

Program to Aid Citizen Enterprise, Inc.

Financial Statements

Years Ended June 30, 2022 and 2021
with Independent Auditor's Report

MaherDuessel

Pursuing the profession while promoting the public good©
www.md-cpas.com

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

YEARS ENDED JUNE 30, 2022 AND 2021

TABLE OF CONTENTS

Independent Auditor's Report

Financial Statements:

Statements of Financial Position	1
Statements of Activities:	
- Year Ended June 30, 2022	2
- Year Ended June 30, 2021	3
Statements of Functional Expenses:	
- Year Ended June 30, 2022	4
- Year Ended June 30, 2021	5
Statements of Cash Flows	6
Notes to Financial Statements	7

Independent Auditor's Report

Board of Directors

Program to Aid Citizen Enterprise, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Program to Aid Citizen Enterprise, Inc. (PACE), which comprise the statements of financial position as of June 30, 2022 and 2021, 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 PACE as of June 30, 2022 and 2021, 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 PACE, 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 PACE'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 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 PACE'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 PACE'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.

Maher Duessel

Pittsburgh, Pennsylvania
April 25, 2023

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 576,913	\$ 1,499,059
Accounts receivable	10,000	25,005
Other assets	10,360	11,457
Property and equipment at cost, net of accumulated depreciation of \$127,480 in 2022 and \$123,842 in 2021	5,702	6,875
Total Assets	\$ 602,975	\$ 1,542,396
Liabilities and Net Assets		
Liabilities:		
Accounts payable and other liabilities	\$ -	\$ 295,797
Deferred revenue	58,500	-
Refundable advance - PPP Loan	-	63,100
Total Liabilities	58,500	358,897
Net Assets:		
Without donor restrictions	263,844	388,981
With donor restrictions	280,631	794,518
Total Net Assets	544,475	1,183,499
Total Liabilities and Net Assets	\$ 602,975	\$ 1,542,396

See accompanying notes to financial statements.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions:			
United Way	\$ 193,804	\$ -	\$ 193,804
Foundations	150,000	323,992	473,992
Paycheck Protection Program loan forgiveness	63,100	-	63,100
Other contributions	10,056	-	10,056
Consulting income	20,000	-	20,000
Special events	-	-	-
Interest income	152	-	152
Miscellaneous revenue	1,373	-	1,373
	<u>438,485</u>	<u>323,992</u>	<u>762,477</u>
Net assets released from restrictions	<u>837,879</u>	<u>(837,879)</u>	<u>-</u>
Total support and revenue	<u>1,276,364</u>	<u>(513,887)</u>	<u>762,477</u>
Expenses:			
Program services	1,054,763	-	1,054,763
Administrative	308,252	-	308,252
Fundraising	38,486	-	38,486
	<u>1,401,501</u>	<u>-</u>	<u>1,401,501</u>
Change in Net Assets	(125,137)	(513,887)	(639,024)
Net Assets:			
Beginning of year	<u>388,981</u>	<u>794,518</u>	<u>1,183,499</u>
End of year	<u>\$ 263,844</u>	<u>\$ 280,631</u>	<u>\$ 544,475</u>

See accompanying notes to financial statements.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions:			
United Way	\$ 178,215	\$ -	\$ 178,215
Foundations	425,500	1,896,675	2,322,175
Paycheck Protection Program loan forgiveness	-	-	-
Other contributions	15,831	-	15,831
Consulting income	-	-	-
Special events	182,845	-	182,845
Interest income	229	-	229
Miscellaneous revenue	-	-	-
	802,620	1,896,675	2,699,295
Net assets released from restrictions	1,580,468	(1,580,468)	-
	2,383,088	316,207	2,699,295
Expenses:			
Program services	1,976,728	-	1,976,728
Administrative	79,450	-	79,450
Fundraising	32,567	-	32,567
	2,088,745	-	2,088,745
Change in Net Assets	294,343	316,207	610,550
Net Assets:			
Beginning of year	94,638	478,311	572,949
End of year	\$ 388,981	\$ 794,518	\$ 1,183,499

