

FIVE TALENTS USA

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2023
(With summarized comparative information for
December 31, 2022)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Five Talents USA
Falls Church, Virginia

Opinion

We have audited the accompanying financial statements of Five Talents USA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Five Talents USA as of December 31, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Five Talents USA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 Five Talents USA'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 Five Talents USA'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.

Prior Period Summarized Comparative Information

The financial statements of Five Talents USA as of December 31, 2022 were audited by other auditors, whose report dated April 5, 2023 expressed an unmodified opinion on those statements. The summarized comparative information presented herein has been derived

from the December 31, 2022 audited financial statements.

Henrik & Company, P.L.C.

Vienna, Virginia

April 9, 2024

FIVE TALENTS USA
STATEMENT OF FINANCIAL POSITION
December 31, 2023
(With summarized comparative information for December 31, 2022)

ASSETS	<u>2023</u>	<u>2022</u>
Cash	\$ 479,510	\$ 319,060
Contributions receivable, net of discount of \$8,255 and \$11,240 at December 31, 2023 and 2022, respectively	240,495	259,720
Investments	130,302	110,613
Prepaid expenses and other assets	7,941	11,007
TOTAL ASSETS	<u>\$ 858,248</u>	<u>\$ 700,400</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 6,599	\$ 5,676
Accrued compensation and related liabilities	9,992	6,727
Funds held for others	16,769	-
TOTAL LIABILITIES	33,360	12,403
NET ASSETS		
Without donor restrictions		
Undesignated	498,892	353,006
Board designated - general reserve	75,000	75,000
	573,892	428,006
With donor restrictions	250,996	259,991
TOTAL NET ASSETS	824,888	687,997
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 858,248</u>	<u>\$ 700,400</u>

See notes to financial statements.

FIVE TALENTS USA
STATEMENT OF ACTIVITIES

Year ended December 31, 2023

(With summarized comparative information for year ended December 31, 2022)

	2023			2022
	Without donor restrictions	With donor restrictions	Total	Total
REVENUE AND SUPPORT				
Contributions	\$ 702,468	\$ 335,267	\$ 1,037,735	\$ 1,133,227
Donated goods and services	16,833	-	16,833	13,678
Investment income, net	22,558	-	22,558	(29,626)
Special event	152,405	175,000	327,405	-
Other income	975	-	975	-
TOTAL REVENUE AND SUPPORT	895,239	510,267	1,405,506	1,117,279
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donation restrictions	519,262	(519,262)	-	-
TOTAL REVENUE AND SUPPORT AND NET ASSETS RELEASED FROM RESTRICTIONS	1,414,501	(8,995)	1,405,506	1,117,279
EXPENSES				
Program services	927,581	-	927,581	863,991
Supporting services				
Management and general	136,567	-	136,567	122,575
Fundraising	173,528	-	173,528	220,229
Direct cost of benefit to donors	30,939	-	30,939	-
TOTAL EXPENSES	1,268,615	-	1,268,615	1,206,795
TOTAL CHANGE IN NET ASSETS	145,886	(8,995)	136,891	(89,516)
NET ASSETS AT BEGINNING OF YEAR	428,006	259,991	687,997	777,513
NET ASSETS AT END OF YEAR	\$ 573,892	\$ 250,996	\$ 824,888	\$ 687,997

See notes to financial statements.

FIVE TALENTS USA
STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2023

(With summarized comparative information for the year ended December 31, 2022)

	2023				2022	
	Program <u>services</u>	General and <u>administrative</u>	<u>Fundraising</u>	Direct benefit <u>to donors</u>	<u>Total</u>	<u>Total</u>
Subgrants and awards	\$ 615,905	\$ -	\$ -	\$ -	\$ 615,905	\$ 548,833
Salaries and related expenses	276,873	73,010	141,114	-	490,997	489,358
Professional fees	2,360	35,674	1,551	-	39,585	59,241
Office expenses	6,087	16,947	11,299	-	34,333	35,199
Occupancy	6,767	1,784	3,449	-	12,000	12,000
Printing	3,951	1,846	4,818	-	10,615	14,402
Meetings and events	3,857	4,199	5,293	30,939	44,288	23,141
Travel	4,336	1,143	2,210	-	7,689	14,410
Insurance	4,329	1,142	2,206	-	7,677	7,695
Marketing and website	3,116	822	1,588	-	5,526	2,516
	<u>\$ 927,581</u>	<u>\$ 136,567</u>	<u>\$ 173,528</u>	<u>\$ 30,939</u>	<u>\$ 1,268,615</u>	<u>\$ 1,206,795</u>

See notes to financial statements.

