

BUILDING AFRICAN AMERICAN MINDS, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2023 and 2022



INDEPENDENT AUDITORS' REPORT

To the Board of Directors

BUILDING AFRICAN AMERICAN MINDS, INC.

Opinion

We have audited the financial statements of Building African American Minds, Inc. (a nonprofit organization), 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 Building African American Minds, 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Building African American Minds, Inc. 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 Building African American Minds, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

To the Board of Directors

BUILDING AFRICAN AMERICAN MINDS, INC.

Auditors' Responsibility 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 Building African American Minds, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Building African American Minds, 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, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related activities that we identified during the audit.

BSC Group, LLC

Easton, Maryland
April 12, 2024

BUILDING AFRICAN AMERICAN MINDS, INC.**STATEMENTS OF FINANCIAL POSITION**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,915,520	\$ 4,159,102
Current portion of unconditional promises to give	25,000	816,000
Grant receivable	28,750	-
TOTAL CURRENT ASSETS	<u>4,969,270</u>	<u>4,975,102</u>
PROPERTY, at cost		
less accumulated depreciation	<u>3,956,877</u>	<u>3,705,199</u>
OTHER ASSETS		
Operating lease right-of-use asset	6,507	-
Unconditional promises to give, less current portion	12,000	152,000
TOTAL OTHER ASSETS	<u>18,507</u>	<u>152,000</u>
TOTAL ASSETS	<u><u>\$ 8,944,654</u></u>	<u><u>\$ 8,832,301</u></u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 77,853	\$ -
Accrued payroll	13,736	8,501
Credit card payable	4,378	-
Operating lease liability, current	1,842	-
TOTAL CURRENT LIABILITIES	<u>97,809</u>	<u>8,501</u>
LONG-TERM DEBT		
Operating lease liability, non-current	<u>4,702</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 102,511</u>	<u>\$ 8,501</u>
<u>NET ASSETS</u>		
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Undesignated	4,776,729	5,509,749
Board designated - Building fund	<u>4,065,414</u>	<u>3,314,051</u>
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>8,842,143</u>	<u>8,823,800</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 8,944,654</u></u>	<u><u>\$ 8,832,301</u></u>

See Notes to Financial Statements

BUILDING AFRICAN AMERICAN MINDS, INC.**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions	\$ 986,985	\$ 2,989,771
Grant income	259,720	203,515
Investment income, net	348	3,666
Gain on extinguishment of debt	-	78,305
Rental income	2,451	1,775
TOTAL REVENUES	<u>1,249,504</u>	<u>3,277,032</u>
EXPENSES		
Program services	1,078,784	749,791
Management and general	144,692	67,302
Fundraising expenses	7,685	11,954
TOTAL EXPENSES	<u>1,231,161</u>	<u>829,047</u>
CHANGE IN NET ASSETS	18,343	2,447,985
NET ASSETS, BEGINNING OF YEAR	<u>8,823,800</u>	<u>6,375,815</u>
NET ASSETS, END OF YEAR	<u>\$ 8,842,143</u>	<u>\$ 8,823,800</u>

See Notes to Financial Statements

BUILDING AFRICAN AMERICAN MINDS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2023 and 2022

	2023				2022			
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Advertising and promotion	\$ -	\$ -	\$ 7,685	\$ 7,685	\$ -	\$ -	\$ 11,954	\$ 11,954
Automobile expense	2,981	-	-	2,981	958	-	-	958
Building utilities	27,827	-	-	27,827	21,708	-	-	21,708
Cleaning expense	22,975	-	-	22,975	-	-	-	-
Depreciation	98,508	-	-	98,508	103,173	-	-	103,173
Donations	-	50	-	50	-	-	-	-
Dues and subscriptions	-	4,776	-	4,776	-	425	-	425
Equipment rental and maintenance	3,187	-	-	3,187	-	-	-	-
Fees and licenses	-	1,249	-	1,249	-	646	-	646
Insurance expense	20,081	5,545	-	25,626	12,791	5,228	-	18,019
Office supplies and expenses	9,869	1,216	-	11,085	10,284	179	-	10,463
Operating lease expense	-	1,944	-	1,944	-	-	-	-
Payroll expense	55,940	7,235	-	63,175	43,126	3,365	-	46,491
Professional fees	-	31,805	-	31,805	-	19,853	-	19,853
Program expenses	122,308	-	-	122,308	32,056	-	-	32,056
Program expenses - festival	-	-	-	-	12,095	-	-	12,095
Repairs and maintenance	8,478	-	-	8,478	19,386	-	-	19,386
Taxes	1,575	-	-	1,575	1,625	-	-	1,625
Salaries and wages	702,610	90,872	-	793,482	481,956	37,606	-	519,562
Supplies	2,445	-	-	2,445	10,633	-	-	10,633
TOTAL EXPENSES	<u>\$ 1,078,784</u>	<u>\$ 144,692</u>	<u>\$ 7,685</u>	<u>\$ 1,231,161</u>	<u>\$ 749,791</u>	<u>\$ 67,302</u>	<u>\$ 11,954</u>	<u>\$ 829,047</u>

