

Cheryl Rohlfs & Associates, Ltd.

*Certified Public Accountants*

**THE LYTE COLLECTIVE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2023 AND 2022**

**WITH**  
**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

## CONTENTS

	<b>Page</b>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-13



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## INDEPENDENT AUDITOR'S REPORT

June 18, 2024

The Board of Directors of  
The LYTE Collective

### **Opinion**

We have audited the accompanying financial statements of The LYTE Collective (the "Organization"), which comprise the statements of financial position, as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The LYTE Collective 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.

### **Responsibility of Management for the Financial Statements**

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

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

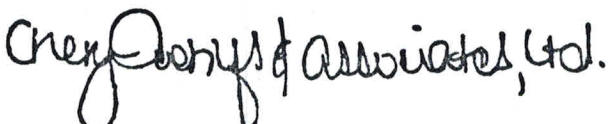
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 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 misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The LYTE Collective's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The LYTE Collective'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 of timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



**CHERYL ROHLFS & ASSOCIATES, LTD.**

Northbrook, Illinois

**THE LYTE COLLECTIVE**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 433,695	\$ 510,893
Contributions and Grants Receivable	297,415	174,578
Prepaid Expenses	6,530	6,565
Property and Equipment:		
Land	22,000	22,000
Building	2,044,185	2,044,185
Computer Equipment	5,716	3,538
Equipment	9,110	9,110
Software	11,613	11,613
Vehicles	<u>31,300</u>	<u>31,300</u>
	2,123,924	2,121,746
Accumulated Depreciation	<u>(152,586)</u>	<u>(79,238)</u>
Total Property and Equipment	<u>1,971,338</u>	<u>2,042,508</u>
<b>Total Assets</b>	<u><u>\$ 2,708,978</u></u>	<u><u>\$ 2,734,544</u></u>
<b>LIABILITIES</b>		
Loan Payable, net of unamortized debt financing costs	\$ 379,384	\$ 377,594
Accounts Payable	2,910	2,395
Accrued Expenses	<u>27,449</u>	<u>17,319</u>
<b>Total Liabilities</b>	<u>409,743</u>	<u>397,308</u>
Net Assets:		
Without Donor Restrictions	1,798,925	2,102,089
With Donor Restrictions	<u>500,310</u>	<u>235,147</u>
Total Net Assets	<u>2,299,235</u>	<u>2,337,236</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 2,708,978</u></u>	<u><u>\$ 2,734,544</u></u>

See accompanying notes and independent auditor's report.

**THE LYTE COLLECTIVE**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Without Donor Restrictions	With Donor Restrictions	<b>2023 Total</b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Government Grants	\$ 1,000	\$ 44,821	\$ 45,821
Corporate Contributions	93,258	-	93,258
Foundation Contributions	94,919	447,831	542,750
Individual Contributions	64,241	1,000	65,241
Gifts-In-Kind	94,000	-	94,000
Program Fees	9,000	-	9,000
Other Revenues	1,655	-	1,655
Total Revenues and Gains Without Donor Restrictions	<u>358,073</u>	<u>493,652</u>	<u>851,725</u>
Net Assets Released From Restrictions:			
Satisfied by Payments	<u>228,489</u>	<u>(228,489)</u>	<u>-</u>
<b>Total Revenues, Gains and Other Support</b>	<u>\$ 586,562</u>	<u>\$ 265,163</u>	<u>\$ 851,725</u>
<b>EXPENSES</b>			
Program Services	\$ 751,150	\$ -	\$ 751,150
Supporting Services:			
Management and General	100,701	-	100,701
Fundraising Expenses	37,875	-	37,875
<b>Total Expenses</b>	<u>\$ 889,726</u>	<u>\$ -</u>	<u>\$ 889,726</u>
<b>CHANGE IN NET ASSETS</b>	\$ (303,164)	\$ 265,163	\$ (38,001)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>\$ 2,102,089</u>	<u>\$ 235,147</u>	<u>\$ 2,337,236</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 1,798,925</u></u>	<u><u>\$ 500,310</u></u>	<u><u>\$ 2,299,235</u></u>

See accompanying notes and independent auditor's report.

