

EDUCATIONAL RESOURCES FOR CHILDREN, INC.

COMPARATIVE FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

**EDUCATIONAL RESOURCES FOR CHILDREN, INC.
COMPARATIVE FINANCIAL STATEMENTS
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Independent Auditor's Report

To the Board of Directors
Educational Resources for Children, Inc.
Enfield, CT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Educational Resources for Children, Inc. which comprise the statements of financial position as of June 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 accompanying financial statements present fairly, in all material respects, the financial position of Educational Resources for Children, Inc. as of June 30, 2023 and 2022, and 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Educational Resources for Children, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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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 Educational Resources for Children, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Educational Resources for Children, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Educational Resources for Children, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Henry, Raymond & Thompson, LLC

Henry, Raymond & Thompson, LLC
South Windsor, Connecticut
February 13, 2024

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Financial Information for the Year Ended June 30, 2022)

Assets	2023	2022
Current assets		
Cash and cash equivalents	\$ 427,400	\$ 393,251
Grants and accounts receivable, net	45,200	147,072
Prepaid expenses	602	15,720
Total current assets	<u>473,202</u>	<u>556,043</u>
Property & Equipment		
Right-of-use Asset, net	231,827	-
Furniture and office equipment	72,207	72,207
Less accumulated depreciation and amortization	<u>63,953</u>	<u>59,654</u>
Net property and equipment	<u>240,081</u>	<u>12,553</u>
Total Assets	<u>\$ 713,283</u>	<u>\$ 568,596</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 24,223	\$ 29,924
Deferred Revenue	77,648	32,451
Current Portion of Operating Lease Liability	54,296	-
Refundable Advances	<u>29,577</u>	<u>246,611</u>
Total current liabilities	<u>185,744</u>	<u>308,986</u>
Operating Lease Liability, less current portion	<u>172,998</u>	<u>-</u>
Total liabilities	<u>358,742</u>	<u>308,986</u>
Net Assets		
Without donor restrictions	311,349	112,235
With Donor restrictions	<u>43,192</u>	<u>147,375</u>
Total net assets	<u>354,541</u>	<u>259,610</u>
Total Liabilities and Net Assets	<u>\$ 713,283</u>	<u>\$ 568,596</u>

The accompanying notes are an integral part of the basic financial statements

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(With Summarized Financial Information for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Public support and revenue:				
Contributions	\$ 76,751		\$ 76,751	\$ 191,678
Grants	698,724	37,000	735,724	651,043
Program service fees	483,994	-	483,994	470,545
Events	22,620	-	22,620	55,233
Other income	3,026	-	3,026	2,875
Net assets released from restrictions	141,183	(141,183)	-	-
Total revenues and other support	1,426,298	(104,183)	1,322,115	1,371,374
Expenses:				
Wages	838,577		838,577	791,247
Payroll taxes	76,852		76,852	69,906
Office expense	130,033		130,033	125,606
Rent	60,367		60,367	59,125
Insurance - medical	2,684		2,684	12,370
Program supplies and expense	47,929		47,929	75,644
Professional services	19,797		19,797	26,387
Events	15,148		15,148	24,507
Transportation	7,443		7,443	1,940
Insurance	18,226		18,226	15,430
Depreciation	4,299		4,299	3,609
Advertising	5,211		5,211	2,105
Bad debts	618		618	1,917
Subcontract services	-		-	8,213
Total expenses	1,227,184	-	1,227,184	1,218,005
Change in net assets	199,114	(104,183)	94,931	153,369
Net assets - beginning of the year	\$ 112,235	\$ 147,375	\$ 259,610	\$ 106,241
Net assets - end of the year	\$ 311,349	\$ 43,192	\$ 354,541	\$ 259,610