See Notes to Financial Statements

BUILDING AFRICAN AMERICAN MINDS, INC.**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 18,343	\$ 2,447,985
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	98,508	103,173
Gain on extinguishment of debt - PPP loan	-	(78,100)
Noncash lease expense	37	-
(Increase) decrease in operating assets		
Unconditional promises to give	931,000	(968,000)
Grant receivable	(28,750)	-
Increase (decrease) in operating liabilities		
Accounts payable	77,853	(8,000)
Accrued payroll	5,235	3,520
Credit card payable	4,378	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>1,106,604</u>	<u>1,500,578</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(350,186)	(255,016)
Proceeds from sale of marketable securities	704,176	702,042
Acquisition of marketable securities	<u>(704,176)</u>	<u>(702,042)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(350,186)</u>	<u>(255,016)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 756,418	 1,245,562
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>4,159,102</u>	 <u>2,913,540</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 4,915,520</u>	 <u>\$ 4,159,102</u>

See Notes to Financial Statements

BUILDING AFRICAN AMERICAN MINDS, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Basis of presentation and summary of significant accounting policies

Nature of operations – Building African American Minds, Inc. (the Organization) was formed as a non-profit corporation on October 18, 2005. The purpose of the Organization is to identify African American males at risk for failure and aim to recognize and address socioeconomic barriers that inhibit their ability to learn effectively and provide academic enrichment in a safe, caring, and structured environment. The Organization's support comes primarily from donor contributions.

Basis of presentation – The financial statements of Building African American Minds, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities as defined by generally accepted accounting principles.

Financial statement presentation conforms with U.S. generally accepted accounting principles (GAAP). Under GAAP, the Organization is required to report 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 Organization had only net assets without donor restrictions at June 30, 2023 and 2022.

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

Cash and cash equivalents – The Organization considers all highly liquid investments, with an original maturity of three months or less to be equivalent to cash.

Property and equipment – Property and equipment are stated at cost, if purchased, or at fair value at the date of the gift, if donated, less accumulated depreciation. Depreciation is computed based on the straight-line method over the estimated useful lives of the respective assets. The Organization capitalizes property and equipment with an initial cost in excess of \$2,500. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Building and improvements	39 Years
Furniture and fixtures	7 Years
Machinery and equipment	5 Years
Transportation equipment	5 Years

BUILDING AFRICAN AMERICAN MINDS, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Basis of presentation and summary of significant accounting policies – continued

Revenue recognition – Contributions received are recorded as with donor restricted or without donor restricted support depending on the existence and/or nature of any donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recorded in the period pledged. Amounts expected to be collected within one year are recorded at their net realizable value. The Organization does not generally experience collectability issues regarding its contributions. Management has provided no allowance for uncollectible pledges for the years ended June 30, 2023 and 2022.

Contributions do not have an associated transaction price. Since there are no performance obligations, revenue is recognized at the point in time the contributions are received. Significant donor payment terms include: cash, check and electronic methods.

Due to the nature of the services the Organization provides, there are no merchandise returns. No warranties are present or offered nor is there any variable consideration present or constrained accordance with FASB ASC 606-10-50-21.

Income taxes – No provision has been made for income taxes in the financial statements. The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). This code section enables the Organization to accept donations that qualify as charitable contributions to the donor.