**THE LYTE COLLECTIVE**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (CONTINUED)**

	Without Donor Restrictions	With Donor Restrictions	2022 Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Government Grants	\$ 1,000	\$ 177,461	\$ 178,461
Corporate Contributions	313,056	5,000	318,056
Foundation Contributions	198,167	229,633	427,800
Individual Contributions	48,540	15,460	64,000
Gifts In-Kind	120,049	-	120,049
Program Fees	7,725	-	7,725
Special Events and Fundraising Activities	6,076	-	6,076
Total Revenues and Gains Without Donor Restrictions	694,613	427,554	1,122,167
Net Assets Released From Restrictions:			
Satisfied by Payments	346,038	(346,038)	-
<b>Total Revenues, Gains and Other Support</b>	<u>\$ 1,040,651</u>	<u>\$ 81,516</u>	<u>\$ 1,122,167</u>
<b>EXPENSES</b>			
Program Services	\$ 655,493	\$ -	\$ 655,493
Supporting Services:			
Management and General	105,891	-	105,891
Fundraising Expenses	40,109	-	40,109
<b>Total Expenses</b>	<u>\$ 801,493</u>	<u>\$ -</u>	<u>\$ 801,493</u>
<b>CHANGE IN NET ASSETS</b>	\$ 239,158	\$ 81,516	\$ 320,674
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>\$ 1,862,931</u>	<u>\$ 153,631</u>	<u>\$ 2,016,562</u>
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 2,102,089</u></u>	<u><u>\$ 235,147</u></u>	<u><u>\$ 2,337,236</u></u>

See accompanying notes and independent auditor's report.

**THE LYTE COLLECTIVE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Program Services	Supporting Services		2023 Total
		Management and General	Fundraising	
Compensation and Related Expenses:				
Compensation	\$ 368,180	\$ -	\$ -	\$ 368,180
Employee Benefits	51,386	-	-	51,386
Payroll Taxes	30,665	-	-	30,665
	<u>\$ 450,231</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,231</u>
<b>Youth Activities Expenses:</b>				
Youth Activities and Assistance	9,032	-	-	9,032
Emergency Expenses	21,052	-	-	21,052
Housing and Meals	6,625	-	-	6,625
Transportation	5,085	-	-	5,085
<b>Housing Program Expenses:</b>				
Rental Subsidies and Utilities	84,677	-	-	84,677
Supplies and Food	240	-	-	240
Transportation and Moving Costs	3,443	-	-	3,443
Telephone	1,563	-	-	1,563
<b>Total Program Expenses</b>	<u>\$ 131,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,717</u>
Donated Services	16,000	32,000	32,000	80,000
Donated Expenses	14,000	-	-	14,000
Computer Software and Equipment	2,521	102	476	3,099
Landscaping	846	-	-	846
Insurance	5,834	15,327	-	21,161
Postage, Printing and Reproduction	187	146	-	333
Promotional Marketing	-	-	422	422
Professional Fees and Contract Services	3,622	12,184	-	15,806
Repairs and Maintenance	4,982	2,828	-	7,810
Supplies	10,682	309	-	10,991
Special Event Expense	-	-	3,729	3,729
Travel	2,853	-	-	2,853
Utilities and Telephone	540	34,062	-	34,062
Interest Expense	33,690	-	-	33,690
Bank and Credit Card Fees	-	612	1,248	1,860
Miscellaneous Expenses	97	496	-	593
<b>Total Expenses Before Depreciation</b>	<u>677,802</u>	<u>98,066</u>	<u>37,875</u>	<u>813,743</u>
Depreciation and Amortization	73,348	2,635	-	75,983
<b>TOTAL EXPENSES</b>	<u><u>\$ 751,150</u></u>	<u><u>\$ 100,701</u></u>	<u><u>\$ 37,875</u></u>	<u><u>\$ 889,726</u></u>

See accompanying notes and independent auditor's report.

