GCSEN FOUNDATION FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors GCSEN Foundation New York, NY

We have audited the accompanying financial statements of GCSEN Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities, statements of 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 GCSEN Foundation as of December 31, 2022 and 2021, 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 GCSEN Foundation 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 GCSEN Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 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 GCSEN Foundation'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.

The Green Group

LEONARD C. GREEN & CO., PA

DBA THE GREEN GROUP

Certified Public Accountants

Woodbridge, New Jersey October 2, 2023

GCSEN FOUNDATION Statements of Financial Position December 31, 2022 and 2021

	ASSETS	 2022	2021
Assets			
Cash and cash equivalents		\$ 23,489	\$ 405,239
Grant receivable		2,000	10,712
Property and Equipment, net		2,618	6,330
Prepaid expenses		3,959	-
Intellectual Property, net		 397,789	 392,508
Total assets		\$ 429,855	\$ 814,789

LIABILITIES AND NET ASSETS

Liabilities		
Line of credit	\$ 49,000	\$ -
Accrued Expenses	218	34,877
Total liabilities	49,218	34,877
Net Assets		
Without donor restrictions	380,637	346,171
With donor restrictions	 	433,741
Total net assets	 380,637	 779,912
Total liabilities and net assets	\$ 429,855	\$ 814,789

Statement of Activities

For the Year Ended December 31, 2022

	Without Donor Restrictions With Donor Restrictions		Total
Operating activities			
Revenues and Other Support			
Contributions	\$ 279,142	\$ 34,743	\$ 313,885
Intellectual property	36,689	-	36,689
Program revenue	53,001	-	53,001
Net assets released from restrictions	468,484	(468,484)	
Total revenues and other support	837,316	(433,741)	403,575
Expenses:			
Program	632,070		632,070
Supporting services:			
Management and General	141,832	-	141,832
Fundraising	28,948		28,948
Total support services	170,780		170,780
Total expenses	802,850		802,850
Change in net assets from operations	34,466	(433,741)	(399,275)
Net assets at beginning of year	346,171	433,741	779,912
Net assets at end of year	\$ 380,637	\$ -	\$ 380,637

Statement of Activities

For the Year Ended December 31, 2021

	Without Donor Restrictions		With Donor Restrictions		Total
Operating Activities					
Revenues and Other Support					
Contributions	\$	177,123	\$	-	\$ 177,123
Grants		-		800,000	800,000
Intellectual property		106,575		-	106,575
Program revenue		88,622		-	88,622
PPP loan forgiveness		-		60,283	60,283
Net assets released from restrictions		426,978		(426,978)	
Total revenues and other support		799,298		433,305	 1,232,603
Expenses:					
Program		680,979			680,979
Supporting services:					
Management and General		159,116		-	159,116
Fundraising		34,907			 34,907
Total support services		194,023			194,023
Total expenses		875,002			 875,002
Change in net assets from operations		(75,704)		433,305	357,601
Net assets at beginning of year		421,875		436	422,311
Net assets at end of year	\$	346,171	\$	433,741	\$ 779,912

GCSEN FOUNDATION Statement of Functional Expenses For the Year Ended December 31, 2022

	 Program	gement and General	Fu	ndraising	 Total
Officer's and Employee Salaries	\$ 340,167	\$ 16,500	\$	10,000	\$ 366,667
Employee benefits	24,680	22,212		2,468	49,360
Retirement plan	7,334	6,600		733	14,667
Program Expense	117,522	-		5,024	122,546
Professional Fees	38,368	34,531		3,837	76,736
Travel and Entertainment	7,785	7,006		778	15,569
Occupancy and Utilities	22,092	19,882		2,209	44,183
Meetings and Conventions	20,659	18,593		2,066	41,318
Payroll Taxes	11,478	10,330		1,148	22,956
Office and Administration	2,999	2,699		300	5,998
Depreciation	3,713	-		-	3,713
Insurance	561	505		56	1,122
Amortization	31,407	-		-	31,407
Marketing and Promotion	1,179	1,061		118	2,358
Postage and Mailings	 2,126	 1,913		211	 4,250
Total expenses by function	632,070	141,832		28,948	802,850
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	 -	 		-	
Total expenses included in expense					
section on the statement of activities	\$ 632,070	\$ 141,832	\$	28,948	\$ 802,850

GCSEN FOUNDATION Statement of Functional Expenses For the Year Ended December 31, 2021

