



**Liberation Programs, Inc. and
Associated Organizations**

Consolidated Financial Statements (With Supplementary Information)
and Uniform Guidance and State Single Audit
Schedules Together with Independent Auditors' Reports

June 30, 2024 and 2023

Liberation Programs, Inc. and Associated Organizations

Consolidated Financial Statements (With Supplementary Information) and Uniform Guidance and State Single Audit Schedules Together with Independent Auditors' Reports

June 30, 2024 and 2023

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Board of Directors
Liberation Programs, Inc. and Associated Organizations

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Liberation Programs, Inc. and Associated Organizations (the "Agency"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statement of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Liberation Programs, Inc. and Affiliates Organizations 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.

Emphasis of Matter – Prior Year Financial Statements

The financial statements of the Agency for the year ended June 30, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on February 7, 2024. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Liberation Programs, Inc. and Associated Organization's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 and *Government 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government 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 the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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 audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the accompanying schedule of expenditures of state financial assistance, as required by the Connecticut *State Single Audit Act* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information on pages 38-40 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Shelton, Connecticut
February 24, 2025

Liberation Programs, Inc. and Associated Organizations

Consolidated Statements of Financial Position

	June 30,	
	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,843,760	\$ 2,971,387
Accounts receivable, net of allowance for credit losses of \$387,000 at June 30, 2024	1,962,126	-
Accounts receivable, net of allowance for doubtful accounts of \$445,500 at June 30, 2023	-	2,069,624
Grants receivable	499,978	447,996
Other receivable	71,782	101,797
Prepaid expenses	138,827	142,553
Total Current Assets	4,516,473	5,733,357
Property, plant and equipment, net	10,847,656	11,364,392
Operating lease right-of-use asset	428,338	564,749
Investments	3,671,675	539,808
Security and other deposits	165,843	141,907
Tax credit monitoring fees, net	30,451	36,535
	\$ 19,660,436	\$ 18,380,748
LIABILITIES AND NET ASSETS		
Current Liabilities		
Current portion of long-term debt	\$ 71,574	\$ 68,121
Current portion of operating lease liability	158,948	139,463
Accounts payable and accrued expenses	2,557,209	2,081,259
Deferred revenue	894,267	199,259
Total Current Liabilities	3,681,998	2,488,102
Operating lease liability, less current portion	276,248	430,558
Long-term debt, less current portion	4,247,328	4,314,000
Total Liabilities	8,205,574	7,232,660
Net Assets		
Without donor restrictions	9,354,665	8,718,072
Noncontrolling interest	2,100,197	2,430,016
Total Net Assets	11,454,862	11,148,088
	\$ 19,660,436	\$ 18,380,748

See notes to consolidated financial statements

Liberation Programs, Inc. and Associated Organizations

Consolidated Statements of Activities

	Years Ended June 30,	
	<u>2024</u>	<u>2023</u>
PUBLIC SUPPORT AND REVENUES		
(WITHOUT RESTRICTIONS)		
Government grants	\$5,394,638	\$5,528,474
Client service revenue, net of contractual allowance	14,470,261	12,555,636
Contributions	272,100	402,286
Rental income	379,217	384,391
Special events	294,590	291,378
Investment income and other	225,827	93,393
Total Public Support and Revenue Without Restrictions	<u>21,036,633</u>	<u>19,255,558</u>
EXPENSES		
Program Services		
Addiction Treatment	5,205,301	4,466,428
Inpatient Treatment	5,366,982	4,454,087
Outpatient Services	3,113,380	2,510,718
Rental	959,998	959,065
Other	1,441,531	1,116,731
Total Program Services	<u>16,087,192</u>	<u>13,507,029</u>
Supporting Services		
Management and general	4,344,392	3,563,201
Fundraising	298,275	145,874
Total Expenses	<u>20,729,859</u>	<u>17,216,104</u>
Change in Net Assets	<u>\$ 306,774</u>	<u>\$2,039,454</u>

See notes to consolidated financial statements

Liberation Programs, Inc. and Associated Organizations

Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services					Supporting Services			
	Addiction Treatment	Inpatient Treatment	Outpatient Services	Rental	Other	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 3,723,137	\$ 3,171,207	\$ 2,328,291	\$ 59,390	\$ 947,454	\$10,229,479	\$ 1,456,606	\$ 193,483	\$11,879,568
Payroll taxes	266,440	231,129	169,793	7,117	69,283	743,762	125,767	17,584	887,113
Employee benefits	637,389	479,231	379,170	9,993	134,512	1,640,295	444,392	49,391	2,134,078
Laboratory services and drugs	217,785	95,265	16,466	-	59,737	389,253	181	-	389,434
Food supplies	9,841	531,311	20,155	-	38,269	599,576	109	-	599,685
Contracted services	120,386	278,367	4,858	139,977	35,614	579,202	754,719	-	1,333,921
Maintenance	17,178	171,077	27,051	31,575	3,270	250,151	44,156	-	294,307
Occupancy and utilities	765	33,084	34,479	63,366	2,647	134,341	372,426	-	506,767
Telephone	5,187	11,433	6,556	4,066	9,600	36,842	13,289	-	50,131
Equipment rental	28,028	41,762	4,654	1,408	13,087	88,939	114,055	-	202,994
Insurance	84,701	89,644	43,838	42,915	12,391	273,489	25,322	-	298,811
Professional fees	-	-	9,704	16,630	158	26,492	113,764	-	140,256
Office supplies and expenses	48,666	117,348	36,771	3,041	40,499	246,325	118,627	-	364,952
Transportation and lodging	31,724	22,552	12,154	-	47,966	114,396	61,008	-	175,404
Depreciation and amortization	2,648	63,797	65	362,223	16,162	444,895	179,934	-	624,829
Bad debt	-	-	-	61,921	-	61,921	451,338	-	513,259
Interest expense	-	-	-	156,376	-	156,376	-	-	156,376
Other	11,426	29,775	19,375	-	10,882	71,458	68,699	-	140,157
Fundraising event	-	-	-	-	-	-	-	37,817	37,817
Total Expenses	\$ 5,205,301	\$ 5,366,982	\$ 3,113,380	\$ 959,998	\$ 1,441,531	\$16,087,192	\$ 4,344,392	\$ 298,275	\$20,729,859

