

GAINING GROUND, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

WITH INDEPENDENT AUDITOR'S REPORT

GAINING GROUND, INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Gaining Ground, Inc.
Concord, Massachusetts

Opinion

We have audited the accompanying financial statements of Gaining Ground, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, changes in net assets, functional expense and cash flows for the year 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 Gaining Ground, Inc. as of December 31, 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 Gaining Ground, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gaining Ground, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are 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 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, including omissions, 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 Gaining Ground, Inc.'s internal control. Accordingly, no such opinion is expressed.

One Gateway Center
Newton, MA 02458

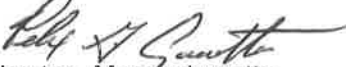
Felix G. Cincotta
Certified Public Accountant and Consultant

617-332-2227
Fax 617-332-2892
www.fgccpa.com

- 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 Gaining Ground, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Certified Public Accountant



Newton, Massachusetts

October 20, 2023

GAINING GROUND, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

2022

Current Assets:

Cash and cash equivalents	\$ 671,677
Grants receivable	57,908
Investments	478,121
Prepaid expenses	<u>9,617</u>

Total Current Assets 1,217,323

Property and Equipment, net: 571,943

Operating lease right-of-use assets 27,488

Other Assets:

Grants receivable 218,045

Total Assets \$ 2,034,799

LIABILITIES AND NET ASSETS

Current Liabilities:

Current portion of operating lease liabilities	\$ 8,762
Accounts payable	4,934
Accrued expenses	<u>11,726</u>

Total Current Liabilities 25,422

Operating lease liabilities, net of current portion 19,176

Net assets:

Without donor restrictions	1,624,273
With donor restrictions	<u>365,928</u>

Total Net Assets 1,990,201

Total Liabilities and Net Assets \$ 2,034,799

See accompanying notes.

GAINING GROUND, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

2022

Net Assets Without Donor Restrictions

Unrestricted Revenue, Gains and Other Support:

Grants and contributions	\$ 823,939
Fundraising income	24,104
Merchandise sales, net of cost of sales of \$-0-	643
Investment income	2,231
Net assets released from restriction	<u>80,882</u>
Total Revenue, Gains and Other Support	<u>931,799</u>

Expenses:

Program services	590,581
Support services:	
Management and general	86,785
Fundraising	<u>63,630</u>
Total Expenses	<u>740,996</u>

Increase in Net Assets Without Donor Restrictions 190,803

Net Assets With Donor Restrictions

Grants and contributions	28,720
Investment income (loss)	(10,026)
Net assets released from restrictions	<u>(80,882)</u>

Increase in Net Assets With Donor Restrictions (62,188)

Increase in Net Assets 128,615

Net Assets, Beginning of Year 1,861,586

Net Assets, End of Year \$1,990,201

See accompanying notes.

GAINING GROUND, INC.
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Net Assets:			
Beginning of year	\$1,433,470	\$ 428,116	\$ 1,861,586
Change in Net Assets	<u>190,803</u>	<u>(62,188)</u>	<u>128,615</u>
Net Assets:			
End of year	<u>\$ 1,624,273</u>	<u>\$ 365,928</u>	<u>\$ 1,990,201</u>

See accompanying notes.

GAINING GROUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	<u>Total</u> <u>Expenses</u>	<u>Program</u> <u>Services</u>	<u>Supporting Services</u>	
			<u>Management</u> <u>and General</u>	<u>Fundraising</u>
Expenses:				
Salaries	\$ 385,858	\$ 314,054	\$ 35,902	\$ 35,902
Agricultural supplies	87,967	87,967	0	0
Depreciation	46,103	45,363	740	0
Payroll taxes	34,953	27,963	3,495	3,495
Professional fees	27,627	0	27,627	0
Events expense	15,610	6,827	0	8,783
Insurance	16,092	13,007	2,601	484
Rent	10,050	5,527	2,010	2,513
Marketing	613	148	12	453
Printing and reproduction	30,400	15,211	8,402	6,787
Utilities	15,948	15,948	0	0
Bank charges	349	192	70	87
Buildings and grounds	27,131	27,131	0	0
Computer expense	2,005	1,270	327	408
Vehicle expenses	3,323	3,323	0	0
Staff development	2,246	494	1,752	0
Postage and delivery	5,968	3,282	1,193	1,493
Miscellaneous	4,162	3,205	466	491
Office expense	3,313	1,822	663	828
Volunteer expense	5,040	5,040	0	0
Telephone	2,491	1,370	498	623
Payroll processing	1,674	921	335	418
Licenses, permits and dues	3,459	1,902	692	865
Land lease	411	411	0	0
Food distribution program	8,203	8,203	0	0
	<u>8,203</u>	<u>8,203</u>	<u>0</u>	<u>0</u>
 Total Functional Expenses	 <u>\$ 740,996</u>	 <u>\$ 590,581</u>	 <u>\$ 86,785</u>	 <u>\$ 63,630</u>