The accompanying notes are an integral part of the basic financial statement

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			
	Program Services	Management and General	Fundraising	Total
Wages	\$ 740,920	\$ 72,406	\$ 25,250	\$ 838,577
Payroll taxes	61,482	15,370	-	76,852
Office expense	71,211	58,699	123	130,033
Rent	30,184	30,184	-	60,367
Insurance - medical	-	2,684	-	2,684
Program supplies and expense	4,589	29,572	13,768	47,929
Professional services	-	19,797	-	19,797
Events	15,148	-	-	15,148
Transportation	7,443	-	-	7,443
Insurance	15,186	3,040	-	18,226
Depreciation	-	4,299	-	4,299
Advertising	-	5,211	-	5,211
Bad Debts	618	-	-	618
	\$ 946,780	\$ 241,262	\$ 39,141	\$ 1,227,184
	2022			
	Program Services	Management and General	Fundraising	Total
Wages	\$ 620,086	\$ 116,639	\$ 54,522	\$ 791,247
Payroll taxes	55,925	13,981	-	69,906
Office expense	66,395	59,134	76	125,605
Rent	29,563	29,563	-	59,126
Insurance - medical	-	12,370	-	12,370
Program supplies and expense	19,578	29,970	28,097	77,645
Professional services	-	26,387	-	26,387
Events	24,507	-	-	24,507
Transportation	1,940	-	-	1,940
Insurance	12,871	2,559	-	15,430
Depreciation	-	3,609	-	7,309
Advertising	-	2,105	-	2,105
Bad Debts	1,916	-	-	1,916
Subcontract services	8,213	-	-	8,213
	\$ 840,994	\$ 296,317	\$ 82,695	\$ 1,223,706

The accompanying notes are an integral part of the basic financial statements

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Increase/(Decrease) in net assets	\$ 94,931	\$ 153,369
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,299	3,608
Amortization of ROU Asset	48,160	-
(Increase) decrease in operating assets:		
Grants and Accounts receivable	101,872	(34,395)
Prepaid expenses	15,118	(8,843)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(5,701)	12,384
Refundable Advances	(217,034)	122,082
Principal payments on operating lease	(52,693)	-
Deferred revenue	45,197	(23,696)
PPP Loan Deferred Revenue, net of spend-down	-	(46,693)
Net cash provided (used) by operating activities	<u>34,149</u>	<u>177,816</u>
 Cash Flows from Investing Activities:		
Purchase of property and equipment	-	(5,700)
Net cash used in investing activities	<u>-</u>	<u>(5,700)</u>
 Net increase in cash and cash equivalents	 34,149	 172,116
 Cash and Cash Equivalents - beginning of the year	 <u>393,251</u>	 <u>221,135</u>
 Cash and Cash Equivalents - end of the year	 <u>\$ 427,400</u>	 <u>\$ 393,251</u>
 Supplementary Cash-flow information		
Cash paid for income taxes	\$ -	\$ -
Cash paid for Interest expense	\$ -	\$ -

The accompanying notes are an integral part of the basic financial statements

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE I – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Educational Resources for Children, Inc.'s mission is to provide before and after school academic programs for area children in grades kindergarten through eighth and to improve academic achievement and support in-school learning by providing a safe and healthy environment to promote development.

Comparative Financial Information

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

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activity according to the following net asset classes:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount that management expects to collect from outstanding balances. Accounts are considered past due upon being outstanding for 30 days or more. Management provides for probable uncollectible amounts through an allowance for doubtful accounts an adjustment to bad debt expense based on its assessment of the status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

charge to the allowance and a credit to accounts or grants receivable. Based on the Organizations collection experience, the allowance for doubtful accounts at June 30, 2023 and 2022 was \$0.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Revenue and Revenue Recognition

Contributions

The Organization recognizes contributions 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.

Registration and other program fee revenue, are comprised of an exchange element based on the value of benefits provided. The Organization recognizes the exchange portion of registration and other program fees over the program period (generally on a weekly basis). 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.

A portion of our revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The organization received advances on cost-reimbursable grants of \$240,794 of which \$29,577 has not been expended.

