

SAT-7 NORTH AMERICA

Financial Statements
With Independent Auditors' Report

December 31, 2023 and 2022

SAT-7 NORTH AMERICA

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITORS' REPORT

Board of Directors
SAT-7 North America
Easton, Maryland

Opinion

We have audited the accompanying financial statements of SAT-7 North America, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SAT-7 North America as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of SAT-7 North America and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 SAT-7 North America's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
SAT-7 North America
Easton, Maryland

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SAT-7 North America'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 SAT-7 North America's ability to continue as a going concern for a reasonable period of time.

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

Capin Crouse LLP

Lawrenceville, Georgia
February 26, 2024

SAT-7 NORTH AMERICA

Statements of Financial Position

	December 31,	
	2023	2022
ASSETS:		
Cash and cash equivalents	\$ 9,530,998	\$ 9,590,419
Investments	1,138,568	1,138,568
Prepaid expenses and other assets	115,410	79,090
Contributions receivable	160,171	227,952
Property and equipment	157,308	236,647
	<u>\$ 11,102,455</u>	<u>\$ 11,272,676</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 160,576	\$ 88,507
Accrued expenses	109,574	105,740
SAT-7 International liabilities:		
Grant payable	1,748,884	2,688,726
Amounts held	1,851,788	1,304,298
Operating lease obligations	86,574	107,152
Total liabilities	<u>3,957,396</u>	<u>4,294,423</u>
Net assets:		
Without restrictions	7,108,887	6,929,970
With donor restrictions	36,172	48,283
Total net assets	<u>7,145,059</u>	<u>6,978,253</u>
Total Liabilities and Net Assets	<u>\$ 11,102,455</u>	<u>\$ 11,272,676</u>

See notes to financial statements

SAT-7 NORTH AMERICA

Statements of Activities

	Year Ended December 31,					
	2023			2022		
	Without Restrictions	With Donor Restrictions	Total	Without Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions:						
Cash, non-cash, and new contributions receivable	\$ 761,207	\$ 11,949,478	\$ 12,710,685	\$ 1,185,116	\$ 11,682,384	\$ 12,867,500
Investment income	359,475	-	359,475	235,532	-	235,532
Other income (loss)	(898)	-	(898)	5,226	-	5,226
	<u>1,119,784</u>	<u>11,949,478</u>	<u>13,069,262</u>	<u>1,425,874</u>	<u>11,682,384</u>	<u>13,108,258</u>
RECLASSIFICATIONS:						
Satisfaction of purpose restrictions	9,877,214	(9,877,214)	-	8,958,417	(8,958,417)	-
Administrative assessments	2,084,375	(2,084,375)	-	2,727,924	(2,727,924)	-
	<u>11,961,589</u>	<u>(11,961,589)</u>	<u>-</u>	<u>11,686,341</u>	<u>(11,686,341)</u>	<u>-</u>
EXPENSES:						
Program services	10,392,174	-	10,392,174	9,188,208	-	9,188,208
Supporting activities:						
Management and general	899,257	-	899,257	948,661	-	948,661
Fund-raising	1,611,025	-	1,611,025	1,747,894	-	1,747,894
	<u>12,902,456</u>	<u>-</u>	<u>12,902,456</u>	<u>11,884,763</u>	<u>-</u>	<u>11,884,763</u>
Change in Net Assets	178,917	(12,111)	166,806	1,227,452	(3,957)	1,223,495
Net Assets, Beginning of Year	<u>6,929,970</u>	<u>48,283</u>	<u>6,978,253</u>	<u>5,702,518</u>	<u>52,240</u>	<u>5,754,758</u>
Net Assets, End of Year	<u>\$ 7,108,887</u>	<u>\$ 36,172</u>	<u>\$ 7,145,059</u>	<u>\$ 6,929,970</u>	<u>\$ 48,283</u>	<u>\$ 6,978,253</u>