See notes to consolidated financial statements

Liberation Programs, Inc. and Associated Organizations

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services					Supporting Services			
	Addiction Treatment	Inpatient Treatment	Outpatient Services	Rental	Other	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 3,206,548	\$ 2,589,049	\$ 1,890,435	\$ 82,949	\$ 751,536	\$ 8,520,517	\$ 1,440,152	\$ 74,090	\$10,034,759
Payroll taxes	229,938	189,151	137,732	4,851	54,674	616,346	127,480	9,489	753,315
Employee benefits	508,756	327,384	264,868	8,783	77,579	1,187,370	305,870	41,424	1,534,664
Laboratory services and drugs	203,845	94,105	32,511	-	33,492	363,953	97	-	364,050
Food supplies	6,290	443,644	8,550	-	18,848	477,332	28	-	477,360
Contracted services	101,245	181,691	-	150,796	6,924	440,656	462,130	-	902,786
Maintenance	15,365	210,197	38,580	23,677	17,651	305,470	28,784	-	334,254
Occupancy and utilities	705	30,094	34,378	77,523	1,013	143,713	373,168	-	516,881
Telephone	4,292	9,911	5,263	3,684	7,475	30,625	24,986	-	55,611
Equipment rental	21,569	73,137	3,275	1,321	11,281	110,583	131,509	-	242,092
Insurance	72,187	74,928	37,365	40,791	10,562	235,833	21,583	-	257,416
Professional fees	-	-	-	14,461	450	14,911	73,110	-	88,021
Office supplies and expenses	72,972	127,704	33,949	2,668	43,249	280,542	92,379	-	372,921
Transportation and lodging	13,219	17,010	7,039	26	58,062	95,356	42,317	-	137,673
Depreciation and amortization	2,645	62,990	272	361,427	16,162	443,496	164,901	-	608,397
Bad debt	-	-	-	27,284	-	27,284	171,858	-	199,142
Interest expense	-	-	-	158,824	-	158,824	-	-	158,824
Other	6,852	23,092	16,501	-	7,773	54,218	102,849	-	157,067
Fundraising event	-	-	-	-	-	-	-	20,871	20,871
Total Expenses	\$ 4,466,428	\$ 4,454,087	\$ 2,510,718	\$ 959,065	\$ 1,116,731	\$13,507,029	\$ 3,563,201	\$ 145,874	\$17,216,104

See notes to consolidated financial statements

Liberation Programs, Inc. and Associated Organizations

Consolidated Statements of Changes in Net Assets Years Ended June 30, 2024 and 2023

	Without donor restrictions	Noncontrolling interest	Total
Net assets/equity, June 30, 2022	\$ 6,375,219	\$ 2,733,415	\$ 9,108,634
Changes in net assets	<u>2,342,853</u>	<u>(303,399)</u>	<u>2,039,454</u>
Net assets/equity, June 30, 2023	8,718,072	2,430,016	11,148,088
Changes in net assets	<u>636,593</u>	<u>(329,819)</u>	<u>306,774</u>
Net assets/equity, June 30, 2024	<u>\$ 9,354,665</u>	<u>\$ 2,100,197</u>	<u>\$ 11,454,862</u>

See notes to consolidated financial statements

Liberation Programs, Inc. and Associated Organizations

Consolidated Statements of Cash Flows

	Years Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 306,774	\$ 2,039,454
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	624,829	608,397
Realized and unrealized gain on investments	(38,867)	(15,860)
Deferred interest	36,914	36,351
Change in provision for credit losses/uncollectible accounts	(58,500)	199,142
Amortization of right of use asset	136,411	96,494
Changes in operating assets and liabilities		
Accounts receivable	165,998	(1,450,571)
Grant receivable	(51,982)	(80,771)
Other receivable	30,015	(28,385)
Prepaid expenses	3,726	(38,578)
Security and other deposits	(23,936)	2,208
Accounts payable and accrued expenses	439,034	322,210
Operating lease liability	(134,825)	178,263
Deferred revenue	695,008	(91,221)
Net Cash from Operating Activities	<u>2,130,599</u>	<u>1,777,133</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,573,000)	(485,471)
Proceeds from sale of investments	480,000	-
Capital expenditures	(97,478)	(371,905)
Net Cash from Investing Activities	<u>(3,190,478)</u>	<u>(857,376)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term debt	(67,748)	(64,736)
Net Cash from Financing Activities	<u>(67,748)</u>	<u>(64,736)</u>
Net Change In Cash and Cash Equivalents	(1,127,627)	855,021
CASH AND CASH EQUIVALENTS		
Beginning of year	2,971,387	2,116,366
End of year	<u>\$ 1,843,760</u>	<u>\$ 2,971,387</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 119,462	\$ 122,473

See notes to consolidated financial statements

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

1. Nature of the Operations

Liberation Programs, Inc. and Associated Organizations (the "Agency") include the consolidated financial statements of Liberation Programs, Inc. and its affiliates, Friends of Liberation Programs, Inc. and LMG Investments, Inc., with which it shares common control and common economic interest (collectively "Liberation Programs"), as well as the consolidated financial statements of its majority-owned subsidiary, Elmcrest Terrace Supportive Housing, LLC and its Subsidiary.

Liberation Programs is a substance misuse prevention and treatment organization servicing individuals and families throughout Southern Fairfield County in the State of Connecticut. The mission of Liberation Programs is to strengthen communities through programs that prevent substance misuse, empower persons with drug and alcohol dependency to achieve sustained recovery, and support the loved ones of those struggling with addiction.