Contributed Goods, Services and Facilities

During the years ended June 30, 2023 and 2022, the value of contributed goods, services and facilities meeting the requirements for recognition in the financial statements was \$18,357 and \$37,462 as follows:

<u>Type</u>	<u>Amount</u>		<u>Contributor</u>
	<u>2023</u>	<u>2022</u>	
Program Supplies	<u>18,357</u>	<u>37,462</u>	Various contributors
Totals	<u>\$ 18,357</u>	<u>\$ 37,462</u>	

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
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Several volunteers have made significant contributions of their time in furtherance of the Organization’s mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Functional Expenses – The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such Allocations are determined by management on an equitable basis.

The expenses that have been allocated include the following:

Expense	Method of Allocation
Wages	Time and effort
Office Expenses	Purpose
Payroll Taxes	Time and effort
Insurance – Medical	Time and effort
Rent	Square footage
Professional Services	Purpose
Insurance (Liability and Workers Comp)	Purpose/time and effort
Advertising	Purpose

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

It is the Organization’s policy to capitalize property and equipment over \$2,499. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Depreciation is computed using the straight-line method with asset lives ranging from five to thirty years. Depreciation expense for the years ended June 30, 2023 and 2022 was \$4,299 and \$3,609, respectively.

Deferred Revenue

Deferred revenue relates principally to the Organizations collection of fees for the summer program, which begins after the fiscal year end. Revenue is recognized in the period the services are provided.

Refundable Advances

Refundable advances are amounts received on cost-reimbursable federal and state contracts and grants prior to incurring qualifying expenditures.

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Reclassifications

Certain amounts in the prior year are reclassified to conform to current year presentation, when necessary.

Advertising Costs

During the fiscal years ending 2023 and 2022, the Organization incurred advertising costs in the amounts of \$5,211 and \$2,105, respectfully. Advertising costs are primarily advertising employment opportunities. The Organization's policy is to expense advertising costs as incurred.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If the Organization were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties would be reported as income taxes. The Organizations conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations and interpretations thereof as well as other factors. Generally, federal, state and local authorities may examine the Organization's tax returns for three years from the date of filing. Consequently, income tax returns for years prior to 2019 are no longer subject to examination by taxing authorities.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumption market participants would use when pricing an asset.

The carrying amounts reflected in the statement of financial position for cash and cash equivalents, accounts and grant receivables, prepaid expenses, accounts payable, accrued expenses, line of credit and deferred revenue approximate fair value due to their short-term maturities. Any long-term debt obligations are carried at historical cost.

Changes in Accounting Policy / Recently Adopted Accounting Pronouncements

In February 2016, FASB issues ASU No. 2016-02, *Leases (Topic 842)*. FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. Educational Resources for Children adopted FASB ASC 842, with a date of initial application of July 1, 2022, by applying the modified retrospective transition approach and using the additional transition method provided by ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. Educational Resources for Children did not restate prior periods under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to retained earnings as of July 1, 2022, was necessary for the cumulative impact of adoption of FASB ASC 842. The most significant effects of adopting FASB ASC 842 was the recognition of \$279,987 of operating lease right-of-use assets, and a total of \$279,987 of operating lease liabilities as

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

of July 1, 2022. No cumulative effect adjustment to retained earnings as of July 1, 2022, was necessary. FASB 842 did not have a significant effect on the results of operations or cash flows for the year ended June 30, 2023.

As a part of the transition, Educational Resources for Children implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases
- Election not to reassess the lease classification for any expired or existing leases
- Election not to reassess initial direct costs on any existing leases

NOTE II – AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at June 30, 2023 and 2022:

	2023	2022
Financial assets at year end		
Cash and cash equivalents	\$ 427,400	393,251
Grants and accounts receivable, net	45,200	147,072
Total financial assets	472,600	540,323
Less amounts not available to be used within one year:		
Net assets with donor restrictions	43,192	147,375
Less net assets with purpose restrictions to be met less than a year	(43,192)	(147,375)
	-	-
Financial assets available to meet general expenditures over the next twelve months	\$ 472,600	\$ 540,323

The Organization’s goal is to generally maintain financial assets to meet 90 days of operating expenses (Approximately \$300,000). Educational Resources for Children, Inc. has a \$75,000 line of credit available to meet cash flow needs.