**THE LYTE COLLECTIVE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (CONTINUED)**

	Program Services	Supporting Services Management and General	Fundraising	2022 Total
Compensation and Related Expenses:				
Compensation	\$ 297,452	\$ -	\$ 4,134	\$ 301,586
Employee Benefits	42,879	-	596	43,475
Payroll Taxes	30,395	-	400	30,795
	<u>\$ 370,726</u>	<u>\$ -</u>	<u>\$ 5,130</u>	<u>\$ 375,856</u>
<b>Youth Activities Expenses:</b>				
Youth Activities and Assistance	6,202	-	-	6,202
Emergency Expenses	5,074	-	-	5,074
Housing and Meals	1,150	-	-	1,150
Transportation	1,729	-	-	1,729
<b>Housing Program Expenses:</b>				
Rental Subsidies and Utilities	123,970	-	-	123,970
Supplies and Food	2,723	-	-	2,723
Transportation and Moving Costs	6,063	-	-	6,063
<b>Total Program Expenses</b>	<u>\$ 146,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,911</u>
Donated Services	16,000	32,000	32,000	80,000
Donated Expenses	8,748	-	-	8,748
Computer Software and Equipment	1,700	124	421	2,245
Landscaping	442	-	-	442
Insurance	7,621	12,108	-	19,729
Postage, Printing and Reproduction	3,654	16	242	3,912
Promotional Marketing	-	-	1,085	1,085
Professional Fees	1,389	13,342	-	14,731
Supplies	3,599	5,903	-	9,502
Travel and Meals	7,880	381	-	7,880
Utilities and Telephone	306	38,076	-	38,076
Interest Expense	18,449	-	-	18,449
Bank and Credit Card Fees	5	1,228	1,231	2,464
Miscellaneous Expenses	271	78	-	349
<b>Total Expenses Before Depreciation</b>	<u>587,701</u>	<u>103,256</u>	<u>40,109</u>	<u>731,066</u>
Depreciation and Amortization	67,792	2,635	-	70,427
<b>TOTAL EXPENSES</b>	<u><u>\$ 655,493</u></u>	<u><u>\$ 105,891</u></u>	<u><u>\$ 40,109</u></u>	<u><u>\$ 801,493</u></u>

See accompanying notes and independent auditor's report.

**THE LYTE COLLECTIVE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ (38,001)	\$ 320,674
Adjustment to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	75,983	70,427
(Increase) Decrease in Operating Assets:		
Contributions and Grants Receivable	(122,837)	(49,925)
Prepaid Expenses	35	(514)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	515	(6,335)
Accrued Expenses	<u>10,130</u>	<u>(1,371)</u>
 NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	 \$ <u>(74,175)</u>	 \$ <u>332,956</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to Property and Equipment	\$ <u>(2,178)</u>	\$ <u>(229,196)</u>
 NET CASH USED IN INVESTING ACTIVITIES	 \$ <u>(2,178)</u>	 \$ <u>(229,196)</u>
 <b>CASH FLOWS FROM FINANCIAL ACTIVITIES:</b>		
Payments on Loan Payable	\$ (845)	\$ (14,503)
Proceeds from Loan Payable	<u>-</u>	<u>164,898</u>
 NET CASH PROVIDED BY (USED IN) FINANCIAL FINANCIAL ACTIVITIES	 \$ <u>(845)</u>	 \$ <u>150,395</u>
 <b>INCREASE (DECREASE) IN CASH AND         CASH EQUIVALENTS</b>	 \$ (77,198)	 \$ 254,155
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	 <u>510,893</u>	 <u>256,738</u>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	 <u>\$ 433,695</u>	 <u>\$ 510,893</u>
 Supplementary Information:		
Cash Paid for Interest	<u>\$ 33,690</u>	<u>\$ 18,449</u>

See accompanying notes and independent auditor's report.

**THE LYTE COLLECTIVE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**1. DESCRIPTION OF THE ORGANIZATION**

The LYTE Collective (the “Organization”) is an Illinois not-for-profit corporation. The Organization provides Chicago youth situations of poverty and homelessness with safe space, critical resources, and holistic support services that include: assistance with securing safe housing, obtaining employment, providing mental health services, meeting basic needs, connecting youth to legal services, facilitating groups and events, and providing ongoing mentorship and support.

LYTE purchased a property in Greater Grand Crossing in Chicago to become the home of the LYTE Lounge, which opened in 2022. Recreational programming, including opportunities for creative arts, music, sports and dance, are offered. These activities are essential for young people, supporting identity formation, skill-building, leadership, connectedness, self-esteem and healing in a safe environment. The LYTE Collective also provides basic needs like meals, laundry, and help to secure safe housing and employment.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of The LYTE Collective have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization’s unspent contributions are reported in net assets with donor restrictions if the donor limited their use, as are promised contributions that are not yet due. Contributions of

property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property of equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

### **Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### **Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions until the restriction expires.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Property and Equipment**

It is the Organization's policy to capitalize property and equipment more than \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets 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 support.

