

Freedom's Promise and Subsidiary

Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

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Contents

Independent Auditor's Report	1
Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 16



Independent Auditor's Report

Board of Directors
Freedom's Promise and Subsidiary

Opinion

We have audited the consolidated financial statements of Freedom's Promise and its subsidiary (the Organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
April 10, 2024

Freedom's Promise and Subsidiary
Consolidated Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Cash	\$ 290,377	\$ 502,330
Cash restricted by donors for capital campaign	673,622	742,051
Pledges receivable, net	346,118	512,506
Prepaid expenses	12,905	8,956
Inventory	-	7,985
Operating lease right-of-use assets	51,515	-
Property and equipment, net	582,976	126,092
Beneficial interest in assets held by Community Foundation of Northwest Georgia	<u>124,022</u>	<u>113,365</u>
Total assets	\$ 2,081,535	\$ 2,013,285
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 177,801	\$ 1,484
Accrued expenses	185	10,343
Operating lease liabilities	<u>51,764</u>	<u>-</u>
Total liabilities	229,750	11,827
Net assets		
Without donor restrictions	749,491	629,281
With donor restrictions	<u>1,102,294</u>	<u>1,372,177</u>
Total net assets	<u>1,851,785</u>	<u>2,001,458</u>
Total liabilities and net assets	\$ 2,081,535	\$ 2,013,285

Freedom's Promise and Subsidiary
Consolidated Statement of Activities
For the Year Ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions of cash and other financial assets	\$ 808,885	\$ 114,719	\$ 923,604
Contributions of nonfinancial assets	90,000	-	90,000
Special events, net	95,149	-	95,149
Investment income (loss)	18,747	15,758	34,505
Merchandise sales	970	-	970
Other revenue	756	-	756
Net assets released from restrictions	<u>400,360</u>	<u>(400,360)</u>	<u>-</u>
Total support and revenues	1,414,867	(269,883)	1,144,984
Expenses			
Program services	939,433	-	939,433
Supporting services			
Management and general	163,627	-	163,627
Fundraising	<u>191,597</u>	<u>-</u>	<u>191,597</u>
Total expenses	1,294,657	-	1,294,657
Change in net assets	120,210	(269,883)	(149,673)
Net assets, beginning of year	<u>629,281</u>	<u>1,372,177</u>	<u>2,001,458</u>
Net assets, end of year	\$ 749,491	\$ 1,102,294	\$ 1,851,785

Freedom's Promise and Subsidiary
Consolidated Statement of Activities
For the Year Ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Support and Revenues			
Contributions of cash and other financial assets	\$ 537,645	\$ 1,196,966	\$ 1,734,611
Contributions of nonfinancial assets	60,000	-	60,000
Grants	-	9,860	9,860
Special events, net	106,425	-	106,425
Investment income (loss)	613	(18,042)	(17,429)
Merchandise sales	4,238	-	4,238
Other revenue	669	-	669
Net assets released from restrictions	<u>205,252</u>	<u>(205,252)</u>	<u>-</u>
Total support and revenues	914,842	983,532	1,898,374
Expenses			
Program services	770,405	-	770,405
Supporting services			
Management and general	112,836	-	112,836
Fundraising	<u>177,019</u>	<u>-</u>	<u>177,019</u>
Total expenses	1,060,260	-	1,060,260
Change in net assets	(145,418)	983,532	838,114
Net assets, beginning of year	<u>774,699</u>	<u>388,645</u>	<u>1,163,344</u>
Net assets, end of year	\$ 629,281	\$ 1,372,177	\$ 2,001,458

Freedom's Promise and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program services	Management and general	Fundraising	Total
Salaries and benefits	\$ 370,403	\$ 77,397	\$ 105,039	\$ 552,839
Grants and assistance	384,989	-	-	384,989
Contract services	4,750	4,750	-	9,500
Depreciation	4,331	4,330	-	8,661
Insurance	1,481	1,481	-	2,962
Marketing	15,881	934	1,868	18,683
Meals and entertainment	17,741	505	505	18,751
Office	3,089	3,089	-	6,178
Professional fees	14,198	14,197	-	28,395
Rental	12,510	12,509	-	25,019
Repairs and maintenance	311	312	-	623
Special events	1,445	-	61,963	63,408
Technology	8,305	8,305	-	16,610
Training and professional development	1,783	1,783	-	3,566
Travel	60,086	20,029	20,029	100,144
Bank charges	5,232	5,233	-	10,465
Miscellaneous	32,898	8,773	2,193	43,864
	\$ 939,433	\$ 163,627	\$ 191,597	\$ 1,294,657