Elmcrest Terrace Supportive Housing, LLC is the general partner of its subsidiary, Elmcrest Terrace Limited Partnership, a limited partnership formed for converting a property located on Elmcrest Terrace in Norwalk, Connecticut into affordable low-income housing. Elmcrest Terrace Supportive Housing, LLC's liability is limited to the capital contributions plus any amounts guaranteed (see Note 8). The equity attributed to the limited partner investment in the partnership is reflected as the noncontrolling interest in the consolidated financial statements.

All significant intercompany accounts and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Adoption of New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board ("FASB") issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the impairment model for most financial assets and required the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on July 1, 2023, expanded the Agency's required disclosures for its expected credit losses for accounts receivable but did not have a material effect on its consolidated financial statements.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Estimates and Assumptions

The Agency uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

Cash and cash equivalents includes cash balances held in bank accounts and highly liquid deposits with maturities of three months or less at the time of purchase.

From time-to-time, the Agency had on deposit at financial institutions cash and cash equivalents which exceeded current federal deposit insurance limitations. The Agency has not experienced any losses in such accounts to date and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of June 30, 2024 and 2023, the Agency's cash and cash equivalents exceeded Federal Deposit Insurance Corporation insured limits by approximately \$1,217,000 and \$2,260,000, respectively.

Investments

The Agency holds investments that consist of fixed income and equity securities. The Agency reports investments at their current fair value and reflects any gain or loss in the consolidated statements of activities. Gains or losses are considered without donor restrictions unless restricted by donor stipulation or law. For purposes of determining realized gains and losses, the cost of securities sold is based on specific identification.

Estimated fair value is based on the criteria outlined in Financial Accounting Standards Board Accounting Standard Codification No. 820 ("ASC 820") *Fair Value Measurements and Disclosures*. ASC 820 established a "three-tier" valuation hierarchy to prioritize the assumptions used in valuation techniques to measure fair value.

The three levels of fair value hierarchy under ASC 820 are described below:

- **Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- **Level 2** – Quoted prices in active markets for similar assets and liabilities or quoted prices in less active, dealer or broker markets;
- **Level 3** – Prices or valuations that require inputs that are both significant in the fair value measurements and are unobservable.

Investment expenses such as custodial, commission, and investment advisory fees are netted against investment income in the consolidated statements of activities.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Property, Plant and Equipment

Property, plant and equipment are stated at cost or donated value. Depreciation is being provided by use of the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are amortized over the shorter of the useful life of the asset or the term of the lease.

Expenditures for renewals and betterments exceeding \$5,000 and extending the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

The Agency reviews its long-lived assets for impairment using an undiscounted cash flow method whenever events or circumstances indicate the carrying value of an asset may not be recoverable. There were no impairment losses relating to long-lived assets for the years ended June 30, 2024 and 2023.

Tax credit monitoring fees

Costs totaling \$91,291 relating to obtaining low-income housing tax credits are being amortized on a straight-line basis over the mandatory 15-year compliance period. Accumulated amortization totaled \$60,840 and \$54,756 at June 30, 2024 and 2023, respectively. Amortization expense for the each of the years ended June 30, 2024 and 2023 was \$6,084.

Deferred financing costs

Deferred financing costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the debt to which such costs relate. Amortization of deferred financing costs is reported as a component of interest expense under a method that approximates the effective interest method.

Leases

The Agency assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Agency's lease agreements contain lease and non lease components, which are generally accounted for separately. The Agency accounts for the lease and non-lease components as a single lease component. Variable lease components in these leases are common area maintenance, utilities, and real estate taxes are recognized in expense in the period in which the obligation is incurred.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Leases (continued)

The Agency has noncancellable operating leases for equipment and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right of use ("ROU") assets and operating lease liabilities on the accompanying consolidated statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Agency elects to treat any non-lease components of lease agreements as a lease component.

As most of the leases do not provide an implicit borrowing rate, the Agency generally uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease term may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Deferred Revenue

Deferred revenue consists of prepayment of program services that have not yet been delivered. Deferred revenue at July 1, 2022 was \$20,996.

Net Assets Presentation

The financial statement presentation is in accordance with U.S. GAAP. Under U.S. GAAP, the Agency is required to report information regarding its financial position and activities based upon the existence or absence of donor-imposed restrictions limiting the use of the contributed assets. Accordingly, the net assets of the Agency and changes therein are classified as follows:

Net assets without donor restriction – Net assets without donor restriction represent available resources for use at the discretion of the Board of Directors ("Board") and/or management for general operating purposes. At June 30, 2024 and 2023, the Board has not designated any funds for specific purposes.

Net assets with donor restriction – Net assets with donor (or certain grantor) restriction consist of assets whose use is limited by donor imposed time and/or purpose restrictions.

Sources of Revenue

The Agency's material revenue streams consist of client service revenues, contributions and government grants.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Revenue Recognition

Client Service Revenues and Accounts Receivable

Client service revenues, net of contractual allowances ("client service revenues") consist of revenues from the Agency's performance of addiction treatment and mental health services. The Agency bills patients and third-party payors for services after the services have been performed. Client service revenues are recognized as performance obligations are satisfied. The Agency considers the performance obligation to be satisfied at a point in time once underlying services have been provided.

Client service revenues are reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing patient care. The Agency's initial estimate of the transaction price (as defined in U.S. GAAP) for services provided to patients subject to revenue recognition is determined by reducing the total standard charges related to patient services provided by various elements of variable consideration, including explicit price concessions provided, primarily to uninsured patients, and other reductions to the Agency's standard charges. The Agency determines the transaction price associated with services provided to patients who have third-party payor coverage on the basis of contractual or formula-driven rates for the services rendered. The estimates for contractual allowances and discounts are based on contractual agreements and historical experience. For self-insured patients, the Agency determines the transaction price associated with services rendered on the basis of charges reduced by implicit price concessions. Implicit price concessions included in the estimation of the transaction price are based on the Agency's historical collections experience for applicable portfolios.