See accompanying notes to financial statements.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program Services	Administrative	Fundraising	Total
Grants	\$ 598,496	\$ -	\$ -	\$ 598,496
Salaries and benefits	186,209	217,702	22,795	426,706
Consultants	188,748	25,968	8,698	223,414
Professional services	34,028	14,129	1,496	49,653
Supplies	8,709	9,830	1,128	19,667
Telephone	1,714	2,005	212	3,931
Postage	34	39	74	147
Printing	66	78	8	152
Occupancy costs	19,796	20,408	2,161	42,365
Advertising	117	138	15	270
Insurance	7,128	8,338	883	16,349
Equipment rental	2,325	2,720	288	5,333
Travel	1,909	2,234	237	4,380
Conferences/meetings	1,559	1,447	153	3,159
Depreciation	1,588	1,856	194	3,638
Subscriptions	916	893	95	1,904
Interest	-	-	-	-
Other	1,421	467	49	1,937
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 1,054,763</u>	<u>\$ 308,252</u>	<u>\$ 38,486</u>	<u>\$ 1,401,501</u>

See accompanying notes to financial statements.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services	Administrative	Fundraising	Total
Grants	\$ 1,267,765	\$ -	\$ -	\$ 1,267,765
Salaries and benefits	358,417	45,237	24,262	427,916
Consultants	210,888	7,512	2,660	221,060
Professional services	61,614	5,632	1,232	68,478
Supplies	14,742	2,714	509	17,965
Telephone	2,852	818	154	3,824
Postage	1,375	145	27	1,547
Printing	100	-	-	100
Occupancy costs	32,252	9,233	1,734	43,219
Advertising	-	-	-	-
Insurance	9,185	3,426	643	13,254
Equipment rental	3,106	1,158	217	4,481
Travel	3,035	1,132	213	4,380
Conferences/meetings	673	39	7	719
Depreciation	2,843	218	199	3,260
Subscriptions	3,717	1,329	249	5,295
Interest	1	-	-	1
Other	4,163	857	461	5,481
	<u>\$ 1,976,728</u>	<u>\$ 79,450</u>	<u>\$ 32,567</u>	<u>\$ 2,088,745</u>
Total expenses	<u>\$ 1,976,728</u>	<u>\$ 79,450</u>	<u>\$ 32,567</u>	<u>\$ 2,088,745</u>

See accompanying notes to financial statements.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities:		
Change in net assets	\$ (639,024)	\$ 610,550
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,638	3,260
Change in:		
Accounts receivable	15,005	124,992
Prepaid expenses	-	11,716
Other assets	1,097	8,217
Accounts payable and other liabilities	(295,797)	295,642
Deferred revenue	58,500	(100,242)
Refundable advance - PPP Loan	(63,100)	-
Total adjustments	(280,657)	343,585
Net cash provided by (used in) operating activities	(919,681)	954,135
Cash Flows From Investing Activities:		
Additions to property and equipment	(2,465)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(922,146)	954,135
Cash and Cash Equivalents:		
Beginning of year	1,499,059	544,924
End of year	\$ 576,913	\$ 1,499,059
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ -	\$ 1

See accompanying notes to financial statements.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

1. Organization

Program to Aid Citizen Enterprise, Inc. (PACE) is a not-for-profit organization incorporated in 1968 under the laws of the Commonwealth of Pennsylvania. PACE was founded by the United Fund and the Community Chest (forerunners of the United Way of Southwestern PA) in partnership with the Health and Welfare Association, the Allegheny Conference of Community Development, and key leaders of the community in response to civil uprisings in Pittsburgh following the assassination of Dr. Martin Luther King Jr. PACE's mission is to advance a more equitable community by increasing the capacity of individuals, groups and organizations that challenge injustice. Since 1968, PACE has re-granted over \$15,000,000 to more than 450 organizations.