Freedom's Promise and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program services	Management and general	Fundraising	Total
Salaries and benefits	\$ 262,105	\$ 50,856	\$ 78,240	\$ 391,201
Grants and assistance	365,162	-	-	365,162
Contract services	7,619	7,620	-	15,239
Depreciation	473	473	-	946
Insurance	1,446	1,446	-	2,892
Marketing	23,482	1,381	2,763	27,626
Meals and entertainment	12,587	455	455	13,497
Office	2,415	2,415	-	4,830
Professional fees	11,150	11,150	-	22,300
Rental	8,084	8,084	-	16,168
Special events	14,343	-	83,410	97,753
Technology	3,786	3,786	-	7,572
Training and professional development	3,262	3,263	-	6,525
Travel	33,695	11,231	11,231	56,157
Bank charges	6,995	6,996	-	13,991
Miscellaneous	13,801	3,680	920	18,401
	\$ 770,405	\$ 112,836	\$ 177,019	\$ 1,060,260

Freedom's Promise and Subsidiary
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash, beginning of year	\$ 1,244,381	\$ 977,608
Cash flows from operating activities		
Change in net assets	(149,673)	838,114
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	8,661	946
Noncash lease expense	249	-
Investment (income) loss related to beneficial interest	(10,657)	24,234
Contributions restricted for capital campaign	(209,027)	(669,334)
Change in:		
Accounts receivable	-	2,014
Pledges receivable	166,388	(493,392)
Prepaid expenses	(3,949)	(3,105)
Inventory	7,985	13,266
Accounts payable	176,317	434
Accrued expenses	(10,158)	9,902
Net cash provided (used) by operating activities	(23,864)	(276,921)
Cash flows from investing activities		
Purchase of property and equipment	(465,545)	(125,640)
Cash flows from financing activities		
Collections of contributions restricted for capital campaign	209,027	669,334
Net change in cash	(280,382)	266,773
Cash, end of year	\$ 963,999	\$ 1,244,381
Reconciliation of cash to statements of financial position		
Cash	\$ 290,377	\$ 502,330
Cash restricted by donors for capital campaign	673,622	742,051
	\$ 963,999	\$ 1,244,381
Supplemental schedule of noncash investing and financing activities		
Liabilities incurred for purchase of property and equipment	\$ 176,000	\$ -

Freedom's Promise and Subsidiary
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Nature of Activities

Freedom's Promise exists to prevent human trafficking through community development efforts. It equips indigenous partners to lead and strengthen at-risk communities in the fight against trafficking.

Freedom's Promise Fair Trade, LLC is a not-for-profit limited liability company (LLC) that buys and sells fair trade products that are made in Cambodia by women in Freedom's Promise's prevention program. It is a wholly owned subsidiary of Freedom's Promise.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of Freedom's Promise and subsidiary (the Organization) have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

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

Principles of Consolidation

The consolidated financial statements include the accounts of Freedom's Promise and Freedom's Promise Fair Trade, LLC. All material intercompany transactions have been eliminated.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's community development activities. Non-operating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash

The Organization's cash consists of cash on deposit with banks.

Freedom's Promise and Subsidiary
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Pledges Receivable

Pledges receivable are expected to be collected over the next five years and have been discounted to present value.

Inventory

Inventory is valued at the lower of cost or net realizable value and consists of finished goods.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at estimated fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The useful lives range from three to seven years. The Organization's policy is to capitalize renewals and betterments acquired for greater than \$1,000 and expense normal maintenance as incurred. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets consist of wages for the president of the Organization. The Organization valued and reported these wages at their estimate fair value based on current salaries for similar roles. A number of volunteers have made significant contributions of their time in furtherance of the Organization's mission; however, no values for these services have been included in the financial statements.