See notes to financial statements

SAT-7 NORTH AMERICA

Statements of Functional Expenses

	Year Ended December 31,							
	2023				2022			
	Program Services	Management and General	Fund-raising	Total	Program Services	Management and General	Fund-raising	Total
Program funding to SAT-7 Int'l	\$ 8,910,446	\$ -	\$ -	\$ 8,910,446	\$ 7,956,581	\$ -	\$ -	\$ 7,956,581
Salaries and related expenses:								
Management salaries	84,066	165,637	117,238	366,941	79,526	156,691	110,906	347,123
Other salaries and wages	303,823	337,850	296,681	938,354	325,702	393,761	343,769	1,063,232
Fringe benefits and related taxes	131,505	134,880	116,446	382,831	129,271	141,638	121,747	392,656
	519,394	638,367	530,365	1,688,126	534,499	692,090	576,422	1,803,011
Other expenses:								
Donor acquisition and other professional fees	200,601	87,311	651,778	939,690	3,185	67,479	718,817	789,481
Board management	-	1,272	-	1,272	-	4,371	-	4,371
Communications	7,981	8,216	6,999	23,196	8,111	8,315	7,084	23,510
Conferences, travel, and meetings	249,830	95,995	156,971	502,796	248,590	92,576	233,199	574,365
Contributions to other organizations	-	-	-	-	20,000	-	-	20,000
Depreciation and amortization	15,074	9,493	55,462	80,029	5,588	3,509	26,660	35,757
Insurance	5,004	3,142	2,704	10,850	4,809	3,019	2,598	10,426
Printing, mailing, and postage	431,947	17,663	173,600	623,210	327,401	21,084	134,044	482,529
Software and office items	51,897	37,798	33,146	122,841	79,444	56,218	49,070	184,732
	962,334	260,890	1,080,660	2,303,884	697,128	256,571	1,171,472	2,125,171
Total Expenses	\$ 10,392,174	\$ 899,257	\$ 1,611,025	\$ 12,902,456	\$ 9,188,208	\$ 948,661	\$ 1,747,894	\$ 11,884,763

See notes to financial statements

SAT-7 NORTH AMERICA

Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 166,806	\$ 1,223,495
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	80,029	35,757
Loss on disposition of property and equipment	899	-
Non-cash gift of other investments	-	-
Non-cash effect of change in accounting principle	-	(9,143)
Change in:		
Prepaid expenses and other assets	(36,320)	(25,732)
Contributions receivable	67,781	(42,238)
Accounts payable	72,069	18,913
Accrued expenses	3,834	5,814
Grant payable to SAT-7 International	(939,842)	(182,986)
Amounts held for SAT-7 International	547,490	1,304,298
Net Cash Provided (Used) by Operating Activities	(37,254)	2,328,178
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds received from other investments distribution	-	1,417,500
Purchase of property and equipment	(1,589)	(22,794)
Net Cash Provided (Used) by Investing Activities	(1,589)	1,394,706
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on operating lease obligations	(20,578)	-
Net Cash Used by Financing Activities	(20,578)	-
Net Change in Cash and Cash Equivalents	(59,421)	3,722,884
Cash and Cash Equivalents, Beginning of Year	9,590,419	5,867,535
Cash and Cash Equivalents, End of Year	\$ 9,530,998	\$ 9,590,419
SUPPLEMENTAL DISCLOSURE AND NON-CASH TRANSACTIONS:		
Right of use assets obtained in exchange for operating lease obligations	\$ -	\$ 116,295

See notes to financial statements

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2023 and 2022

1. NATURE OF ORGANIZATION:

SAT-7 North America (SAT-7) is a not-for-profit Pennsylvania Corporation exempt from income taxes under section 501(c)(3) of the United States Internal Revenue Code (Code). SAT-7 is not considered to be a private foundation under section 509 of the Code. The organization is affiliated, in mission, with SAT-7 International, an organization providing Christian television and digital broadcasts to people in the Middle East and North Africa. SAT-7 provides resource development and ministry and managerial support throughout the United States in support of the mission of SAT-7 International.