See accompanying notes.

GAINING GROUND, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

2022

Cash Flows from Operating Activities:	
Change in net assets	\$ 128,615
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	46,553
Net realized and unrealized losses (gains) on investments, net	10,067
Changes in operating assets and liabilities:	
Decrease in grants receivable	61,825
Decrease in prepaid expenses	5,559
Decrease in accounts payable	(2,152)
Increase in accrued expenses	<u>7,308</u>
Net cash provided by operating activities	<u>257,775</u>
 Cash Flows from Investing Activities:	
Acquisition of property & equipment	(11,743)
Purchase of investments	<u>(427,407)</u>
Net cash used by investing activities	<u>(439,150)</u>
 Net increase in cash and cash equivalents	(181,475)
 Cash and cash equivalents, beginning of year	<u>853,052</u>
 Cash and cash equivalents, end of year	<u>\$ 671,677</u>
 Non cash investing and financing transactions:	
Operating lease right-of-use assets obtained In exchange for operating lease liabilities	<u>\$ 35,610</u>

See accompanying notes.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. Summary of Significant Accounting Procedures:

Organization

Gaining Ground, Inc. (the Organization) is a Massachusetts nonprofit corporation which grows and distributes fresh, organic produce to local meal programs, shelters and food pantries as well as provides environmental education and related community service opportunities. The Organization is supported primarily through donor contributions, grants and fundraising activities.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

Contributions and Grants

Contributions received are recorded as Net Assets With Donor Restrictions or Net Assets Without Donor Restrictions, depending on the existence and/or nature of any donor restrictions.

Goods are contributed to the Organization in support of its programs and services. The value of these goods, if any, are reflected in the financial statements based on the estimated fair value assigned by management. The value of donated goods for the year ended December 31, 2022, was \$-0-.

Income Tax Status

The Organization is a nonprofit organization exempt from income tax pursuant to Section 501(c)(3) of the U.S. Internal Revenue Code. The Internal Revenue Service has determined that the Organization is a nonprofit organization other than a private foundation exempt from income taxes. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Grants Receivable

Unconditional promises to give that are expected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. As of December 31, 2022, management has concluded an allowance for doubtful accounts is not necessary.

Cash Equivalents

Cash equivalents include all highly liquid investments with an original maturity date of three months or less at date of purchase and include money market accounts.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. Summary of Significant Accounting Procedures (Continued):

Fair Value of Financial Instruments

The carrying amounts of cash and current liability amounts approximate fair values because of the short term nature of these items.

Investments

Investments in marketable equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Both realized and unrealized gains and losses are included in the change in net assets.

Leases

The Organization calculates operating lease liabilities with an incremental borrowing rate (IBR), using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

Property and Equipment

Property and equipment acquisitions are recorded at cost at the date of acquisition or, if donated, at the approximate fair value at the date of donation. Expenditures for repairs and maintenance are charged to expense as incurred, whereas major betterments are capitalized. Depreciation is provided over the estimated useful life of each class of fixed assets and is computed using the straight-line method.