			Mana	agement and			
	Program		General		Fu	ndraising	 Total
Officer's and Employee Salaries	\$	375,500	\$	16,500	\$	10,000	\$ 402,000
Employee benefits		25,407		22,867		2,541	50,815
Retirement plan		5,354		4,818		535	10,707
Program Expense		111,991		-		9,130	121,121
Professional Fees		58,798		52,918		5,880	117,596
Travel and Entertainment		7,820		7,038		782	15,640
Occupancy and Utilities		21,210		19,089		2,121	42,420
Meetings and Conventions		10,369		9,332		1,037	20,738
Payroll Taxes		11,768		10,591		1,177	23,536
Office and Administration		8,230		7,407		823	16,460
Depreciation		11,421		-		-	11,421
Amortization		24,302		-		-	24,302
Insurance		5,737		5,163		574	11,474
Marketing and Promotion		2,269		2,042		227	4,538
Interest		-		300		-	300
Licensees and fees		-		328		-	328
Postage and Mailings		803		723		80	 1,606
Total expenses by function		680,979		159,116		34,907	875,002
Less expenses included with revenues							
on the statement of activities							
Cost of direct benefits to donors			-				
Total expenses included in expense							
section on the statement of activities	\$	680,979	\$	159,116	\$	34,907	\$ 875,002

Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

	2022		2021	
Cash Flows From Operating Activities:				
Change in net assets	\$	(399,275)	\$	357,601
Adjustments to reconcile change in net assets to net	Ψ	(655,=75)	Ψ	207,001
cash (used in) provided by operating activities:				
Depreciation expense		3,713		11,421
Amortization expense		31,407		24,302
SBA PPP loan forgiveness		-		(60,283)
Donation of intellectual property		(36,689)		(106,575)
Prepaid expenses		(3,959)		-
Decrease (increase) Grant receivable		8,712		(10,712)
(Decrease) increase in accrued expenses		(34,659)		22,011
Net cash (used in) provided byoperating activities		(430,750)		237,765
Cash Flows From Financing Activites:				
Proceeds from line of credit		49,000		-
SBA PPP loan proceeds		<u>-</u>		60,283
Net cash provided by financing activities		49,000		60,283
Net (Decrease) Increase in cash and cash equivalents		(381,750)		298,048
Cash and cash equivalents, at beginning of year		405,239		107,191
Cash and cash equivalents, at end of year	\$	23,489	\$	405,239

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

GCSEN Foundation (the Organization), mission is to accelerate social entrepreneurship in higher education through innovative programs and learning technologies. The Organization will build a global network of faculty, practitioner-academics, students and practicing social entrepreneurs and entrepreneurial philanthropists all connected and supported by our strategic cloud and higher education partners. The Organization seeks to increase the number of prosperous social entrepreneurs and by doing so will strengthen local economies while improving the rate of environmental stewardship necessary for a civil, prosperous, self-governing, free society.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which require GCSEN Foundation to report information regarding its financial position and activities according to the following net asset classifications.

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 GCSEN Foundation's management and the Board of Directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to GCSEN Foundation's ongoing program services and interest and dividends earned on investments. Non-operating activities are limited to resources that generate return from investments and other activities considered to be more unusual or nonrecurring nature.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The FASB issued ASU 2016-18 *Statement of Cash Flows (Topic 230)*. This ASU requires entities to show the changes in the total cash, cash equivalents and restricted cash in the statement of cash flows and reconcile those amounts to the balance sheet. The Organization adopted ASU 2016-18 on December 31, 2019.

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 1 – Nature of Activities and Summary of Significant Accounting Policies (continued)

Cash – Concentration of Credit Risk

The Organization maintains cash balances with one high credit quality financial institution. The account at the institution is insured by the Federal Deposit Insurance Corporation up to \$250,000 at December 31, 2022 and 2021. As of December 31, 2022 and 2021, the Organization had cash deposits of \$0 and \$120,665, in excess of Federally insured amounts with this financial institution.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Promises to give as of December 31, 2022 and 2021, were \$0, respectively.

Contributions and 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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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.

Contributed property and equipment are recorded at fair value at the date of donation. 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.

ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, was issued to clarify the existing guidance and resolve diversity in practice in characterizing grants and similar contracts with resource providers as either exchange transactions or contributions. In addition, once a transaction is determined to be a contribution, it addresses the difficulty in distinguishing between conditions on which a promised contribution depends and donor-imposed restrictions. The new guidance is effective on the same date as ASU 2014-09, Revenue from Contracts with Customers (Topic 606) (as revised); that is, for most nonprofit organizations, ASU 2018-08 is effective for contributions received for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

Contributions and Revenue Recognition (concluded)

The Organization did not have any donors that were provided benefits in return for contributions. The Organization has exchange transactions related to contract program service revenue that are classified as non-restricted program service revenue and completed at the time of the revenue is earned. The Organization participates in exchange transactions for the sale of small volume web courses, books and posters relate to its mission and programs.

In-kind Donations

The organization received donated services of \$0 for the years ended December 31, 2022 and 2021. The organization received donated intellectual property of \$36,689 and \$106,575 for the years ended December 31, 2022 and 2021. Such amounts, which are based upon information provided by third-party service providers, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statements of financial position, statements of activities and statements of functional expenses.

Volunteers have made significant contributions of their time in furtherance of the Organization's mission. These services were not reflected in the accounting statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Use of Estimates

In preparing financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Compensated Absences

While employed by the Organization employees are entitled to paid vacations, sick days and other time off depending on job classification, length of service and other factors. The Organization's policy is to recognize the costs of compensated absences when paid to employees.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

Functional expenses (concluded)

The expenses that are allocated include the following:

Expense	Method of Allocation
Officer's and Employee Salaries	Time and effort
Program Expense	Time and effort
Professional Fees	Full time equivalent
Travel and Entertainment	Time and effort
Occupancy and Utilities	Square footage
Meetings and Conventions	Time and effort
Payroll Taxes	Time and effort
Office and Administration	Time and effort
Depreciation	Square footage
Telephone and Computer	Time and effort
Insurance	Time and effort
Amortization	Time and effort
Marketing and Promotion	Full time equivalent
Postage and Mailings	Time and effort

Intellectual Property

The Organization received a donation of an intellectual property recorded as an intangible asset consisting of a proprietary educational program and materials for the promotion of social entrepreneurship. The donations have been appraised at a limited restricted use valuation for the mission of the organization to promote the growth of Social Entrepreneurship in partnership with institutions of higher education. In addition to the donated program materials the Organization has invested in and acquired courseware to develop and provide the necessary course materials as defined in its mission. Intellectual property is recorded at appraised value at the time of the donation and amortized using the straight-line method of amortization over the useful life of the assets of fifteen years. For the years ending December 31, 2022 and 2021 amortization expense was calculated at \$31,407 and \$24,302 respectively.

Capitalization and Depreciation

The Organization capitalizes all expenditures in excess of \$1,000 for property and equipment at cost, while donations of property and equipment are recorded at their estimated fair values. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (continued)

Capitalization and Depreciation (concluded)

Property and equipment are depreciated using the straight-line method over the estimated useful asset lives as follows:

Equipment, furniture and fixtures 3–10 years

Depreciation expense totaled \$3,713 and \$11,421 for the years ended December 31, 2022 and 2021, respectively. Maintenance and repairs are charged to operations as incurred. Upon sale or disposition of property or equipment, the asset account is reduced by the cost and the accumulated depreciation account is reduced by the depreciation taken prior to the sale. Any result and gain or loss is then recorded as income or expense.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service, except to the extent of unrelated business taxable income. For the years ended December 31, 2022 and 2021, no provision for unrelated business taxes is required. The Organization believes that they have appropriate support for any tax positions taken, and as such, do not have any uncertain tax positions that are material to the financial statements that requires recognition or disclosure in the financial statements. The Organization is not a private foundation.

The Organization Exempt from Income Tax for the years ended December 31, 2022 and 2021 are subject to examination by the Internal Revenue Service generally three to four years after the returns were filed.

Subsequent Events

Subsequent events were considered by the Organization for recognition or disclosures through October 2, 2023, which is the date the financial statements were available to be issued. In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the Organization, its performance, and its financial results.

Fair Value Measurements

The Organization adopted FASB ASC 820, Fair Value Measurements and Disclosures, for asset and liabilities measured at fair value on a recurring basis. The codification established a common definition for fair value to be applied to existing generally accepted accounting principles that required the use of fair value measurements, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements.

FASB ASC 820 defines fair value as the price, representing the amount 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.

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (concluded)

Fair Value Measurements (concluded)

Additionally, FASB ASC 820 requires the use of valuation techniques that maximize the use of observable input and minimize the use of unobservable inputs. These inputs are prioritized as follows:

- Level 1 Observable inputs such as quoted market prices in active markets for identical assets or liabilities.
- Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3 Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

The carrying amounts of cash and cash equivalents, accounts receivable – related party and accounts payables and accrued expenses approximate fair value because of the short-term maturity of these instruments.

