less is included in cash and cash equivalents. Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term assets and included in the accompanying statement of financial position as certificates of deposit – short-term. Certificates of deposit with remaining maturities greater than one year are classified as long-term assets.

#### **Grant and Pledge Receivables**

The Organization carries its receivables at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of June 30, 2024 and 2023, management has estimated that no allowance is required.

At June 30, 2024 and 2023 approximately 65% and 83% of the grant receivable balance was due from two resource providers, respectively. Unconditional promises to give (pledges) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met. At June 30, 2024 and 2023, 63% and 100% of the pledge receivables balance was due from one resource provider, respectively.

#### **Property and Equipment**

Property and equipment are stated at cost at the time of acquisition or fair market value at the time of donation. Expenditures for maintenance and repairs are charged to expense as incurred; betterments are capitalized. When assets are sold or retired, the related costs and accumulated depreciation are removed from the respective accounts and any resulting gain and loss is credited or charged to operations. Depreciation is recorded on a straight-line basis based on their estimated useful lives.

#### **Functional Allocation of Expenses**

The Organization allocates its expenses on a functional basis amongst its various programs and other activities. All of the Organization's allocated expenditures have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Management, general and administrative 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 and include those costs related to the internal management and accounting for program services. Fundraising costs include all activities related to maintaining contributor information and other similar projects related to the procurement of funds.

#### **Donated Facilities, Services and Materials**

Donated facilities, services and materials are recorded at the estimated fair value provided to the Organization. Contributed services are recognized for services that require specialized skills and are provided by persons possessing those skills in the period in which they are received in accordance with GAAP.

## LEAP for Education, Inc.

### Notes to the Financial Statements

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#### 2. Summary of Significant Accounting Policies (continued)

##### Revenue Recognition

The Organization recognizes contribution and grant income when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Contract revenue in the accompanying financial statements consists of grant contracts and subcontracts with cities and states, some of which are conditional. Contract revenue from three sources represented 68% and 63% of total contract revenue at June 30, 2024 and 2023, respectively. For the years ended June 30, 2024 and 2023, grant income from one source represented 23% and 24% of total grant income, respectively.

The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Substantially all of the Organization's revenue is derived from its operations in Salem, Massachusetts.

##### Income Taxes

The Corporation is a tax-exempt entity under Code Section 501(c)(3) of the Internal Revenue Code (the "Code"), and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code and is not considered to be a private foundation. Accordingly, no provision for income taxes is included in the financial statements.

The Organization complies with the provisions of GAAP related to the accounting for the uncertainty in income taxes. As required, the Organization has evaluated its tax positions, applying a "more likely than not" threshold and believes that there would be no material changes to the results of its operation or financial position as a result of an audit by the applicable taxing authorities, federal or state. The Organization has filed all of its known and required tax returns in a timely manner, including as permitted, allowed extensions.

##### Pronouncement Adoption

On July 1, 2022, the Organization adopted ASU 2016-02, Leases, which requires a lessee to recognize a right of use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The effects of adopting this guidance resulted in the inclusion of the present value of operating lease payments in the statements of financial position as "Operating lease – right of use assets" of \$299,502 and "Operating lease liabilities" of \$299,502 upon adoption.

The Organization elected the package of practical expedients to not reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases. Refer to Note 5 for further detail regarding leases.

**LEAP for Education, Inc.**  
**Notes to the Financial Statements**

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**3. Special Events**

During 2024 and 2023, the Organization had special event revenue and related expense consisting of the following:

	2024	2023
Special event donation revenue	243,310	225,881
Special event ticket revenue	30,650	26,330
Special event expense	(37,874)	(32,842)
	<u>\$ 236,086</u>	<u>\$ 219,369</u>

**4. Fixed Assets**

As of fiscal year ended June 30, 2024, the Organization's fixed assets consists of equipment with a useful life of 3 years. The asset was placed into service in fiscal 2025 and therefore, no depreciation was recorded in 2024.

**5. Operating Lease**

The Organization is the lessee of space under an operating (rental) lease in Massachusetts. The lease requires monthly payments of approximately \$7,000 per month and expires in April 2026. The Organization determines whether a contract is a lease at inception. Identified leases are subsequently measured, classified, and recognized at lease commencement. The Organization categorizes leases with contractual terms longer than twelve months as either operating or finance. Right of use assets and lease liabilities for operating leases are included in "Operating lease - right of use assets" and "Operating lease liabilities," respectively, in the accompanying financial statements. Lease assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease.

The Organization recorded approximately \$299,502 of right-of-use assets in exchange for new operating lease liabilities during the year ended June 30, 2023. The Organization elected the short-term lease exemption policy as well as the practical expedient that allows lessees to treat the lease and non-lease components as a single lease component. During 2024, the Organization entered into a short-term lease that terminates in September of 2024 with monthly rent payable of \$1,666.