The Organization believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the IRS, generally for three years after the returns are filed.

Functional expenses – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. The expenses that are allocated include personnel costs and insurance which are allocated on the basis of estimates of time and effort or location.

BUILDING AFRICAN AMERICAN MINDS, INC.

NOTES TO FINANCIAL STATEMENTS

(1) **Basis of presentation and summary of significant accounting policies – continued**

Investments – The Organization’s investments include donated stock, which is liquidated immediately after transfer. The Organization complies with FASB ASC 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Securities received as gifts are recorded at fair value on the date of the gift.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in values of investment securities could occur in the near-term, and those changes could materially affect investment balances and activity included in the financial statements.

Change in accounting principle – In February 2016, the FASB established Topic 842, Leases, by issuing Accounting Standards Update (ASU) No. 2016-02, which requires lessees to recognize leases on balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

Effective July 1, 2022, the Organization adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, Leases (Topic 842). A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. If an entity chooses the second option, the transition requirements for existing leases also apply to leases entered into between the date of initial application and the effective date. The entity must also recast its comparative period financial statements and provide the disclosures required by the new standard for the comparative periods. We adopted the new standard on July 1, 2022 and used the effective date as our date of initial application. Consequently, financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods before July 1, 2022.

The Organization has elected the package of practical expedients permitted in ASC Topic 842. The Organization currently has one existing operating lease to account for as operating leases under the new guidance.

BUILDING AFRICAN AMERICAN MINDS, INC.

NOTES TO FINANCIAL STATEMENTS

(1) **Basis of presentation and summary of significant accounting policies – continued**

Leases – The Organization determines if an arrangement is a lease at inception. Operating leases would be included in operating lease right of use asset and operating lease liabilities on the balance sheet. Finance leases would be included in property and equipment, other current liabilities, and other long-term liabilities in the Organization's statement of financial position. There are no financing leases as of June 30, 2023.

Right of use assets represent the Organization's right to use an underlying asset for the lease term and the lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating right of use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. If the Organization's lease does not provide an implicit rate, the Organization will elect to use a risk-free discount rate. The operating lease right of use asset would also include any lease payments made and excludes lease incentives. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise the option. Lease expense for lease payments will be recognized on a straight-line basis over the lease term. If the lease agreement contains lease and non-lease components, which are generally accounted for separately, we will account for the lease and non-lease components as a single lease component.

Fair value measurements – FASB ASC 820-10-20 establishes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level input that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the markets in which the assets and liabilities are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy are defined as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.

Level 2 - inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

Level 3 - inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

BUILDING AFRICAN AMERICAN MINDS, INC.

NOTES TO FINANCIAL STATEMENTS

(2) Liquidity and availability of financial assets

The following reflects the Organization's financial assets as of the statement of financial position dates, reduced by the amounts not available for general use within one year of those dates.

	<u>2023</u>	<u>2022</u>
Financial assets at year-end	\$ 8,944,654	\$ 8,832,301
Less those unavailable for general expenditures within one year	<u>3,975,384</u>	<u>3,857,199</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,969,270</u>	<u>\$ 4,975,102</u>

Financial assets available to meet cash needs for general expenditures within one year as of June 30, 2023 include cash of \$4,915,520, current portion of unconditional promises to give of \$25,000, and grant receivable of \$28,750.

Liabilities as of June 30, 2023 and 2022 total \$97,809 and \$8,501, respectively. Therefore, financial assets held at June 30, 2023 and 2022 are deemed to be sufficient to satisfy general expenditures due within one year.

(3) Property and equipment

Property and equipment is summarized as follows:

	<u>2023</u>	<u>2022</u>
Jowite Building	\$ 84,308	\$ 84,308
Jowite Improvements	53,000	53,000
Jowite Land	138,313	138,313
Athletic Center	3,378,778	3,378,778
Vehicle	41,995	41,995
Equipment	3,106	3,106
Furniture and Fixtures	9,740	9,740
Construction in Progress	<u>621,456</u>	<u>271,270</u>
	4,330,696	3,980,510
Less accumulated depreciation	<u>(373,819)</u>	<u>(275,311)</u>
	<u>\$ 3,956,877</u>	<u>\$ 3,705,199</u>

Depreciation expense for the years ended June 30, 2023 and 2022 totaled \$98,508 and \$103,173, respectively. As of June 30, 2023 and 2022, the construction in progress relates to the construction of the Organization's educational facilities.