As a management support organization and funder, PACE's program structure encompasses four main areas. PACE engages consultants to run some of the following programs.

Funding/Capacity Building Partnerships

- Intensive Services Program - provides group and individualized assistance to organizations serving communities that have been marginalized that are seeking to operate more efficiently and effectively.
- Strategic Action Planning Program - provided training, consulting assistance, mini grant, and a plan implementation grant to support the development of strategic plans and plan implementation funds for nonprofit organizations who are led by, governed by, and serve African American communities.
- Coaching Program - provides certified BIPOC Executive and Life Coaches to assist BIPOC Nonprofit Leaders and next generation Leaders in strengthening their leadership, organizational, and personal growth.
- Building Productive Partnerships: In partnership with the Bayer Center at RMU, this program equipped community nonprofit leaders with researched based tools and knowledge about the principles of effective partnerships.
- In 2020, seventeen local foundations recognized that arts organizations in the SWPA region were being hit hard by the pandemic, these seventeen funders came together to create the COVID-19 Arts Working Group and developed the Arts Equity Reimagined program. PACE was contracted to administer the capacity-building aspect of this program which resulted in over \$1 million in grants being administered to local arts organizations across the region.
- In 2022, PACE partnered with The Heinz Endowments, the POISE Foundation and CJAM Consulting to create the Pittsburgh Cultural Treasures Initiative (PCTI). Funded on a national level by the Ford Foundation and matched locally by The Heinz Endowments,

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

the PCTI program will celebrate and strengthen local Black-led arts organizations through grants, workshops, and technical support.

Community Resources Development

- Development, in partnership with the POISE Foundation, of the first African American Giving Circle in Pittsburgh.
- Community Outreach Information & Referral.

Education, Knowledge Building, and Advocacy

- Annual presentation of Inclusive Voices - a community exchange luncheon.
- Collaborative Learning Opportunities.
- Advocacy for the sector generally and specifically for the organizations and communities we serve.
- In 2019, PACE partnered with BCT Partners to study the state of communities and nonprofits in the area, the resulting study, which was completed in 2020, and Regional Indicators of Community and Nonprofit Well-being map help to inform PACE's programs as well as the broader community. In 2022 PACE partnered with Common Cause Consulting to build on this foundation by conducting an analysis of available capacity-building resources and programs in the 14-county region of SWPA. This study will be complete in 2023.
- In 2022, PACE received an external evaluation of the Executive Coaching Program from Tanoma Consulting.

Consulting

- Extension of our service to the community by providing timely, effective, culturally competent consulting services in the areas of meeting facilitation, retreats, planning, and organizational development and public relations.

2. Summary of Significant Accounting Policies

Basis of Accounting

PACE's financial statements have been prepared on the accrual basis of accounting. Revenues are recognized as they are earned and expenses are recorded when liabilities are incurred.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Basis of Presentation

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

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of PACE pursuant to those stipulations. Also included in this category are net assets subject to donor-imposed stipulations to be maintained in perpetuity by PACE.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results may differ from those estimates.

Tax-Exempt Status

PACE is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is also exempt from state income taxes. Accordingly, no provision for income taxes is contained in these financial statements. PACE annually files a form 990.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than three months. PACE maintains cash and cash equivalents at one bank, which at times may exceed federally insured amounts. It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time. At June 30, 2022 and 2021, the carrying amounts of PACE's deposits at year-end with financial institutions were \$576,913 and \$1,499,059, respectively, with corresponding bank balances of \$612,746 and \$1,760,061, respectively. Of the bank balances at June 30, 2022 and 2021, \$382,746 and \$1,510,061, respectively, were in excess of FDIC insured amounts.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Liquidity and Availability

PACE manages its liquid resources by focusing on obtaining contributions and grants to cover the programs that are being conducted. PACE prepares very detailed budgets and has been very active in fiscal management to ensure the entity remains liquid.