Operating lease right of use assets and associated lease liabilities are recognized based on the present value of future minimum lease payments to be made over the expected lease term, using the risk-free rate at the commencement date in determining the present value of future payments.

Maturity analysis of the annual undiscounted cash flows reconciled to the carrying value of the operating lease liabilities:

2025	\$ 85,362
2026	74,660
Total	<u>\$ 160,022</u>
Less present value discount	(4,019)
Total lease liability	<u>\$ 156,003</u>

*Weighted average remaining lease term in years for the operating lease was 1.83. The weighted average discount rate for the operating lease is 2.88%.*

Total rent expense for the years ended June 30, 2024 and 2023 amounted to \$100,645 and \$79,015, respectively.

**LEAP for Education, Inc.**  
**Notes to the Financial Statements**

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**6. Pledge Receivables**

As of June 30, 2024 and 2023, pledge receivables consisted of:

	2024	2023
Due within one year	\$ 51,000	\$ 25,000
Two to Five years	25,000	50,000
Total contribution receivable	\$ 76,000	\$ 75,000
Less discount at 2.75%	(1,582)	(3,163)
Pledge receivables, net	<u>\$ 74,418</u>	<u>\$ 71,837</u>

**7. Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consists of:

<u>Financial assets at year end:</u>	2024	2023
Cash and cash equivalents	\$ 877,747	1,614,694
Certificates of deposit - short-term	791,490	-
Grant receivables, net	68,260	116,052
Pledge receivables, net	74,418	71,837
<u>Less amounts not available to be used</u>		
<u>within one year:</u>		
Net assets with donor restrictions	<u>(240,275)</u>	<u>(270,046)</u>
Financial assets available to meet general expenditures over the next twelve months:	<u>\$ 1,571,640</u>	<u>\$ 1,532,537</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expense, which it was able to achieve in both fiscal 2024 and 2023. Additionally, LEAP has a line of credit available to meet cash flow needs.

**8. Net Assets with Donor Restrictions**

Included in net assets with donor restrictions as of June 30, 2024 and 2023 includes:

	As of 06/30/2024	As of 06/30/2023
<i>Time:</i>	\$ 74,418	\$ 71,837
<i>Specific Purpose:</i>		
Lynn Programming	50,000	6,200
Salem Programming	35,000	23,487
Technology	28,479	-
Lynn Middle School Program	19,578	-
Summer Work Program	15,000	24,840
Teen Program	14,500	107,692
Stem Program	3,300	6,000
College and Career Program	-	25,000
Staff Training	-	5,000
	<u>\$ 240,275</u>	<u>\$ 270,056</u>

A portion of the funds that were time restricted were also purpose restricted for programming in future fiscal years.

## LEAP for Education, Inc.

### Notes to the Financial Statements

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#### 9. Debt

In July 2020, the Organization obtained a loan under the SBA's Economic Injury Disaster Loan (EIDL) program amounting to \$150,000. The loan requires monthly payment of principal and interest of \$641 which commenced in December 2022. The note carries a fixed interest rate of 2.75% and matures in June 2050.

Future payments on the loan are:

2025	\$	3,738
2026		3,843
2027		3,950
2028		4,060
2029		4,173
Thereafter		<u>125,864</u>
		<u>\$ 145,628</u>

Interest on the debt amounted to \$3,245 and \$3,934 for the years ended June 30, 2024 and 2023, respectively.

#### 10. Line of Credit

During fiscal 2024, LEAP obtained a line of credit in the amount of \$150,000 to be used for working capital purposes payable on demand. Interest on the line is fixed at the WSJ Prime rate. Accrued interest on the line is due monthly. Under the line, the Organization is required to maintain a debt service coverage ratio of 1.20. As of the year-end June 30, 2024, LEAP was in compliance with this covenant. No amounts were outstanding as of June 30, 2024. In fiscal 2023, the Organization had a line of credit for \$25,000. The line had no outstanding balance as of June 30, 2023.

#### 11. Retirement Plan

The Organization, Inc. established a tax-deferred profit sharing 401(k) on July 1, 2021. The plan covers substantially all employees that meet the minimum age requirement of 21. The assets are held for each employee in an individual account maintained by an investment firm. The Organization's match is discretionary and vests after two years of service. For the years ended June 30, 2024 and 2023, the Organization's match amounted to \$- and \$17,151, respectively.

#### 11. Related Party Disclosures

During the years ended June 30, 2024 and 2023, donations from Board members amounted to approximately \$51,600 and \$42,500, respectively.

Additionally, as of June 30, 2024 and 2023, 69% and 43% of accounts payables balances were due to employees, respectively.

#### 12. Subsequent Events

Management has evaluated subsequent events through September 25, 2024, which is the date financial statements were available to be issued.