Property and equipment are depreciated using the straight-line method over the useful lives of the assets, as follows:

Building	27.5 years
Software	3 years
Computer Equipment	5 years
Equipment	5 years

### **Revenue and Revenue Recognition**

The Organization recognizes revenue as it satisfies a performance obligation by transferring control over a product or a service to a customer. Revenue is measured at the transaction price, which is based on the amount of consideration that the Organization expects to receive in exchange for

transferring the promised good or service to the customer. Fundraising and program revenues received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Contributions are recognized at a point in time when cash or other assets, or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction

### **Expense Allocations**

The costs of providing program and supporting services have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, costs have been allocated between the program services and the supporting services in a direct functional method, when applicable, and on the basis of proportional use of the service provided.

### **Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals possessing those skills, and would typically need to be purchased by the Organization. Donated services are recorded at their fair values in the year received.

### **Income Taxes**

The Organization is not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization files U.S. federal and Illinois state information returns. The federal and state informational tax returns for tax years 2021, 2022 and 2023 can be subject to examinations by tax authorities, generally for three years from the date of filing.

## **3. CHANGES IN ACCOUNTING PRINCIPLES**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The Update increases transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update is effective for nonprofit organizations for annual reporting periods beginning after June 15, 2021.

In February 2016, the Financial Accounting Standards Board (FASB) issued its much anticipated lease accounting standard in ASU 2016-02, *Leases*, (ASC Topic 842) for both lessees and lessors. Under this standard, a lessee will recognize right-of-use asset and related lease liabilities on the statement of financial position for all arrangements with terms longer than 12 months. The goal of the new standard is to streamline the accounting for leases under U.S. generally accepted accounting principles, reduce off-balance-sheet activities, and enhance transparency into liabilities resulting from leasing arrangements. This standard is effective for nonprofit organizations with annual reporting periods beginning after December 15, 2021.

#### 4. CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

Bank accounts at financial institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2023 and 2022, the Organization's cash balances at a financial institution exceeded the insured limits by \$173,710 and \$218,053, respectively.

#### 5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following are the Organization's financial assets as of the date of the statement of financial position reduced by amounts not available for general use within one year:

Financial Assets at December 31:	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 433,695	\$ 510,893
Contributions and Grants Receivable	<u>297,415</u>	<u>174,578</u>
Total Financial Assets	\$ 731,110	\$ 685,471
Less: amount not available to be used withing on year:		
Net Assets with Donor Restrictions	<u>(500,310)</u>	<u>(235,147)</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 230,800</u>	<u>\$ 450,324</u>

The Organization regularly monitors the availability of resources required to meet its operating needs and current and future commitments, while also striving to maximize its available funds. In addition to the financial assets available to meet general expenditures over the next twelve months, the Organization operates with a balanced budget. The Organization maintains sufficient reserves to provide reasonable assurance that all commitments will continue to be met, ensuring the sustainability of the Organization.

#### 6. LOAN PAYABLE

In April 2020, the Organization entered into a construction loan payable with a bank for a total of \$400,000. The loan required debt financing costs of \$13,173, which are recorded on the statements of financial position, amortized over the length of the note agreement. A new loan payable revised the original construction loan, starting March 17, 2021 through December 31, 2026. At December 31, 2023 and 2022, the outstanding balance of the loan was \$379,384 and \$377,594, respectively, net of unamortized debt financing costs of \$5,269 for 2023 and \$7,903 for 2022.

The loan payable required interest only payments for the first nine months at a variable interest rate based on prime rate, which initially was 3.5%. Monthly principal and interest payments of \$2,648 commenced on January 2, 2022 for 59 months, with a balloon payment of outstanding principal and interest due on December 31, 2026. The interest rate rose to 8.5% in 2023 causing monthly payments to be interest only. The collateral for the loan payable is the real estate.

The future scheduled maturities of the loan payable are as follows:

<u>For The Year Ended</u>	<u>Amount</u>
December 31, 2024	\$ -
December 31, 2025	-
December 31, 2026	<u>384,653</u>
Total	<u>\$ 384,653</u>

## **7. GIFTS IN-KIND**

The Organization received Gifts In-Kind of \$94,000 and \$120,049 in the years ended December 31, 2023 and 2022. The Organization received donated services of \$80,000 in 2023 and 2022, contributed from the Organization's Executive Director. Donated goods of \$14,000 and \$8,749 were also received in 2023 and 2022, respectively. These donated goods were valued at original cost or fair market value. The LYTE Collective also received a donated used vehicle in 2022, valued at \$31,300.

## **8. EVALUATION OF SUBSEQUENT EVENTS**

The LYTE Collective has evaluated subsequent events through June 18, 2024, the date which the financial statements were available to be issued.