New Accounting Pronouncements

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Small Charity, Inc. has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, was issued to clarify the existing guidance and resolve diversity in practice in characterizing grants and similar contracts with resource providers as either exchange transactions or contributions. ASU 2014-09, Revenue from Contracts with Customers (Topic 606) (as revised); that is, for most nonprofit organizations, ASU 2018-08 is effective for contributions received for annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.

In November 2016, the FASB issued ASU 2016-18 *Statement of Cash Flows (Topic 230)*. This ASU requires entities to show the changes in the total cash, cash equivalents and restricted cash in the statement of cash flows and reconcile those amounts to the balance sheet. The Organization adopted ASU 2016-18 on December 31, 2018.

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 2 – Availability and Liquidity

The following represents financial assets at December 31, 2022 and 2021:

	2022		2021	
Financial assets at year end:		_		_
Cash and cash equivalents	\$	23,489	\$	405,239
Grant receivable		2,000		10,712
Total financial assets		25,489		415,951
Less amounts not available to be used within one year:				
Net assets with donor restrictions		-		433,741
Less net assets with purpose restrictions				(422.741)
to be met in less than a year				(433,741)
		-		
Financial assets available to meet general				
expenditures over the next twelve months	\$	25,489	\$	415,951

The Organizations' goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$150,000).

Note 3 – Risk Concentrations

Credit Risk

The Organization had one donor that accounted for 68% and 87% of revenue for the years ended December 31, 2022 and 2021. The Organization received an restricted contributions from one donor of \$800,000 and \$200,000 for the years ended December 31, 2022 and 2021 general and program support.

Note 4 – Property and Equipment

Property and equipment consist of the following at December 31:

	 2022	 2021		
Property and equipment Less: accumulated depreciation	\$ 81,606 (78,988)	\$ 81,606 (75,276)		
Property and equipment, net	\$ 2,618	\$ 6,330		

For the years ended December 31, 2022 and 2021, depreciation expense totaled \$3,713 and \$11,421, respectively.

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 5 – Intellectual Property

Intellectual property consists of the following at December 31:

	 2022	 2021		
Intellectual property	\$ 450,136	\$ 413,447		
Courseware	57,657	57,657		
	 507,793	 471,104		
Less: accumulated amortization	 (110,004)	 (78,596)		
Intellectual property, net	\$ 397,789	\$ 392,508		

For the years ended December 31, 2022 and 2021, amortization expense totaled \$31,407 and \$24,302, respectively.

Note 6 – Program Expenses

GCSEN Foundation Board and Management strives to be both efficient and effective in its stewardship of all foundation resources. GCSEN Foundation strives to achieve the following expense allocation of expenses during the year: Program - 80%, Management and general - 15%, Fundraising - 5%. Actual results may fluctuate based upon management and Board discretion.

Program expense ratios for the years ending December 31, are as follows:

	2022			2021		
Program	\$	632,070	79%	\$	680,979	78%
Management and general		141,832	18%		159,116	18%
Fundraising		28,948	4%		34,907	4%
Total	\$	802,850	100%	\$	875,002	100%

Notes to Financial Statements For the Years Ended December 31, 2022 and 2021

Note 7 – Net Assets

Net assets with donor restrictions were as follows for the years ended December 31, 2022 and 2021:

	2022		 2021	
Specific Purpose Program services	\$	-	\$ 433,741	
Passage of Time			 	
	\$		\$ 433,741	

Net assets without donor restrictions for the years ended December 31, 2022 and 2021 are as follows:

	2022		 2021	
Undesignated	\$	380,637	\$ 346,171	

Net assets released from net assets with donor restrictions are as follows:

	 2022	 2021
Satisfaction of Purpose Restrictions		
Program services	\$ 468,484	 426,978

Note 8 - Paycheck Protection Program Loans

GCSEN was granted a \$60,200 loan under the Paycheck Protection Program "PPP" administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. GCSEN initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. GCSEN has recognized \$60,200 as grant revenue for the year ended December 31, 2021 and obtained loan forgiveness on June 1, 2021. GCSEN subsequently received a secondary loan under Paycheck Protection Program of \$60,283 on April 7, 2021 and obtained forgiveness on that loan in 2021.