The Board of Directors has designated certain funds to be used for grant making; therefore, those funds are not available for general use.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following as of June 30:

	2022	2021
Financial assets, at year-end	\$ 586,913	\$ 1,524,064
Board-designated for grant making	-	(14,030)
Restricted by donor with purpose restrictions	(280,631)	(794,518)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 306,282</u>	<u>\$ 715,516</u>

Accounts Receivable

Accounts receivable consist primarily of contributions pledged. Such receivables have been considered to be fully collectible by management; accordingly, no allowance for doubtful accounts has been provided. The entire accounts receivable balance is expected to be collected in 2023.

Property and Equipment

Fixed assets are carried at cost or fair market value, if donated, less accumulated depreciation if such value is greater than \$500. Depreciation is computed using the straight-line method over the estimated useful life of the depreciable assets ranging from three to seven years. The depreciable assets include office equipment and furniture. The costs of maintenance and repairs are charged to expense as incurred, whereas significant renewals and betterments are capitalized. The asset cost and accumulated depreciation are removed from accounts for assets sold or retired, and any resulting gain or loss is included in the statements of activities in the period of disposal.

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Deferred Revenue

The deferred revenue reported on the statement of financial position for the year ended June 30, 2022 of \$58,500 represents the sponsorships and ticket sales collected from the April 2022 Inclusive Voices event that was postponed. Those amounts will be reported as revenue when the event takes place during the year ending June 30, 2023.

Revenue and Revenue Recognition

Revenue from consulting services is recognized at the time the services are performed.

Contributions and grants are received from various local foundations, corporations, government organizations and individuals to support the purposes of PACE. Unconditional contributions and grants received are recorded at fair value at the date notified and as support with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. 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 substantially met. PACE received a Paycheck Protection Program loan in the amount of \$63,100 during 2020, which was treated as a conditional contribution for the years ended June 30, 2021 and 2020. This loan was recorded as a conditional contribution on the statement of activities for the year ended June 30, 2022, as described in Note 3.

When a donor 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. Donor-restricted contributions that are received and expended within the same fiscal year are reported as resources without donor restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and activities of PACE have been summarized on a functional basis in the statements of activities. Program and supporting expenses are detailed on the statements of functional expenses. Two methods of expense allocation have been used.

1. Overall - Based upon estimated time incurred by staff on each function
2. Actual - The line item could be specifically identified with a function

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Adopted Accounting Standard

The provisions of this Standards Update have been adopted and incorporated into these financial statements:

Accounting Standards Update (ASU) 2020-07, *“Not-For-Profit Entities (Subtopic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this update expand upon the presentation and disclosure of contributed nonfinancial assets to provide the reader of the financial statements a clearer understanding of the types of nonfinancial assets received and how they are utilized and recognized by the not-for-profit organization. The adoption of this standards update had no impact on the financial statements.

Pending Accounting Standards Update

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Updates (individually and collectively, ASU) that will become effective in future years as outlined below. Management has not yet determined the impact of this update on the financial statements.

ASU 2016-02, *“Leases (Topic 842),”* is effective, as delayed, for the financial statements for the year beginning after December 15, 2021. These amendments and related amendments will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor’s Report date, which is the date the financial statements were available to be issued.

3. Debt

PACE has a revolving credit line with a bank that provides for maximum borrowings up to \$100,000 with full repayment annually. Borrowings under this note bear interest at the bank’s prime rate (4.75% and 3.25% at June 30, 2022 and 2021, respectively) plus 0.5%. The

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

note is collateralized by PACE's assets. The credit line matures April 12, 2023. The balance as of June 30, 2022 and 2021 was \$0.

Paycheck Protection Program Loan

In response to the anticipated impact of COVID-19 on the financial position of PACE, PACE applied for, and received, a loan (PPP) in the amount of \$63,100 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan was subject to a note dated May 20, 2020 and could be forgiven to the extent proceeds of the loan were used for eligible expenditures. The loan bore interest at a rate of 1% and was payable in monthly installments of principal and interest over 24 months beginning 10 months after the covered period of qualifying expenses for forgiveness. The loan could be repaid at any time with no prepayment penalty. PACE considered the initial loan amount as a conditional contribution in accordance with applicable guidance. For the year ended June 30, 2021, the full amount of \$63,100, for which barriers to recognition of revenue had not been overcome, was accounted for as a refundable advance in the accompanying statement of financial position. PACE applied for and subsequently received forgiveness on the PPP on July 13, 2021. This loan is recorded as a contribution on the statement of activities for the year ended June 30, 2022.