Fair Value Measurement

The Organization has adopted the *Fair Value Measurements and Disclosures* topic of the Financial Accounting Standards Board Accounting Standard Codification for determining the fair value of financial assets and liabilities that are required to be carried as such amounts.

Fair value is required to be evaluated and adjusted according to the following valuation techniques:

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3 – Fair value is determined using unobservable market prices in a market that is typically inactive.

Freedom's Promise and Subsidiary
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Fair Value Measurement

Following is a description of the valuation methodologies used for financial assets and liabilities measured at fair value on a recurring basis:

Beneficial interest in assets held by Community Foundation of Northwest Georgia (CFNG) – The endowment funds held by CFNG represent the Organization's interest in pooled investments with other participants in the funds. CFNG prepares a valuation of the fund based on the fair value of the underlying investments and allocates income or loss to each participant based on market results. Due to the nature of the underlying investments and method of allocation of the fund, the beneficial interest in the endowment funds are classified within Level 3 of the valuation hierarchy.

Marketing

The Organization expenses marketing costs as incurred.

Functional Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis. All expenses have been allocated in the statement of functional expenses based on management's estimate of time and effort spent.

Income Taxes

The Organization is exempt from income tax under Internal Revenue Code Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by Section 501(c)(3). The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. With few exceptions, the Organization is no longer subject to federal, state, or local tax examinations by authorities for years before December 31, 2020.

Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization recognizes most leases on its statements of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of activities and functional expenses.

Freedom's Promise and Subsidiary
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Leases

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred.

The Organization has made an accounting policy election to use the risk-free rate as the discount rate if the rate implicit in the lease is not readily determinable. The risk-free rate is the rate of a zero coupon US Treasury instrument for the same period as the time of the lease term.

Reclassifications

Certain reclassifications have been made to the 2022 financial statements to conform to the 2023 presentation.

Note 3. Liquidity and Availability

The following represents the Organization's financial assets:

	2023	2022
Financial assets		
Cash	\$ 963,999	\$ 1,244,381
Pledges receivable, net	346,118	512,506
Beneficial interest in assets held by		
Community Foundation of Northwest Georgia	<u>124,022</u>	<u>113,365</u>
Total financial assets	1,434,139	1,870,252
Less: amounts not available to be used within one year		
Net assets with donor restrictions	<u>(1,102,294)</u>	<u>(1,372,177)</u>
Financial assets available to meet general expenditures within the next 12 months	\$ 331,845	\$ 498,075

As part of its liquidity plan, in addition to year-round donations, the Organization plans four major fundraisers strategically placed throughout the year. At the beginning of each quarter, funds are allotted to their foreign operations to cover the expenses for that quarter. After the foreign allotment is taken out, there is enough remaining to cover the general office expenses and payroll for their domestic staff and operations for at least 60 to 90 days. The Organization also has a credit transaction limit of \$55,200 on its credit card that can be used as needed to meet cash flow demands.

Freedom's Promise and Subsidiary
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 4. Pledges Receivable

A summary of pledges receivable is as follows:

	2023	2022
Due within one year	\$ 316,740	\$ 244,532
Due in two to five years	<u>30,700</u>	<u>280,033</u>
	347,440	524,565
Discount to present value	<u>(1,322)</u>	<u>(12,059)</u>
	\$ 346,118	\$ 512,506

The discount rate used to determine present value is 4.50%.

Note 5. Endowment Fund

The Organization has a beneficial interest in an endowment fund held by CFNG. The balance of the funds consists of a combination of funds classified as donor restricted. Earnings on these funds are used to support the mission of the Organization. The Organization has granted variance power to CFNG, and CFNG has the ultimate authority and control over the funds. The funds are charged a 0.5% administrative fee annually. Upon request of the Organization, income from the funds representing up to a 4% annual return may be distributed to the Organization.