Headquartered in Easton, Maryland, SAT-7 is funded through contributions and grants from over 13,000 individuals, foundations, and church organizations throughout North America. SAT-7 is a member of the Evangelical Council for Financial Accountability, the Better Business Bureau, and Missio Nexus.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual amounts could differ from these estimates. The significant accounting policies followed are described below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of checking and savings accounts, money market accounts, and bank certificates of deposit with short term maturities. These accounts may, from time to time, exceed federally insured limits; however, SAT-7 has not experienced any losses on these accounts and does not believe it is exposed to any significant risk. At December 31, 2023 and 2022, respectively, \$852,231 and \$499,555 related to contributions received after year-end, but dated and postmarked prior to year-end, are included in cash and cash equivalents.

INVESTMENTS

Investments in equity securities, exchange-traded funds, and mutual funds with readily determinable fair values and fixed income securities are recorded at fair value with gains and losses reported in the statements of activities. Donated investments are recorded at fair value at the date of donation and thereafter carried in conformity with the stated policy.

Other investments, consisting of donated limited partnership interests, are reported at fair value using estimates developed by management.

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PROPERTY AND EQUIPMENT

Expenditures exceeding \$1,000 for property, equipment, and items that substantially increase the useful lives of existing assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years.

Included in property and equipment are operating lease right of use assets. SAT-7 adopted Accounting Standards Update (ASU) 2016-02 and its related amendments as of January 1, 2022. SAT-7 elected to adopt the transition relief provisions from ASU 2018-11 and recorded the impact of adoption as of January 1, 2022, without restating prior year amounts. Additional lease disclosures can be found later in these notes.

GRANT PAYABLE TO SAT-7 INTERNATIONAL

See related party footnote for more information.

CLASSES OF NET ASSETS

The financial statements report amounts separately by classes of net assets according to the presence or absence of donor-imposed stipulations. The net asset classes are as follows:

Net assets without restrictions are those currently available for ministry purposes under the direction of the board of directors, those designated by the board for a specific use, and those invested in property and equipment.

Net assets with donor restrictions are those contributed with donor stipulations for specific operating purposes or programs. They are not currently available for ministry use until commitments regarding their use have been fulfilled. When a purpose restriction is satisfied, restricted net assets are reclassified to those without restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are available for staff support and programs.

SUPPORT, REVENUES, AND EXPENSES

Support is recognized when contributions are made, which may be when cash is received, unconditional promises to give are made, or ownership of other assets is transferred. During 2023, two donors contributed 17% of total contributions. During 2022, two donors contributed 16% of total contributions. Revenue is recognized when earned. Expenses are recorded when costs are incurred. SAT-7 reports gifts of materials and equipment as support without restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, SAT-7 reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DONATED SERVICES

SAT-7 recognizes donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended herein, SAT-7 did not record any donated services.

Significant contributions of personnel and time are provided to SAT-7 by individuals as a means of accomplishing its goals. Without these contributions, the ministry would not be as effective. It is SAT-7's policy not to record these contributions in the financial statements because they do not meet the criteria of skilled services required to be recorded under existing technical standards.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited based on estimated time of personnel and usage of services and supplies. All SAT-7 expenses are allocated based on specifically identifiable criteria. Therefore, there are no joint cost allocations to disclose.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2023, SAT-7 had no uncertain tax positions that qualify for recognition or disclosure in the financial statements. SAT-7 files information tax returns in the U.S. and various states. SAT-7 is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2020.

RECENTLY ADOPTED ACCOUNTING STANDARD

In 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02 *Leases* (Topic 842 of the ASC). The amendments in this update require organizations that lease assets to recognize on the statements of financial position the assets and liabilities for the rights and obligations created by the leases. The amendments are effective for fiscal years beginning after December 15, 2021. SAT-7 adopted this update for the year ended December 31, 2022.