The useful life adopted for the purpose of computing depreciation is:

Building and leasehold improvements	10-39 years
Machinery and equipment	5-15 years
Furniture and fixtures	5-10 years
Office equipment and software	3-7 years
Motor vehicle and tractor	5 years

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

1. Summary of Significant Accounting Procedures (Continued):

Contributed Services

Many individuals volunteer their services and perform a variety of tasks that assist the organization with its programs. No amounts have been reflected in the financial statements for these donated services, as these services do not meet the criteria for recognition.

Advertising

Advertising costs are expensed when incurred. Advertising expense for 2022 was \$0.

Subsequent Events

Subsequent events have been evaluated through October 20, 2023, which is the date the financial statements were available to be issued.

2. Grants Receivable

A schedule of the anticipated future minimum receipt of grants is as follows at December 31, 2022:

Amounts due in:

Less than one year	\$ 57,908
One to five years	119,060
More than five years	<u>98,985</u>
Total	<u>\$ 275,953</u>

3. Investments

Included in investments are mutual funds and U.S. Treasury Bills recorded at their fair value of \$478,121 and a cost of \$487,835 as of December 31, 2022.

At December 31, 2022, investment return consisted of dividends and interest of \$2,272 and net unrealized losses totaling \$10,067.

4. Fair Value Measurements

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Organization's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. Fair Value Measurements (continued):

Fair Value Hierarchy

The Organization groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation must be based on quoted prices for similar assets or liabilities: quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities included financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

The Organization recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the year ended December 31, 2022.

A description of the valuation techniques applied to the Organization's major categories of assets and liabilities measured at fair value on a recurring basis follows:

Level 1 - The securities measured at fair value in Level 1 are based on quoted market prices in an active exchange market. These securities include corporate stock securities and debt securities.

Level 2 - The Organization did not have any assets or liabilities measured at fair value in Level 2 at December 31, 2022.

Level 3 - The Organization did not have any assets or liabilities measured at fair value in Level 3 at December 31, 2022.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

5. Fair Value Measurements (continued):

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level of input that is significant to the fair value measurement in its entirety.

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

As of December 31, 2022:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 87,274	\$ 87,274	\$ 0	\$ 0
U.S. Treasury Bills	<u>390,847</u>	<u>390,847</u>		
	<u>\$ 478,121</u>	<u>\$ 478,121</u>	<u>\$ 0</u>	<u>\$ 0</u>

6. New Accounting Guidance Implementation

As of January 1, 2022, the Organization changed its accounting method for leases as a result of implementing the requirements in the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 842, Leases, using the modified retrospective transition method. There was no cumulative effect adjustment to the Organization's balance sheet as of January 1, 2022. Comparative information has not been restated and continues to be reported under the accounting standards in effect for the prior period.

The new lease guidance requires the recognition of a right-of-use asset and a lease liability for operating leases. The Organization elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. The Company has not elected the hindsight practical expedient.

As of January 1, 2022, approximately \$35,610 in operating lease right-of-use assets and corresponding lease liabilities were recognized. Adoption of the new guidance did not have a significant impact to the statement of income or cash flows for the year ended December 21, 2022.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

7. Property and Equipment

At December 31, 2022, property and equipment consist of:

Buildings and leasehold improvements	\$ 810,974
Machinery and equipment	73,966
Furniture and fixtures	5,281
Office equipment and software	11,659
Motor vehicles and tractor	<u>80,790</u>
	982,670
Less: Accumulated depreciation	<u>(410,727)</u>
Net property and equipment	<u>\$ 571,943</u>

Depreciation expense for the year ended December 31, 2022 was \$46,103.

8. Permanently Restricted Net Assets

Permanently restricted net assets are restricted for the following purposes as of December 31, 2022.

Sophia's Fund Endowment	<u>\$ 91,533</u>
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9. Net Assets With Donor Restrictions

Net Assets with Donor Restrictions are available for the following purposes:

Operating support	\$ 270,675
Racial equity and inclusion	3,720
Sophia's Fund Endowment	<u>91,533</u>
	<u>\$ 365,928</u>

10. Endowment

The Organization's endowment consists of one fund established for the purpose of satisfying donor imposed restrictions. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

10. Endowment (continued)

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted Massachusetts General Law Chapter 180A, Management of Institutional Funds, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The amounts generated from the donor-restricted endowment fund that are not classified in permanently restricted net assets are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by Massachusetts General Law Chapter 180A. In accordance with Massachusetts General Law Chapter 180A, the Organization considers the following facts in making a determination to appropriate or accumulate donor-restricted endowment funds.