The Agency maintains records to identify and monitor the level of concession it provides to uninsured patients. For uninsured self-pay patients, the Agency recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy. On the basis of historical experience, a significant portion of the Agency's uninsured patients are unable or unwilling to pay for the services provided. Thus, the Agency records an explicit concession to uninsured patients in the period the services are provided based on historical experience.

Based on the cost of patient services, charity care provided to uninsured patients amounted to approximately \$372,000 and \$340,000, respectively, for the years ended June 30, 2024 and 2023. Such amounts determined to qualify as charity care are not reported as revenue.

Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustment to client service revenues in the period of change.

For the years ended June 30, 2024 and 2023, changes in the estimates of implicit price concessions, contractual adjustments and other reductions to expected payments for performance obligations satisfied in prior years were not significant. Portfolio collection estimates are updated based on collection trends.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Revenue Recognition (continued)

Client Service Revenues and Accounts Receivable (continued)

The Agency uses a portfolio approach as a practical expedient to account for categories of patient contracts as collective groups, rather than recognizing revenue on an individual contract basis. The financial statement effects of using this practical expedient are not materially different from an individual contract approach.

The Agency has elected the practical expedient and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Agency's expectations that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. As substantially all of its performance obligations relate to contracts with a duration of less than one year, the Agency has elected to apply the optional exemption provided in U.S. GAAP and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Costs to obtain a contract are generally immaterial, but the Agency has elected the practical expedient to expense these costs as incurred if the amortization period of the capitalized cost would be one year or less.

Revenue due from patients, a governmental program, and other third-party payors may include variable consideration for retroactive adjustments due to settlement of audits, reviews and investigations, which is estimated at the time revenue is initially recognized and reflected as a component of revenue.

Client service revenues recognized in the period under these major payor sources is as follows:

	Third-party payors			Self-Pay	Total
	Commercial	Governmental	Medicare Advantage		
Year ended June 30, 2024	<u>\$ 803,252</u>	<u>\$ 11,982,613</u>	<u>\$ 1,576,479</u>	<u>\$ 107,917</u>	<u>\$ 14,470,261</u>
Year ended June 30, 2023	<u>\$ 727,071</u>	<u>\$ 10,386,781</u>	<u>\$ 1,223,125</u>	<u>\$ 218,659</u>	<u>\$ 12,555,636</u>

Composition of Accounts Receivable

Accounts receivable and client service revenues result from services provided by the Agency and are reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and may include variable consideration for retroactive revenue adjustments due to settlement of ongoing and future audits, reviews and investigations.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Revenue Recognition (continued)

Composition of Accounts Receivable (continued)

Net patient services receivable consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Governmental	\$ 1,191,896	\$ 1,640,270
Commercial	243,359	323,279
Medicare Advantage	426,784	-
Self-Pay	<u>100,087</u>	<u>106,075</u>
	<u>\$ 1,962,126</u>	<u>\$ 2,069,624</u>

Accounts Receivable and Allowance for Credit Losses

Prior to July 1, 2023, accounts receivable relating to amounts due from the Agency's performance of substance misuse prevention and treatment services are stated at the amount management expects to collect from outstanding balances. The net amount of accounts receivable and corresponding allowance for doubtful accounts were presented on the consolidated statement of financial condition. Subsequent to July 1, 2023, accounts receivable are recorded at amortized costs less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented on the consolidated statement of financial position. The Agency maintains allowances for credit losses resulting from the expected failure or inability of its patients to make required payments. The Agency recognizes the allowances for credit losses at inception and reassess at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with uncollectible accounts, the credit quality of the patient base, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in the future, if applicable. The Agency's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristics.

The Agency's accounts receivable are short-term in nature and written off only when all collection attempts have failed. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery. The accounts receivable balance was \$966,607 as of July 1, 2022.

Contributions

The Agency 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.

The Agency reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Revenue Recognition (continued)

Contributions (continued)

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other 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 consolidated statements of activities as net assets released from restriction.

Government Grant Revenues and Grants Receivable

Government grant revenues are considered non-exchange transactions and are subject to Accounting Standards Update 2018-08 Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Made*. Federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses.

Refundable government grants consists of government grants received for which performance requirements or incurrence of allowable qualifying expenses have not yet been met or incurred. Grant receivables represent amounts due from federal and state agencies for grants for which the Agency has met the conditional performance requirements or incurred the allowable qualifying expenses as specified by the grant agreements. There were no allowances for grants receivable at June 30, 2024 and 2023.

Functional expenses

The costs of providing programs and supporting activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present expenses by function and natural classification. Expenses are charged directly to program services, development and fundraising, and management and general based on specific identification to the extent practicable. Expenses that benefit more than one function have been allocated using a base most appropriate to the particular cost: the payroll costs of a staff person with responsibilities in multiple program areas is allocated based on job function and time allocation; occupancy and depreciation expenses are allocated based on square footage or head count; IT expenses are allocated based on head count of those using software applications. Management and general expenses include those expenses that are not directly identifiable with a specific function, but provide for the overall support and direction of the Agency.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Income taxes

Liberation Programs, Inc. and LMG Investments, Inc. are classified by the Internal Revenue Service (the "IRS") as tax-exempt organizations, under Section 501(c)(3) of the Internal Revenue Code. Friends of Liberation Programs, Inc. is classified by the IRS as a tax-exempt organization, under Section 501(c)(2) of the Internal Revenue Code. Accordingly, no provision for income taxes relating to the activities of these entities has been made in the accompanying consolidated financial statements.

Elmcrest Terrace Supportive Housing, LLC is a limited liability company of which Liberation Programs, Inc. is the majority member. The company's sole activity is its general partnership interest in Elmcrest Terrace Limited Partnership. The company has elected to be taxed as a corporation.

