

**Cheryl Rohlf & Associates, Ltd.**

*Certified Public Accountants*

**MAESTRO CARES FOUNDATION**

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

**WITH**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

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Cheryl Rohlfs & Associates, Ltd.

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## INDEPENDENT AUDITOR'S REPORT

November 12, 2024

To the Board of Directors of  
Maestro Cares Foundation

### **Opinion**

We have audited the accompanying financial statements of Maestro Cares Foundation, (an Illinois nonprofit 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 Maestro Cares Foundation 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 Maestro Cares Foundation 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 Maestro Cares Foundation's ability to continue as a going concern within one year after the date that financial statements are available to be issued.

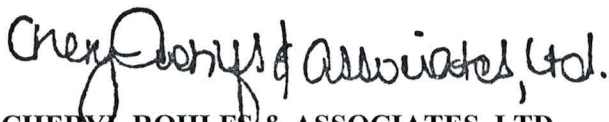
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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 Maestro Cares 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maestro Cares Foundation'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



**MAESTRO CARES FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,284,001	\$ 4,410,457
Investments	7,484,065	3,529,968
Unconditional Promises to Give, net of allowance for doubtful accounts of \$38,087 in 2022	1,416,568	1,528,040
Prepaid Expenses	7,817	19,850
Property and Equipment:		
Office Equipment	30,841	18,424
Office Fixtures	10,825	10,825
Website Development	13,966	-
Less: Accumulated Depreciation	<u>(27,380)</u>	<u>(20,685)</u>
Total Property and Equipment	<u>28,252</u>	<u>8,564</u>
Operating Lease Right-of-Use Asset	<u>761,686</u>	<u>761,686</u>
<b>Total Assets</b>	<u><u>\$ 11,982,389</u></u>	<u><u>\$ 10,258,565</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts Payable and Accrued Expenses	\$ 1,653,855	\$ 1,041,192
Operating Lease Liability	761,686	761,686
Deferred Revenue	<u>22,500</u>	<u>-</u>
<b>Total Liabilities</b>	<u>2,438,041</u>	<u>1,802,878</u>
<b>Net Assets</b>		
Without Donor Restrictions	<u>9,544,348</u>	<u>8,455,687</u>
<b>Total Net Assets</b>	<u>9,544,348</u>	<u>8,455,687</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 11,982,389</u></u>	<u><u>\$ 10,258,565</u></u>

See accompanying notes and independent auditor's report.

**MAESTRO CARES FOUNDATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>Revenues and Gains:</b>		
Contributions and Grants	\$ 2,717,238	\$ 2,178,649
Concert and Ticket Donations	2,978,216	4,985,875
Fundraising and Special Events	658,475	524,635
Gifts In-kind	389,439	151,967
Investment Income (Loss), net of investment fees of \$11,345 in 2023 and \$23,535 in 2022	522,688	(578,999)
Miscellaneous Income	<u>1,738</u>	<u>3,324</u>
<b>Total Revenues, Gains and Other Support Without Donor Restrictions</b>	<u>7,267,794</u>	<u>7,265,451</u>
<b>Expenses:</b>		
Program Services	3,880,740	3,490,476
Supporting Services:		
Management and General	909,198	371,066
Fundraising	<u>1,389,195</u>	<u>1,113,866</u>
<b>Total Expenses</b>	<u>6,179,133</u>	<u>4,975,408</u>
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<u>\$ 1,088,661</u>	<u>\$ 2,290,043</u>
<b>INCREASE IN NET ASSETS</b>	\$ 1,088,661	\$ 2,290,043
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>8,455,687</u>	<u>6,165,644</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 9,544,348</u></u>	<u><u>\$ 8,455,687</u></u>

See accompanying notes and independent auditor's report.