1. The duration and preservation of the fund
2. The purpose of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

Endowment Net Asset Composition by Type of Fund as of December 31, 2022

	<u>Permanently Restricted</u>
Sophia's Fund Endowment	<u>\$ 91,533</u>

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

10. Endowment (continued)

Changes in temporarily restricted and permanently restricted net assets for the year ended December 31, 2022.

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets – beginning of year	\$ 0	\$ 101,559	\$101,559
Amount contributed to the endowment	0	0	0
Investment income (loss)	0	(10,026)	(10,026)
Appropriated for expenditure	<u>0</u>	<u>0</u>	<u>0</u>
Endowment net assets – end of year	<u>\$ 0</u>	<u>\$ 91,533</u>	<u>\$ 91,533</u>

Return objectives and risk parameters

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). The Organization attempts to maintain the fair value of the endowment assets by investing in bond funds, stock funds and certificates of deposit.

Strategies employed for achieving objectives

The Organization has been holding its assets in a stock fund as a conservative measure in order to protect the principal of the endowment funds. The Board of Directors has established an investment policy to direct the investment of the endowment funds.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Sophia’s Fund Endowment – Beginning in 2022, the Organization is accumulating investment returns on an initial gift of \$100,000. Future appropriations will be made in accordance with all donor imposed stipulations.

11. Leasing Arrangement

The Organization leases its office facilities under a long-term lease agreement expiring in December 2025.

The lease agreements do not include any residual value guarantees or restrictive covenants.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

11. Leasing Arrangement (continued):

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2022:

Operating lease right-of-use assets	<u>\$ 27,488</u>
Current portion of operating lease liabilities	\$ 8,762
Operating lease liabilities	<u>19,176</u>
Total operating lease liabilities	<u>\$ 27,938</u>

The components of operating lease expenses that are included in the statement of income for the year ended December 31, 2022 were as follows:

Operating lease cost	\$ 10,050
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The following summarizes the cash flow information related to operating leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities	\$ 9,600
Lease assets obtained in exchange for lease liabilities:	
Operating leases	\$ 35,610

Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted average remaining lease term	3 years
Weighted average discount rate	6.0%

The maturities of operating lease liabilities as of December 31, 2022 were as follows:

2023	\$10,050
2024	10,050
2025	<u>10,050</u>
	30,150
Less: interest	<u>2,212</u>
Present value of lease liability	<u>\$27,938</u>

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

12. Allocation of Program Services, Management and General and Fundraising Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates made by management.

13. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2022
Financial assets at year-end	\$1,207,706
Less those unavailable for general expenditures within one year due to:	
Donor Restricted for:	
Racial equity and inclusion	3,720
Sophia's fund endowment	91,533
Financial assets available to meet cash needs for general expenditures within one year	\$1,112,453

14. Concentration of Risk and Uncertainties

Cash

From time to time, the Organization's cash balances fluctuate and can exceed federally insured limits. Management monitors the financial condition of the banking institutions, along with its cash balances, to keep this potential risk to a minimum. At December 31, 2022, the organization had balances of \$421,677 over \$250,000 with a certain financial institution.

Grantors

At December 31, 2022, three grantors made up 100% of outstanding grants receivable and four grantors made up approximately 52% of all new grant revenue.

Uncertainties

The Organization is dependent upon revenues from grants and contributions. Although management believes that it will have sufficient funds to meet its operating expenses for the next year between funds already available and promised grants, there is no guarantee that these grants and other sources of funds will continue into future years. As a result, management is actively seeking new grants and other sources of revenue.

GAINING GROUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

15. COVID-19 - Risks and Uncertainties

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity. The Organization's liquidity as of December 31, 2022 is documented at Note 12. The Organization is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly and will continue to assess and monitor the situation as it evolves. The Organization does not believe that the impact of COVID-19 would have a material adverse effect on its financial condition or liquidity.