SAT-7 elected to adopt the transition relief provisions from ASU2018-11, *Leases* (Topic 842): *Targeted Improvements* and recorded the impact of adoption as of January 1, 2022, without restating any prior-year amounts. SAT-7 also elected the practical expedient to not separate lease and non-lease components and the accounting policy election to exclude short-term leases with lease terms of 12 months or less. Additional lease disclosures can be found later in these notes. The effect of the adjustment to the opening balance of net assets totaled \$9,143. As it was deemed immaterial, the net asset difference was adjusted through occupancy expense on the statements of activities and functional expenses. This amount is reported as a non-cash effect of change in accounting principle on the statements of cash flows.

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2023 and 2022

3. LIQUIDITY:

As part of SAT-7's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following reflects SAT-7's financial assets that are available to meet general expenditures within one year of the statement of financial position date:

	December 31,	
	2023	2022
Cash and cash equivalents	\$ 9,530,998	\$ 9,590,419
Investments	1,138,568	1,138,568
Contributions receivable:		
Due in less than one year	140,000	236,500
Less allowance for uncollectability	(8,400)	(8,400)
Less:		
Board-designated reserve	(3,952,031)	(3,897,094)
Amounts held for SAT-7 International	(1,851,788)	(1,304,298)
	<u>\$ 4,997,347</u>	<u>\$ 5,755,695</u>

4. RELATED PARTY TRANSACTIONS:

As stated in Note 1, SAT-7 is affiliated, in mission, with SAT-7 International, an organization providing Christian media broadcasts to people in the Middle East and North Africa. SAT-7 International is headquartered in Cyprus, where it develops, produces, and broadcasts television and digital programs, via satellite and online, into regions of North Africa and the Middle East. SAT-7 provides resource development and ministry and managerial support throughout the United States in support of the mission of SAT-7 International through a joint ministries agreement (JMA). The JMA defines the relationship between SAT-7 International and SAT-7. The JMA gives SAT-7 International the ability to suspend or eliminate SAT-7's use of the name "SAT-7," including SAT-7 International's intellectual property related to the logo and brand. The president of SAT-7 International is an ex-officio, non-voting member of the SAT-7 board of directors. A member of the SAT-7 board of directors is a voting member of the SAT-7 International board of directors. As noted, SAT-7 provides resource development and ministry and managerial support to SAT-7 International.

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2023 and 2022

4. RELATED PARTY TRANSACTIONS, continued:

SAT-7 provided the following for the years shown:

	Year ending December 31,	
	2023	2022
Grants expense to SAT-7 International	\$ 8,352,337	\$ 7,613,413
Expenses paid by SAT-7 on behalf of SAT-7 International	558,109	343,168
 Program funding to SAT-7 International per the statement of functional expenses	\$ 8,910,446	\$ 7,956,581

Grant payable to SAT-7 International represents a promise made prior to year-end to distribute funds to SAT-7 International during the subsequent fiscal year. This promise is communicated directly to SAT-7 International by SAT-7 management and board members.

5. INVESTMENTS:

Contributions of financial assets that are reported in these financial statements as investments were recorded at fair value on the date of donation using estimates developed by management. These assets are initially recognized and carried as “other investments” in accordance with Section 958-325, subparagraphs 25, 30, and 35, of the *Financial Accounting Standards Board Codification*. Any subsequent declines in the value of these investments shall be recognized if their aggregate fair value is less than their carrying amount; recoveries of aggregate fair value in subsequent periods shall be recorded in those periods subject only to the limitation that the carrying amount shall not exceed the original cost.

Valuation techniques: Fair values for limited partnership interests are based on the fair value of the underlying rental real estate property, less mortgage loans and operating liabilities against the property and a discount for lack of liquidity. While management believes this valuation method is reasonable, it is possible that material fluctuations will occur in the near term. The values determined using this method are reviewed for impairment each year.