**MAESTRO CARES FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Programs	Management and General	Fundraising	<b>2023 Total</b>
Compensation and Related Expenses:				
Salaries	\$ 407,096	\$ 104,636	\$ 117,999	\$ 629,731
Payroll Taxes	29,740	7,630	8,596	45,966
Employee Benefits	47,273	12,129	13,663	73,065
	<u>\$ 484,109</u>	<u>\$ 124,395</u>	<u>\$ 140,258</u>	<u>\$ 748,762</u>
Capital Project Grants	2,403,343	-	-	2,403,343
Scholarships	167,000	-	-	167,000
Child Sponsorship Expenses	5,266	-	-	5,266
Contributions	650,981	-	-	650,981
Marketing	1,916	6,475	340	8,731
Contract Services and Consultants	109,542	187,754	81,782	379,078
Event Expenses	152	3,699	550,052	553,903
Bank and Credit Card Fees	9	2,532	21,761	24,302
Postage and Printing	408	8,138	16,758	25,304
Insurance	-	11,579	180	11,759
Donated Event Expenses	-	-	384,711	384,711
Donated Services	-	4,728	-	4,728
Supplies, Subscriptions and Reference Materials	-	23,528	-	23,528
Technology and Website	990	7,614	-	8,604
Communications	-	6,623	-	6,623
Occupancy	-	121,820	-	121,820
Travel, Meals and Lodging	57,024	315,224	172,845	545,093
Recruitment Expenses	-	67,216	-	67,216
Bad Debt Expense	-	-	20,508	20,508
Miscellaneous	-	11,177	-	11,177
Total Expenses Before Depreciation	<u>\$ 3,880,740</u>	<u>\$ 902,502</u>	<u>\$ 1,389,195</u>	<u>\$ 6,172,437</u>
Depreciation	-	6,696	-	6,696
<b>TOTAL EXPENSES</b>	<u><u>\$ 3,880,740</u></u>	<u><u>\$ 909,198</u></u>	<u><u>\$ 1,389,195</u></u>	<u><u>\$ 6,179,133</u></u>

See accompanying notes and independent auditor's report.

**MAESTRO CARES FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (CONTINUED)**

	Programs	Management and General	Fundraising	2022 Total
Compensation and Related Expenses:				
Salaries	\$ 346,716	\$ 58,765	\$ 182,174	\$ 587,655
Payroll Taxes	26,184	4,438	13,757	44,379
Employee Benefits	36,022	6,105	18,927	61,054
	<u>\$ 408,922</u>	<u>\$ 69,308</u>	<u>\$ 214,858</u>	<u>\$ 693,088</u>
Capital Project Grants	1,447,898	-	-	1,447,898
Scholarships	118,299	-	-	118,299
Support Expenses	9,300	-	-	9,300
Child Sponsorship Expenses	3,959	-	-	3,959
Contributions	1,397,244	-	-	1,397,244
Marketing	5,916	3,887	3,223	13,026
Contract Services and Consultants	49,819	73,061	113,381	236,261
Event Expenses	2,139	151	441,009	443,299
Bank and Credit Card Fees	78	19,080	12,287	31,445
Postage and Printing	105	1,902	28,063	30,070
Insurance	-	10,737	-	10,737
Donated Event Expenses	-	-	128,555	128,555
Donated Services	-	23,412	-	23,412
Supplies, Subscriptions and Reference Materials	102	17,786	1,063	18,951
Technology and Website	3,900	1,676	8,478	14,054
Communications	-	5,668	18	5,686
Occupancy	-	118,272	-	118,272
Travel, Meals and Lodging	37,584	2,787	120,591	160,962
Bad Debt Expense	-	-	39,698	39,698
Miscellaneous	5,211	18,228	2,642	26,081
Total Expenses Before Depreciation	<u>\$ 3,490,476</u>	<u>\$ 365,955</u>	<u>\$ 1,113,866</u>	<u>\$ 4,970,297</u>
Depreciation	-	5,111	-	5,111
<b>TOTAL EXPENSES</b>	<u><u>\$ 3,490,476</u></u>	<u><u>\$ 371,066</u></u>	<u><u>\$ 1,113,866</u></u>	<u><u>\$ 4,975,408</u></u>

See accompanying notes and independent auditor's report.