NOTE III – CONCENTRATIONS

During the fiscal years 2023 and 2022, the Organization received approximately 56% and 50% of its total support and revenues from various government grants and funding. Additionally, during the fiscal years 2023 and 2022, the Organization received approximately 3% and 5% of its support from the United Way.

As of June 30, 2023 and 2022, the Organization’s balance of cash and cash equivalents at a financial banking institution exceeds the federally insured limit of \$250,000 at periods during the year. These balances fluctuate greatly during the year and can exceed this \$250,000 limit at any time. Management monitors regularly the financial condition of the banking institution, along with their balances in cash and cash equivalents, and tries to keep this potential risk to a minimum.

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE IV – NET ASSETS

Net assets with donor restrictions are so classified because the donor has indicated the specific purpose the donation shall serve. Net assets with donor restrictions were as follows for years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Specific Purpose		
HFPG ED Transition Grant	\$ -	\$ -
Passage of time		
Summer Program	-	68,375
Program	<u>43,192</u>	<u>79,000</u>
	<u>\$ 43,192</u>	<u>\$ 147,375</u>

Net assets without donor restrictions for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Undesignated	\$ 311,349	\$ 112,235
Board-designated net assets	<u>-</u>	<u>-</u>
	<u>\$ 311,349</u>	<u>\$ 112,235</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions		
HFPG ED Transition Grant	\$ -	\$ 22,695
Passage of time restrictions	<u>141,183</u>	<u>87,253</u>
	<u>\$ 141,183</u>	<u>\$ 109,948</u>

NOTE V – LOANS

Line of Credit:

The organization renewed their \$75,000 operating line of credit with Hedco, Inc. in December of 2021. The line of credit has a maturity date of January 30, 2024, and does not have an outstanding balance as of June 30, 2023. The stated rate of interest on this loan is 4%.

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE VI – Operating Lease Obligations

Office

The Organization entered into a lease effective July 1, 2018 for a three year period ending June 30, 2021. Monthly payments under the lease vary from \$4,000 in the first year of the lease to \$4,400 in the final year of the lease.

The Organization entered into a new lease agreement for the same space effective July 1, 2021 for a three year period ending June 30, 2024. Monthly payments under the lease vary from \$4,927 in the first year of the lease to \$5,775 in the final year of the lease.

The Organization amended the original lease agreement on April 21, 2023, extending the term of the lease for an additional 3 years, terminating on June 30, 2027. The Organization will pay fixed rent annually, with monthly payments from \$4,742 in the first year of the amended lease to \$5,148 in the final year of the lease. Additionally, this lease is on a gross basis, meaning the Landlord is solely responsible for the common area maintenance, real estate taxes, and insurance.

The following is a summary of property held under the operating lease:

Year Ending <u>June 30</u>	Lease Payments
2024	\$ 56,904
2025	58,245
2026	60,010
2027	<u>61,775</u>
	<u>\$ 236,934</u>

Lease Expense	<u>June 30, 2023</u>
Finance Lease expense	-
Amortization	-
Interest on lease liabilities	-
Operating lease expense	\$ 60,367
Short-term lease expense	-
Variable lease expense	-
Sublease Income	-
Total	<u>\$ 60,367</u>

EDUCATIONAL RESOURCES FOR CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

Other Information

Operating cash flows from operating leases	\$ 60,367
ROU assets obtained in exchange for new operating lease liabilities	\$ 231,827
Weighted-average remaining lease term in years for operating lease	4
Weighted-average discount rate for operating leases	3%

NOTE VII – EMPLOYEE BENEFIT PLAN

The Organization had a tax deferred 401(b) plan covering all employees. The assets are held for each employee in an individual account maintained by an investment firm. Employees may voluntarily elect to participate and contribute to the 401(b) plan. The Organization does not match employee contributions.

NOTE VIII – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 13, 2024, the date which the financial statements were available to be issued.

Grants:

Educational Resources for Children, Inc. has been awarded two additional grants for the fiscal year 2023-24.

United Way Out of School Time Program -- \$37,000

Town Of Enfield – Enfield Department of Social services -- \$15,000