All investments are considered “other investments” per above and consists of:

	December 31,	
	2023	2022
Limited partnership interest in rental real estate:		
Property 1	\$ 781,169	\$ 781,169
Property 2	357,399	357,399
	\$ 1,138,568	\$ 1,138,568

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2023 and 2022

6. CONTRIBUTIONS RECEIVABLE:

SAT-7 regularly receives promises and intentions to give from its constituents. Promises to give are due to be collected in subsequent fiscal years and are reported as contributions receivable in the statements of financial position as an asset and recognized as restricted contributions in the statements of activities. The promises to give are reflected at the present value of estimated future cash flows using a discount rate of 1%.

Due to the unknown factors which may affect individual donors' future cash flows, it is reasonably possible that the estimated future cash flows of contributions receivable could increase or decrease by a material amount in the near term. Management believes that the asset value reflected in the statements of financial position approximates fair value.

Contributions receivable are expected to mature as follows:

	December 31,	
	2023	2022
Amounts due in:		
Less than one year	\$ 140,000	\$ 236,500
One year to five years	30,000	-
More than five years	-	-
	<u>170,000</u>	<u>236,500</u>
Less discount for present value of future cash flows	(1,429)	(148)
Less allowance for uncollectability	<u>(8,400)</u>	<u>(8,400)</u>
	<u>\$ 160,171</u>	<u>\$ 227,952</u>

At December 31, 2023 and 2022, three pledges comprised 97% and 95%, respectively, of the balance above.

7. PROPERTY AND EQUIPMENT:

Property and equipment consists of:

	December 31,	
	2023	2022
Office and computer equipment	\$ 131,007	\$ 129,418
Computer software	228,472	228,472
Office furniture	17,716	17,716
Operating lease right of use assets	116,295	116,295
Leasehold improvements	12,145	18,883
	<u>505,635</u>	<u>510,784</u>
Accumulated depreciation	<u>(348,327)</u>	<u>(274,137)</u>
	<u>\$ 157,308</u>	<u>\$ 236,647</u>

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2023 and 2022

8. NET ASSETS:

Net assets consist of:

	December 31,	
	2023	2022
Without restrictions:		
Undesignated	\$ 2,999,548	\$ 2,796,229
Board-designated reserve	3,952,031	3,897,094
Net investment in property and equipment	157,308	236,647
	7,108,887	6,929,970
Donor-restricted for staff support and programs	36,172	48,283
	\$ 7,145,059	\$ 6,978,253

9. RETIREMENT PLAN:

SAT-7 sponsors a 401(k) retirement program covering all employees. SAT-7 matches employee contributions up to 5%. Employees are eligible for the match immediately, with vesting occurring 20% per year for each year of service. SAT-7 contributed \$62,557 and \$64,439 to the plan during 2023 and 2022, respectively.

10. LEASE COMMITMENTS:

SAT-7 leases office space on a three-year term expiring December 31, 2025, with a three-year renewal through December 31, 2028. Management believes renewal is likely. During the lease term, including the renewal period, monthly rent ranges from \$1,336 to \$1,549, with additional amounts due each year for common area maintenance.

SAT-7 leases a paper folder through September 2024 at a rate of \$600 per month.

Operating lease right of use assets and liabilities are as follows:

Operating lease right of use assets:

Office space	\$ 103,695
Paper folder	12,600
Less accumulated amortization	(23,583)
	\$ 92,712

Operating lease liabilities:

Office space	\$ 81,174
Paper folder	5,400
	\$ 86,574

SAT-7 NORTH AMERICA

Notes to Financial Statements

December 31, 2023 and 2022

10. LEASE COMMITMENTS, continued:

Weighted average discount rate 3%

Future minimum lease payments required under the operating leases above:

Year ending December 31,

2024	\$	21,912
2025		17,007
2026		17,518
2027		18,043
2028		18,584
		<hr/>
		93,064
Less imputed interest		<hr/>
		(6,490)
		<hr/>
	\$	<u>86,574</u>

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through February 26, 2024, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.