Elmcrest Terrace Limited Partnership (the "Partnership") has elected to be treated as a pass-through entity for income tax purposes and, as such, is not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by its owners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. Accordingly, the Partnership is not required to take any tax positions in order to qualify as a pass-through entity. The Partnership is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure.

The Organization accounts for uncertainty in income taxes in accordance with the Income Tax Topic of the FASB ASC. The Organization files federal and State of Connecticut income tax returns, which represent the major tax jurisdictions of the Organization. Federal and state tax years 2021 through 2022 remain open for audit under the various statutes of limitations. Management has analyzed the tax positions taken by the Organization and has concluded that, as of June 30, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the consolidated financial statements.

If applicable, the Agency would recognize interest and penalties associated with tax matters as part of management and general expenses in the consolidated statements of activities and include accrued interest and penalties in accrued expenses in the consolidated statements of financial position. The Agency did not recognize any interest and penalties associated with the tax matters for the years ended June 30, 2024 and 2023.

Employee Tax Deferred Compensation Plan

The Agency sponsors a qualified tax deferred compensation plan as defined under Section 401(k) of the Internal Revenue Code (the "Plan") covering substantially all employees. Contributions to the plan are computed as a percentage of eligible employees' basic compensation. Eligible employees may make voluntary contributions to the Plan. Employer contributions and administrative costs charged to expense amounted to \$225,515 and \$131,202 for the years ended June 30, 2024 and 2023, respectively.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

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

Rental income

Rental income is recognized as rents become due. Rental payments received in advance will be deferred until earned. All leases between the Agency and the tenants of the property are operating leases and are 12-months or less in duration.

Reclassifications

Certain amounts in the 2023 consolidated financial statements have been reclassified to conform to the 2024 presentation.

Subsequent events

Management has reviewed subsequent events through February 24, 2025, which is the date the consolidated financial statements were approved and available for issuance.

3. Investments

The Agency's investments are carried at fair value using Level 1 inputs.

Information related to these investments is as follows:

	June 30,			
	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Fixed income	\$ 3,573,000	\$ 3,592,629	\$ 480,000	\$ 486,685
Equity securities	13,366	79,046	11,868	53,123
Total	<u>\$ 3,586,366</u>	<u>\$ 3,671,675</u>	<u>\$ 491,868</u>	<u>\$ 539,808</u>

4. Property, Plant and Equipment

At June 30, 2023 and 2022, property and equipment consisted of the following:

	June 30,		Estimated Useful Lives
	2024	2023	
Land	\$ 1,282,203	\$ 1,282,203	N/A
Construction in progress	88,697	-	N/A
Building and building improvements	16,728,034	16,719,253	10-40 years
Furniture, fixtures and equipment	1,752,016	1,752,016	3-10 years
Vehicles	<u>434,245</u>	<u>434,245</u>	5 years
	20,285,195	20,187,717	
Accumulated depreciation and amortization	<u>9,437,539</u>	<u>8,823,325</u>	
	<u>\$ 10,847,656</u>	<u>\$ 11,364,392</u>	

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

5. Note payable, bank

The Agency has a revolving loan agreement with a bank permitting borrowings to fund working capital needs up to \$1,000,000. Borrowings on the revolving loan agreement are payable in monthly installments of interest only at the bank's index rate, as defined, plus 1.00%. The note payable, bank is secured by all the Agency's business assets. There were no outstanding borrowings on note payable, bank at June 30, 2024 and 2023.

6. Long-term Debt

Long-term debt consists of the following at June 30:

	<u>2024</u>	<u>2023</u>
Mortgage note, secured by property at 115-125 Main Street, Stamford, Connecticut, with an approximate net book value of \$604,000 at June 30, 2024. Due in aggregate monthly installments of principal and interest of \$8,217 at an interest rate of 4.97% through February 2043.	\$ 1,191,151	\$ 1,228,525
Mortgage note, secured by property at 399-419 Mill Hill Avenue in Bridgeport, with an approximate net book value of \$2,674,000 at June 30, 2024. Due in aggregate monthly installments of principal and interest of \$7,383 at an interest rate of 4.97% through February 2045.	1,136,023	1,166,397
Elmcrest Terrace - note payable bearing interest at 1%, compounded annually and payable in full, including all accrued interest, at maturity on April 1, 2065. The loan is secured by the underlying property which has an approximate net book value of \$6,155,000 at June 30, 2024.	<u>2,043,320</u>	<u>2,043,320</u>
	4,370,494	4,438,242
Unamortized debt issuance costs	(51,592)	(56,121)
Less current portion	<u>(71,574)</u>	<u>(68,121)</u>
	<u>\$ 4,247,328</u>	<u>\$ 4,314,000</u>

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

6. Long-term Debt (*continued*)

The scheduled principal payments for the mortgage and notes payable for the five years subsequent to June 30, 2024 and thereafter are as follows:

2025	\$	71,574
2026		75,264
2027		79,145
2028		82,941
2029		87,504
Thereafter		<u>3,974,066</u>
	\$	<u><u>4,370,494</u></u>

7. Liquidity and Availability of Financial Resources

The Agency regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2024 and 2023, the Agency has financial assets available to meet annual operating needs for fiscal year 2024 and 2023 as follows:

	2024	2023
Cash and cash equivalents	\$ 1,843,760	\$ 2,971,387
Accounts receivable, net	1,962,126	2,069,624
Grants receivable	499,978	447,996
Other receivable	71,782	101,797
Investments	<u>3,671,675</u>	<u>539,808</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 8,049,321</u>	<u>\$ 6,130,612</u>

These financial assets are not subject to any donor or contractual restrictions.

In addition, the Agency has a line of credit available up to \$1,000,000 that can be drawn upon if necessary to meet operational activities (see Note 5).