BUILDING AFRICAN AMERICAN MINDS, INC.

NOTES TO FINANCIAL STATEMENTS

(4) Investments and investment income

The Organization's investments consist entirely of donated stock from one donor. During the year ended June 30, 2023 and 2022 respectively, the Organization received multiple donations of stock totaling \$705,856 and \$706,088. After each stock donation occurred, the Organization immediately liquidated shares; therefore, at June 30, 2023 and 2022, there was a zero balance in the investment account.

The following schedule summarizes the investment activity in the statement of activities at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest income	\$ 2,179	\$ 7,952
Investment fees	(150)	(240)
Realized gains (losses)	<u>(1,681)</u>	<u>(4,046)</u>
Total investment return	<u>\$ 348</u>	<u>\$ 3,666</u>

(5) Promises to give

Unconditional promises to give as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 25,000	\$ 816,000
Receivable in one to five years	<u>12,000</u>	<u>152,000</u>
Total unconditional promises to give	<u>\$ 37,000</u>	<u>\$ 968,000</u>

Approximately 100% and 77% of outstanding unconditional promises to give were due from one organization for the years ended June 30, 2023 and 2022, respectively.

(6) Advertising costs

The Organization uses advertising to promote its fundraisers and programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2023 and 2022 totaled \$7,685 and \$11,954, respectively.

BUILDING AFRICAN AMERICAN MINDS, INC.

NOTES TO FINANCIAL STATEMENTS

(7) Concentrations – support and revenue

Approximately 71% or \$700,000 of the Organization's contribution revenue was received from one donor for the year ended June 30, 2023. Approximately 75% or \$2,248,108 of the Organization's contribution revenue was received from two donors for the year ended June 30, 2022.

(8) Credit risk

The Organization has cash deposits at two local financial institutions. Demand deposits held at commercial banking institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per bank. At June 30, 2023 and 2022, the balance at Shore United bank exceeded the FDIC limit by approximately \$117,490 and \$142,899 respectively. At June 30, 2023 and 2022, the balance at Bank of America exceeded the FDIC limit by approximately \$4,333,299 and \$3,480,795, respectively.

(9) Line of credit

The Organization has a \$500,000 line of credit with Shore United Bank. The line of credit accrues interest at the initial rate of 5% and is collateralized by the Organization's accounts, equipment, and fixtures. There was no outstanding balance on the line of credit as of June 30, 2023 and 2022.

(10) Operating leases

The Organization leases a Sharp MX-3071 color document copier. The lease provides for monthly payments of \$159. The lease expires December 1, 2026.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of June 30, 2023:

<u>Years Ending June 30</u>	<u>Total</u>
2024	\$ 1,908
2025	1,908
2026	1,908
2027	954
Total undiscounted cash flows	6,678
Less: present value discount	(134)
Total lease liabilities	<u>\$ 6,544</u>

-Continued-

BUILDING AFRICAN AMERICAN MINDS, INC.
NOTES TO FINANCIAL STATEMENTS

(10) Operating leases – continued

The components of lease expense are as follows:

	<u>2023</u>
Operating lease expense	\$ 1,944

The supplemental cash flow information related to leases is as follows:

	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 1,908
ROU assets obtained in exchange for new operating lease liabilities	8,363
Weighted-average remaining lease term in years for operating leases	3.50
Weighted-average discount rate for operating leases	1.20%

(11) Related party transactions

The Organization engaged Jack Construction in connection with building repairs and building improvements in the amount of \$75,352 and \$15,864 for the years ended June 30, 2023 and 2022, respectively. The spouse of Dina Daly, Executive Director, holds 50% ownership in Jack Construction.

(12) Subsequent events

In January 2024, the Organization was notified that they will be receiving \$1,500,000 in grant funding from the State of Maryland's Capital Projects Grant funding. The grant funds will be used to cover costs associated with the construction of the BAAM Academic Center.

The Organization has evaluated subsequent events through April 12, 2024, which is the date the financial statements were available to be issued.