Since CFNG has control over the fund and the earnings, the Organization has not established an investment policy for the fund nor have they established policies for expenditures from the fund. The Organization is not aware of any deficiencies in the fair value of assets in the fund as compared to the required amounts by the donors. The Organization recognizes contribution income when the Community Foundation makes a distribution to the Organization. The Organization recognizes investment earnings and fees in the statements of activities, as they are reported to the Organization by CFNG.

The changes in endowment assets are comprised of the following:

	2023	2022
Balance, beginning of the year	\$ 113,365	\$ 137,599
Investment gain (loss)	16,334	(17,339)
Grants paid	(5,101)	(6,192)
Fees	<u>(576)</u>	<u>(703)</u>
Balance, end of year	\$ 124,022	\$ 113,365

Freedom's Promise and Subsidiary
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 6. Property and Equipment

Property and equipment consists of the following:

	2023	2022
Furniture and equipment	\$ 20,669	\$ 17,124
Leasehold improvements	6,145	6,145
Construction in progress	572,000	110,000
Less: accumulated depreciation	<u>(15,838)</u>	<u>(7,177)</u>
Property and equipment, net	\$ 582,976	\$ 126,092

Construction in progress relates to the building of a school on property leased by the Organization in Cambodia (note 10).

Note 7. Net Assets

Net assets with donor restrictions are as follows:

	2023	2022
Specific purpose		
Capital campaign	\$ 978,272	\$ 1,251,267
Beneficial interest in assets held by		
Community Foundation of Northwest Georgia	<u>124,022</u>	<u>113,365</u>
	1,102,294	1,364,632
Time restriction	<u>-</u>	<u>7,545</u>
	\$ 1,102,294	\$ 1,372,177

Note 8. Special Events

Revenues from special events are as follows:

	2023	2022
Gross special event revenues	\$ 119,184	\$ 163,387
Less: direct benefits to donors	<u>(24,035)</u>	<u>(56,962)</u>
Special events, net	\$ 95,149	\$ 106,425

Freedom's Promise and Subsidiary
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 9. Concentrations

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2023 and 2022, the Organization's cash accounts exceeded coverage by approximately \$259,000 and \$935,000, respectively. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts. The Organization has executed an Insured Cash Sweep deposit placement agreement with one institution, which is fully insured by the FDIC.

Two donors represents 31% of the total support and revenues for 2022. There were no donor concentrations for 2023.

Three donors represent 65% of the pledges receivable at December 31, 2023. Two donors represented 48% of the pledges receivable at December 31, 2022.

Note 10. Commitments

In a previous year, the Organization helped to purchase property in Cambodia, through donations to partners in that country, for the establishment of an international headquarters. Cambodian law requires property to be owned by a Cambodian citizen. During 2023, a formal agreement was reached, allowing the Organization to lease that property back for \$10 per year. In December 2022, the Organization entered into a \$1.2 million contract for the construction of a school on the leased Cambodian property, for which construction began in 2023.

Note 11. Leases

The Organization leases office space in Nashville and property in Cambodia under an operating lease agreements that have terms ranging from two to 15 years.

Operating lease cost is recognized on a straight-line basis over the lease term and was \$23,223 for 2023.

Supplemental cash flow information related to leases is as follows:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash outflows – payments on lease liabilities	\$ 22,974
Right-of-use assets obtained in exchange for new lease:	
Operating leases	\$ 61,225

Supplemental statement of financial position information related to leases is as follows:

Operating lease right-of-use assets	\$ 51,515
Operating lease liabilities	\$ 51,764
Weighted-average remaining lease term for operating leases	2.08 years
Weighted-average discount rate for operating leases	4.75%

Freedom's Promise and Subsidiary
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 11. **Leases**

Future undiscounted cash flows and a reconciliation to the lease liabilities recognized on the statements of financial position as of December 31, 2023 are as follows:

Year ending December 31,		
2024	\$	25,752
2025		26,525
2026		<u>2,216</u>
Total lease payments		54,493
Imputed interest		<u>(2,729)</u>
Total present value of lease liabilities	\$	51,764

Note 12. **Subsequent Events**

Management has evaluated subsequent events through April 10, 2024, the date on which the financial statements were available for issuance.