8. Commitments and Contingencies

Leases

The Agency leases one office space and various equipment under operating leases with unrelated parties which expire at various dates through September 2027. The leases generally require the Agency pay substantially all executory costs applicable to leased properties.

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

8. *Commitments and Contingencies (continued)*

Leases (continued)

ROU assets and lease liabilities for operating leases are recognized at commencement date based on the present value of lease payments over the lease term. Leases with an initial term of 12 months or less ("short-term") leases are not recorded on the consolidated statements of financial position and are recognized as an expense on a straight-line basis over the lease term.

Total ROU assets and liabilities as of June 30 are as follows:

Operating Leases	2024	2023
Operating lease right-of-use assets	\$ 428,338	\$ 564,749
Operating lease liability, current portion	\$ 158,948	\$ 139,463
Operating lease liability, net of current portion	276,248	430,558
Total Operating Lease Liability	\$ 435,196	\$ 570,021

The following summarizes the weighted average remaining lease term and discount rate:

	June 30, 2024	June 30, 2023
Weighted Average Remaining Lease Term	2.85 years	3.85 years
Weighted Average Discount Rate	2.84%	3.39%

The maturities of lease liability are as follows:

Year ending June 30,	
2025	\$ 158,948
2026	161,300
2027	121,920
2028	10,410
Total lease payments	452,578
Less interest	(17,382)
Present value of lease liabilities	\$ 435,196

The following summarizes the line items in the consolidated statements of functional expenses which include the components of lease expense for the year ended June 30:

	2024	2023
Operating lease expense included in Occupancy	\$ 139,439	\$ 153,647

Liberation Programs, Inc. and Associated Organizations

Notes to Consolidated Financial Statements June 30, 2024 and 2023

8. *Commitments and Contingencies (continued)*

Leases (continued)

The following summarizes cash flow information related to leases for the years ended June 30:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 134,825	\$ 91,221
Lease assets obtained in exchange for lease obligations:		
Operating leases	\$ -	\$ 310,986

Grant Requirements

Grants require the fulfillment of certain conditions as set forth in the grant instrument. Failure to fulfill the conditions can result in the return of funds to grantors causing unexpended refundable grants. Grant requirements mandate that a percentage of any surplus be returned to the grantors. There were no funds required to be returned to any grantors at June 30, 2024 and 2023. Additionally, DMHAS places certain restrictions on the disposition of assets purchased with funds provided by DMHAS.

Elmcrest Terrace Supportive Housing, LLC, as the general partner of Elmcrest Terrace Limited Partnership, is obligated to fund operating deficits of the Partnership through additional capital contributions up to \$159,000. Operating deficit contributions are payable from cash flow without interest. The guarantee period begins upon rent up stabilization date, which occurred during 2015, and is in effect through approximately 15 years thereafter. There was no requirement to make additional contributions during 2024 and 2023.

Concentrations

The Agency receives a significant portion of its revenue from numerous federal and state grants and fees. A significant reduction in the level of this support, if it were to occur, could have a significant impact on the Agency's financial position or future changes in net assets.

In addition, the Agency received approximately 20% and 21% of its support in 2024 and 2023 from the Connecticut Department of Mental Health and Addiction Services ("DMHAS").

As part of the normal course of business, the Agency is involved in certain other litigation matters. In the opinion of management, these matters will not have a material effect on the Agency's financial position or future changes in net assets

**Liberation Programs, Inc. and
Associated Organizations**

Uniform Guidance and State Single Audit Schedules
Together with Independent Auditors' Reports

June 30, 2024

Liberation Programs, Inc. and Associated Organizations

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Health and Human Services</u>				
Pass through program from Yale University:				
Research and Training in Complimentary Integrative Health	93.213	CON-80004049	\$ -	\$ 16,443
Research and Training in Complimentary Integrative Health	93.213	CON-80004995	-	22,437
			-	38,880
Pass through program from State of Connecticut Department of Mental Health and Addiction Services:				
Substance Abuse and Mental Health Services Projects of Regional Significance	93.243	23MHA1068-01	-	161,782
Pass through program from the US Department of Health and Human Services Centers for Disease Control and Prevention:				
Drug-Free Communities Support Program Grants	93.276	N/A	-	55,500
Pass through program from NYU Grossman School of Medicine:				
Drug Abuse and Addiction Research Programs	93.279	23-A0-S2-003671	-	288,185
Pass through program from Yale University:				
Drug Abuse and Addiction Research Programs	93.279	CON-80004090	-	57,487
Drug Abuse and Addiction Research Programs	93.279	CON-80004783	-	24,892
			-	370,564
Congressional Directives	93.493	N/A	-	34,250
Pass through programs from State of Connecticut Department of Mental Health and Addiction Services:				
Social Services Block Grant	93.667	23MHA2019	-	127,573
Pass through programs from State of Connecticut Department of Mental Health and Addiction Services:				
Opioid STR	93.788	23MHA6075	-	175,000
Opioid STR	93.788	23MHA6045	-	75,000
Pass through programs from RYASAP:				
Opioid STR	93.788	N/A	-	5,000
			-	255,000
Pass through program from Apex Community Care:				
HIV Emergency Relief Project Grants	93.914	N/A	-	20,722
Pass through program from Family Centers, Inc.:				
HIV Emergency Relief Project Grants	93.914	N/A	-	105,957
Pass through program from GBAPP:				
HIV Emergency Relief Project Grants	93.914	N/A	-	189,996
			-	316,675
Pass through programs from State of Connecticut Department of Mental Health and Addiction Services:				
Block Grants for Community Mental Health Services	93.958	23MHA6019	-	3,112
Pass through programs from State of Connecticut Department of Mental Health and Addiction Services:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	23MHA2019	-	476,582
Block Grants for Prevention and Treatment of Substance Abuse	93.959	23MHA6019	-	3,113
			-	479,695
Total U.S. Department of Health and Human Services			-	1,843,031
<u>U.S. Department of Housing and Urban Development</u>				
Community Development Block Grants - Entitlement Grants Cluster				
Pass through the program from the Town of Greenwich:				
Community Development Block Grants - Entitlement Grants Cluster	14.218	N/A	-	7,500
Pass through the program from the City of Stamford:				
Community Development Block Grants - Entitlement Grants Cluster	14.218	CDBG YR 49	-	12,650
Total Community Development Block Grants - Entitlement Grants Cluster			-	20,150
Total U.S. Department of Housing and Urban Development			-	20,150
<u>Department of Justice</u>				
Pass through programs from State of Connecticut Department of Mental Health and Addiction Services:				
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	22MHA1118	-	838,336
Total Department of Justice			-	838,336
<u>Department of the Treasury</u>				
Pass through program from the Town of Westport:				
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027	N/A	-	15,000
Pass through program from the Town of Greenwich:				
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027	N/A	-	20,000
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027	N/A	-	11,500
Coronavirus State and Local Fiscal Recovery Funds (Covid-19)	21.027	N/A	-	30,000
			-	61,500
Total Department of the Treasury			-	76,500
Total Expenditures of Federal Awards			\$ -	\$ 2,778,017