**MAESTRO CARES FOUNDATION  
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	\$ 1,088,660	\$ 2,290,043
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	6,696	5,111
Unrealized (Gains) Losses on Investments	(358,449)	443,989
Realized (Gains) Losses on Sales of Investments	37,485	162,483
(Increase) Decrease in Operating Assets:		
Unconditional Promises to Give	111,472	(1,152,975)
Prepaid Expenses	12,033	(9,154)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	612,663	963,321
Deferred Revenue	<u>22,500</u>	<u>-</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 1,533,060</u>	 <u>\$ 2,702,818</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of Investments	\$ (3,633,133)	\$ (451,072)
Purchases of Property and Equipment	<u>(26,383)</u>	<u>-</u>
 NET CASH USED IN INVESTING ACTIVITIES	 <u>\$ (3,659,516)</u>	 <u>\$ (451,072)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	 <u>\$ -</u>	 <u>\$ -</u>
 NET INCREASE IN CASH	 \$ (2,126,456)	 \$ 2,251,746
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	 <u>4,410,457</u>	 <u>2,158,711</u>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	 <u><u>\$ 2,284,001</u></u>	 <u><u>\$ 4,410,457</u></u>

See accompanying notes and independent auditor's report.

**MAESTRO CARES FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Maestro Cares Foundation (the Organization) is a non-profit organization incorporated in 2011 in the State of Illinois, with its headquarters in Chicago, Illinois. The Organization's mission is to improve the quality of life of disadvantaged children and communities in Latin America and the United States. They do so by providing housing, educational programming and essential resources to support their growth and development. Through their efforts, they are strengthening communities and helping children become tomorrow's leaders. The Organization obtains funding from the general public for their projects from special event ticket sales and sponsorships, fundraising events, and individual and corporate donations.

Since its inception, the organization has funded the construction of over 40 projects throughout South America, Central America, Puerto Rico and the United States. Maestro Cares Foundation has expanded its mission to 16 different countries and territories by providing funding for educational programs and the construction of homes, schools, rehabilitation centers, baseball fields, community centers and temporary pediatric family homes. The organization is working diligently to expand its scholarship program by offering more scholarships to both U.S. and international students.

**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.

### **Basis of Accounting**

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

### **Cash and Cash Equivalents**

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

### **Investments**

The Organization carries its investments in marketable securities with readily determinable fair values at their fair values in the Statement of Financial Position.

### **Revenues 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. Event and fundraising 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.

### **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 is satisfied.

### **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.

### **Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

### **Property and Equipment**

It is the Organization's policy to capitalize property and equipment purchases of more than \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations for 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 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 support. Office equipment and fixtures are depreciated using the straight-line method over the useful lives of the assets of five to seven years. Website development is depreciated over three years using the straight line method.

### **Income Taxes**

The Organization is a 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 the years 2021, 2022 and 2023 can be subject to examinations by tax authorities, generally for three years from the date of filing.

### **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 Organization's program 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 people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided additional services throughout the years that are not recognized as contributions in the financial statements, since the recognition criteria were not met.



## 2. CHANGE IN ACCOUNTING PRINCIPLES

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.

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 June 2016, the FASB issued guidance (FASB ASC 326) which significantly changes how entities will measure credit losses for most financial assets and certain other instruments that aren’t measured at a fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity’s exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 are accounts receivable.

The Organization adopted the standard effective January 1, 2023. The impact of the adoption was considered immaterial to the financial statements and primarily resulted in enhanced disclosures only.

## 3. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in three financial institutions. Those accounts are fully insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2023 and 2022, the Organization exceeded the insured amounts.

## 4. INVESTMENTS

The Organization invested in the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Equity Mutual Funds and EFT	\$ 2,390,030	\$ 2,502,853
Fixed Income Mutual Funds	1,059,625	346,107
Government Securities	427,438	681,008
Certificate of Deposit	<u>3,606,972</u>	<u>-</u>
	<u>\$ 7,484,065</u>	<u>\$ 3,529,968</u>

Investment income is comprised of the following for the year 2023 and 2022:

	2023	2022
Dividend and Interest Income	\$ 213,069	\$ 51,008
Unrealized Gains (Losses)	358,449	(443,989)
Realized Gains (Losses) on Sales	(37,485)	(162,483)
Investment Fees	(11,345)	(23,535)
Total Investment Income	<u>\$ 522,688</u>	<u>\$ (578,999)</u>

## 5. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2023 are as follows:

Fair Value Measurements at Reporting Date Using:			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
	Fair Value	(Level 1)	(Level 2)
Investments:			
Equity Mutual Funds and EFT	\$ 2,390,030	\$ 2,390,030	\$ -
Fixed Income Mutual Funds	1,059,625	-	1,059,625
Government Securities	427,438	-	427,438
Certificate of Deposit	3,606,972	-	3,606,972
	<u>\$ 7,484,065</u>	<u>\$ 2,390,030</u>	<u>\$ 5,094,035</u>