4. Concentration of Revenue

PACE receives contributions from numerous foundations and the United Way for organizational support, program services, and for the purpose of providing grants and services to other nonprofit organizations. For the years ended June 30, 2022 and 2021, the United Way and two foundation gifts represented approximately 25% and 45% of PACE's total revenue, respectively.

5. Leases

PACE has operating leases for office space and equipment. Total rent expense was approximately \$42,000 and \$43,000 for the years ended June 30, 2022 and 2021, respectively.

During 2020, PACE and POISE Foundation entered into a lease jointly and severally for office space. The lease commenced on July 1, 2020 for the duration of 120 months (10 years).

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

Although not specified within the lease, PACE and the POISE Foundation each currently pays 50% of the monthly lease commitment.

In January 2020, PACE signed a lease agreement for a copier. The lease payments began in January 2020 for a term of 63 months. Although not specified within the lease, PACE and the POISE Foundation each currently pays 50% of the monthly commitment.

Given the fact that PACE is jointly and severally liable under the lease agreements, the potential total aggregate future minimum lease payments are noted below. The chart below also depicts the anticipated payments required under the current arrangement with the POISE Foundation.

	Office Space		Copier	
	Total	PACE	Total	PACE
2023	\$ 86,296	\$ 43,148	\$ 7,920	\$ 3,960
2024	87,998	43,999	7,920	3,960
2025	89,788	44,894	5,940	2,970
2026	91,578	45,789	-	-
2027	93,411	46,706	-	-
2028-2030	291,582	145,791	-	-
	<u>\$ 740,653</u>	<u>\$ 370,327</u>	<u>\$ 21,780</u>	<u>\$ 10,890</u>

6. Pension

PACE maintains a defined contribution pension plan (plan) for all eligible employees. Eligibility is based upon an employee attaining the age of 21 and completing one year of service. The plan provides for a 4% employer contribution, based on compensation. Contributions were \$10,800 and \$11,200 for the years ended June 30, 2022 and 2021, respectively.

7. Net Assets Without Donor Restrictions

The net assets without donor restrictions balance of \$263,844 and \$388,981 on June 30, 2022 and 2021, respectively, consists of board-designated assets of \$0 and \$14,030 and undesignated assets of \$263,844 and \$374,951, respectively. On an annual basis, the Board

PROGRAM TO AID CITIZEN ENTERPRISE, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2022 AND 2021

of Directors (Board) designates a portion of net assets without donor restrictions for grant making. These grants are conditional in nature and are not accrued as payable until conditions are met by the grantees. Accordingly, amounts designated by the Board may not be awarded in total during the same year. The designated portion of the asset balance is determined as follows:

	2022	2021
Designated funds at beginning of fiscal year	\$ 14,030	\$ 14,030
Funds granted or released during the fiscal year	(14,030)	-
Designated funds at end of fiscal year	\$ -	\$ 14,030

The undesignated portion of net assets without donor restrictions is calculated based on the total net assets without donor restrictions balance less designated funds.

8. Net Assets with Donor Restrictions

PACE had net assets with donor restrictions as follows at June 30:

	2022	2021
Donor intent:		
Intensive Services	\$ 12,000	\$ 60,045
AER CAWG	1,032	80,111
Strategic Action Planning	-	187,141
Racial Equity Program	125,000	125,000
Coaching	3,512	52,686
Finance Position & Nonprofit Effectiveness Study	139,087	189,726
Building Productive Partnerships	-	99,809
	280,631	794,518
Time restriction	-	-
	\$ 280,631	\$ 794,518