Liberation Programs, Inc. and Associated Organizations

Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2024

1. *Basis of Presentation*

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Liberation Programs, Inc. and Associated Organizations (the "Agency") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

2. *Summary of Significant Accounting Policies*

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. *Indirect Cost Rate*

The Agency has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditors' Report

Board of Directors

Liberation Programs, Inc. and Associated Organizations

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Liberation Programs, Inc. and Associated Organizations (the "Agency"), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, changes in net assets, and cash flows for the year ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Agency's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Shelton, Connecticut
February 24, 2025

**Report on Compliance for Each Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance**

Independent Auditors' Report

Board of Directors
Liberation Programs, Inc. and Associated Organizations

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Liberation Programs, Inc. and Associated Organizations (the "Agency") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended June 30, 2024. The Agency's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Shelton, Connecticut
February 24, 2025

Liberation Programs, Inc. and Affiliated Organizations

Schedule of Federal Findings and Questioned Costs Year Ended June 30, 2024

I. Summary of Auditors' Results

Consolidated Financial Statements

Type of report the auditors' issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ No
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? ☐ Yes ☒ No

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
16.838	U.S. Department of Justice: Comprehensive Opioid, Stimulant, and Substance Abuse Program

Dollar threshold used to distinguish between Type A and type B programs: \$750,000

Auditee qualified as a low risk auditee? ☒ Yes ☐ No

II. Financial Statement Findings

None reported.

III. Federal Award Findings and Questioned Costs

None reported.

Liberation Programs, Inc. and Associated Organizations

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2024

<u>State Grantor/Pass-Through Grantor/Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total State Expenditures</u>
<u>Department of Mental Health and Addiction Services</u>			
Grants for Substance Abuse Services	11000-MHA53000-16003	\$ -	\$ 1,730,671
Residential Substance Use Treatment Services (CSSD Beds)	11000-MHA53000-90245	-	547,640
Managed Service System	11000-MHA53000-12157		3,254
Passed through program from Housing Collective:			
Housing Supports and Services	11000-MHA53000-12035	-	48,958
Total Department of Mental Health and Addiction Services		-	<u>2,330,523</u>
<u>Judicial Branch</u>			
Adult Behavioral Health Services (ABHS)	11000-JUD96114-12043-055	-	278,242
Total Judicial Branch		-	<u>278,242</u>
<u>Department of Public Health</u>			
Passed through program from Apex Community Care:			
HIV Services	12060-DPH48500-30401	-	61,628
Total Department of Public Health		-	<u>61,628</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 2,670,393</u>

Liberation Programs, Inc. and Associated Organizations

Notes to the Schedule of Expenditures of State Financial Assistance Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of state financial assistance includes state grant activity of Liberation Programs, Inc. and Associated Organizations (the "Agency") under programs of the State of Connecticut for the fiscal year ended June 30, 2024. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. Because the schedule presents only a selected portion of the operations of the Agency, it is not intended and does not present the financial position, changes in net assets, or cash flows of the Agency.

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit agencies.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the schedule of expenditures of state financial assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on the expenditure activity, and accordingly are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

2. Subrecipients

No state financial assistance was provided to subrecipients during the year ended June 30, 2024.



Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the State Single Audit Act

Independent Auditors' Report

**Board of Directors
Liberation Programs, Inc. and Associated Organizations**

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Liberation Programs, Inc. and Associated Organizations (the "Agency") compliance with the types of compliance requirements identified as subject to audit in the Office of Policy and Management *Compliance Supplement* that could have a direct and material effect on each of the Agency's major state programs for the year ended June 30, 2024. The Agency's major state programs are identified in the summary of auditors' results section of the accompanying schedule of state findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Our responsibilities under those standards and the State Single Audit Act are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Agency's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Agency's state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency's compliance based on our audit. 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, *Government Auditing Standards*, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Agency's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Agency's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Agency's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Shelton, Connecticut
February 24, 2025

Liberation Programs, Inc. and Associated Organizations

Schedule of State Findings and Questioned Costs Year Ended June 30, 2024

I. Summary of Auditors' Results

Consolidated Financial Statements

Type of report the auditors' issued on whether the consolidated financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ No
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

State Financial Assistance

Internal control over major state programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditors' report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

☐ Yes ☒ No

The following schedule reflects the major state program included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Mental Health and Addiction Services Grants for Substance Abuse Services	11000-MHA53000-16003	\$ 1,730,671

Dollar threshold used to distinguished between type A and type B programs: \$200,000

II. Financial Statement Findings

None reported.

III. State Award Findings and Questioned Costs

None reported.