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

Fair Value Measurements at Reporting Date Using:			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
	Fair Value	(Level 1)	(Level 2)
Investments:			
Equity Securities	\$ 980,237	\$ 980,237	\$ -
Exchange Traded Products	1,522,616	-	1,522,616
Mutual Funds	346,107	175,552	170,555
Government Securities	681,008	-	681,008
	<u>\$ 3,529,968</u>	<u>\$ 1,155,789</u>	<u>\$ 2,374,179</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Equity securities and equity mutual funds that trade in active markets are valued using quoted market prices and are classified as Level 1. Bond mutual funds, emerging traded products, corporate bonds, and government securities are valued at closing price on national exchanges if available, or by using pricing models maximizing the use of observable inputs for similar securities and are classified as Level 2.

**6. CONDITIONAL PROMISES TO GIVE**

Maestro Cares Foundation had future conditional promises to give of \$1,833,392 and \$1,518,070 as of December 31, 2023 and 2022, respectively, which are not recorded in the financial statements. The conditional promises to give relate to various memorandum of understanding commitments that have not yet been paid due to the construction progress on the particular facility.

**7. LEASING ACTIVITIES**

The Organization entered into an operating lease for its office space on January 1, 2021 for a term of twelve years. The lessor is a company, owned by a director on the Board of Directors of the Organization. The first amendment to the lease was signed on January 2, 2022, which extended the lease one year to December 31, 2023 at a monthly rental of \$9,856. The second amendment to the lease agreement was signed on August 22, 2022, extending the lease from January 1, 2024 to December 31, 2032. The monthly rental starting in January 2024 is \$10,151 and increases annually according to this amendment.

The following summarizes the line items in the statement of assets, liabilities, and net assets which include amounts for the commercial lease as of December 31, 2023:

## Operating Lease:

Operating Lease Right-of-Use Asset	<u>\$ 761,686</u>
Operating Lease Liabilities	<u>\$ 761,686</u>

Weighted Average Remaining Lease Term:	9 years
Weighted Average Discount Rate:	8.50%

The maturities of the lease liabilities as of December 31, 2023 were as follows:

<u>Year Ending</u>	<u>Operating</u>
December 31, 2024	\$ 121,820
December 31, 2025	125,475
December 31, 2026	129,239
December 31, 2027	133,116
December 31, 2028	137,110
December 31, 2029	141,223
December 31, 2030	145,460
December 31, 2031	149,824
December 31, 2032	<u>154,318</u>
Total Lease Payments	1,237,585
Less: Interest	<u>(475,899)</u>
Present Value of Lease Liabilities	<u>\$ 761,686</u>



**8. DONATED SERVICES AND GOODS**

Donated services and goods were recorded in the Statement of Activities and were valued at \$389,439 and \$151,967 for the years December 31, 2023 and 2022, respectively. The estimated fair value of the donated services was quantified by Cardenas Marketing Network, providing office services to the Organization totaled \$4,728 in the year 2023 and \$23,412 in the year 2022.

**9. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

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

	<u>2023</u>	<u>2022</u>
Financial Assets at December 31:		
Cash	\$ 2,284,001	\$ 4,410,457
Investments	7,484,065	3,529,968
Unconditional Promises to Give	<u>1,416,568</u>	<u>1,528,040</u>
Total Financial Assets	<u>\$ 11,184,634</u>	<u>\$ 9,468,465</u>
Less: amount not available to be used withing on year:		
Net Assets with Donor Restrictions	<u>-</u>	<u>-</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 11,184,634</u>	<u>\$ 9,468,465</u>

Maestro Cares Foundation regularly monitors the availability of resources required to meet its operating needs and current and future project commitments, while also striving to maximize the investment of 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 and anticipates collecting sufficient revenue to cover the expenditures of the planned projects and administration costs. Maestro Cares Foundation maintains sufficient reserves to provide reasonable assurance that all commitments will continue to be met, ensuring the sustainability of the Organization.

**10. EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through November 12, 2024, the date which the financial statements were available to be issued.