Supplementary Information

Liberation Programs, Inc. and Associated Organizations

Consolidating Statement of Financial Position June 30, 2024

	Liberation Programs, Inc. and Associated Organizations	Elmcrest Terrace Supportive Housing, LLC and Subsidiary	Consolidating eliminations	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,849,247	\$ (5,487)	\$ -	\$ 1,843,760
Accounts receivable, net	1,925,351	55,580	(18,805)	1,962,126
Grants receivable	499,978	-	-	499,978
Other receivable	71,782	(11,076)	11,076	71,782
Prepaid expenses	129,380	9,447	-	138,827
Total Current Assets	4,475,738	48,464	(7,729)	4,516,473
Property, plant and equipment, net	4,878,985	5,968,671	-	10,847,656
Note receivable	477,000	-	(477,000)	-
Investment in limited liability company	786,207	-	(786,207)	-
Operating lease right-of-use asset	428,338	-	-	428,338
Investments	3,671,675	-	-	3,671,675
Security and other deposits	70,929	94,914	-	165,843
Tax credit monitoring fees, net	-	30,451	-	30,451
	<u>\$ 14,788,872</u>	<u>\$ 6,142,500</u>	<u>\$(1,270,936)</u>	<u>\$ 19,660,436</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Current portion of long-term debt	\$ 71,574	\$ -	\$ -	\$ 71,574
Current portion of operating lease liability	158,948	-	-	158,948
Accounts payable and accrued expenses	1,790,401	774,537	(7,729)	2,557,209
Deferred revenue	894,267	-	-	894,267
Total Current Liabilities	2,915,190	774,537	(7,729)	3,681,998
Operating lease liability, less current portion	276,248	-	-	276,248
Note payable, related party	-	477,000	(477,000)	-
Long-term debt, less current portion	2,242,769	2,004,559	-	4,247,328
Total Liabilities	5,434,207	3,256,096	(484,729)	8,205,574
Net Assets/Equity				
Without donor restrictions				
Total Liberation Programs, Inc. and Associated Organizations Net Assets	9,354,665	-	-	9,354,665
Controlling interest	-	786,207	(786,207)	-
Noncontrolling interest	-	2,100,197	-	2,100,197
Total Net Assets/Equity	9,354,665	2,886,404	(786,207)	11,454,862
Total Liabilities and Net Assets/Equity	<u>\$ 14,788,872</u>	<u>\$ 6,142,500</u>	<u>\$(1,270,936)</u>	<u>\$ 19,660,436</u>

See Independent Auditors' Report

Liberation Programs, Inc. and Associated Organizations

Consolidating Statement of Activities Year Ended June 30, 2024

	Liberation Programs, Inc. and Associated Organization	Elmcrest Terrace Supportive Housing, LLC and Subsidiary	Consolidating eliminations	Total
PUBLIC SUPPORT AND REVENUES (WITHOUT RESTRICTIONS)				
Government grants	\$ 5,394,638	\$ -	\$ -	\$ 5,394,638
Client service revenue, net of contractual allowance	14,470,261	-	-	14,470,261
Contributions	272,100	-	-	272,100
Rental income	-	379,217	-	379,217
Special events	294,590	-	-	294,590
Investment income and other	<u>263,245</u>	<u>4,582</u>	<u>(42,000)</u>	<u>225,827</u>
Total Public Support and Revenue Without Restrictions	<u>20,694,834</u>	<u>383,799</u>	<u>(42,000)</u>	<u>21,036,633</u>
EXPENSES				
Program Services				
Addiction Treatment	5,205,301	-	-	5,205,301
Inpatient Treatment	5,366,982	-	-	5,366,982
Outpatient Services	3,113,380	-	-	3,113,380
Rental	455,318	546,680	(42,000)	959,998
Other	<u>1,441,531</u>	<u>-</u>	<u>-</u>	<u>1,441,531</u>
Total Program Services	15,582,512	546,680	(42,000)	16,087,192
Supporting Services				
Management and general	4,177,124	167,268	-	4,344,392
Fundraising	<u>298,275</u>	<u>-</u>	<u>-</u>	<u>298,275</u>
Total Expenses	<u>20,057,911</u>	<u>713,948</u>	<u>(42,000)</u>	<u>20,729,859</u>
Operating income (loss)	636,923	(330,149)	-	306,774
Nonoperating activity				
Unrealized loss on investments	<u>(330)</u>	<u>330</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 636,593</u>	<u>\$ (329,819)</u>	<u>\$ -</u>	<u>\$ 306,774</u>

See Independent Auditors' Report

Liberation Programs, Inc. and Associated Organizations

Consolidating Statement of Changes in Net Assets

	Liberation Programs, Inc. and Associated Organizations	Elmcrest Terrace Supportive Housing, LLC	Elmcrest Terrace Controlling	Limited Partnership Noncontrolling	Total Elmcrest Terrace Limited Partnership		Elmcrest Terrace Supportive Housing, LLC and Subsidiary		
	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	Without donor restrictions	Consolidating eliminations	Total	Consolidating eliminations	Total
Net assets/equity, June 30, 2023	\$ 8,718,072	\$ 786,537	\$ 810,423	\$ 2,430,016	\$ 3,240,439	\$ (810,423)	\$ 3,216,553	\$ (786,537)	\$ 11,148,088
Changes in net assets	<u>636,593</u>	<u>-</u>	<u>(330)</u>	<u>(329,819)</u>	<u>(330,149)</u>	<u>-</u>	<u>(330,149)</u>	<u>-</u>	<u>306,774</u>
Net assets/equity, June 30, 2024	<u>\$ 9,354,665</u>	<u>\$ 786,537</u>	<u>\$ 810,093</u>	<u>\$ 2,100,197</u>	<u>\$ 3,240,439</u>	<u>\$ (810,423)</u>	<u>\$ 3,216,553</u>	<u>\$ (786,537)</u>	<u>\$ 11,454,862</u>

See Independent Auditors' Report