FIVE TALENTS USA
STATEMENT OF CASH FLOWS
Year ended December 31, 2023
(With summarized comparative information for the year ended December 31, 2022)

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2023</u>	<u>2022</u>
Change in net assets	\$ 136,891	\$ (89,516)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
(Decrease) increase in discount on contributions receivable	(2,985)	10,194
Donated marketable securities	(60,595)	(45,648)
Proceeds from the sale of donated marketable securities	62,907	45,423
Realized and unrealized gain on investments	(17,914)	36,882
Changes in operating assets and liabilities		
Contributions receivable, net	22,210	114,339
Prepaid expenses and other assets	3,066	6,236
Accounts payable and accrued expenses	17,692	3,878
Accrued compensation and related liabilities	<u>3,265</u>	<u>(13,182)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>164,537</u>	<u>68,606</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Reinvested dividends	<u>(4,087)</u>	<u>(6,972)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(4,087)</u>	<u>(6,972)</u>
 NET INCREASE IN CASH	160,450	61,634
CASH AT BEGINNING OF THE YEAR	<u>319,060</u>	<u>257,426</u>
CASH AT END OF YEAR	<u>\$ 479,510</u>	<u>\$ 319,060</u>

See notes to financial statements.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(With summarized comparative information for December 31, 2022)

NOTE 1 - ORGANIZATION

Five Talents USA (the “Organization”) is a nonprofit organization that was formed under the laws of the State of Virginia in March 1999. The Organization works through local Anglican Communion churches around the world to combat poverty in developing countries by using micro-enterprise development and is a member of the Five Talents International (FTI) family, which includes sister organizations in the United Kingdom and Kenya. The Organization is supported primarily through donor contributions.

The Organization’s vision is to eradicate extreme poverty by resolving human dignity and creating strong, sustainable communities. The Organization works to combat poverty in the developing world by:

- Empowering families living in poverty with knowledge and skills to read, write, save and invest
- Developing community savings groups and helping families to launch and grow small businesses

The Organization signs memorandums of understanding (MOUs) with local church partners that operate community savings and loan programs in developing countries. These documents provide for funding from the Organization, based on mutually agreed upon plans. The Organization also receives funds designated for certain programs and countries.

Program

Direct program funds for the year ended December 31, 2023, were expended in the following areas: grants to overseas partners for program operations, training, and consulting totaling \$597,314 and overseas travel by staff and consultants for monitoring, oversight, and technical assistance totaling \$18,592, shown together as subgrants and awards on the accompanying statement of functional expenses. In 2023, the Organization’s programs served 32,686 savings group members and 7,305 literacy learners.

Below is a summary of the Organization’s impact by country through December 31, 2023:

Latin America

Bolivia – The Organization has worked in the mountainous areas of southern Bolivia for over a decade, reaching families living in extreme poverty, and developed a plan for expansion to three new areas. In partnership with Seeds of Blessing, the Organization facilitates small business development through training, mentorship, and community savings and loans. Participants join small savings groups and receive training in budgeting, saving, business planning, nutrition, and discipleship. They learn how to invest in and grow small businesses.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - ORGANIZATION (CONTINUED)

Asia

Myanmar – The Organization has worked in Myanmar for almost a decade with the local Anglican Church’s Mothers' Union to catalyze micro-enterprise development. Programs have focused on the creation of Savings Groups in undeveloped regions of Irrawaddy Delta, Yangon, Toungoo, Mandalay, Pyay, Hpa-an and Myitkyina. Savings group members establish or develop their own businesses and often work together to form cooperatives. Members developed a variety of agricultural businesses.

Africa

Burundi - Burundi is the world's most rural country, with 90% of the population engaged in farming. Over 75% of the population of Burundi live in multidimensional poverty, with an estimated 8.6 million people (73%) living below the international extreme poverty line of \$2.15 a day (UNDP, 2023). Since 2010, the Organization partners with the Mothers' Union of the Anglican Church in Burundi to offer training in literacy and numeracy, business skills, and the formation of community Savings Groups. Members have access to mentorship, basic financial services, and emergency funds.

Democratic Republic of Congo - In 2018, the Organization began a partnership with the Diocese of Aru, in the northeastern corner of Democratic Republic of Congo. The program has worked to mobilize church and community leaders, to train and mentor staff and community workers on literacy, savings and business, and to launch new Savings Groups.

Kenya – The Organization began working in Kenya well over a decade ago and has served communities in regions across Kenya. Participants in these programs learn key skills in financial management and business development. They also engage in community-owned and managed savings groups. Most members start as subsistence level farmers, but many end up developing their own small businesses. The Organization is serving Savings Groups in the regions of Kericho, Baringo, Western, Marsabit and Mombasa. Several regions have formed SACCOs, which are now self-sustaining, from the Savings Group program; in Thika, Embu and Nakuru.

Rwanda – The Organization started a new program in partnership with the Mothers’ Union of the Anglican Church of Rwanda in 2022. The program is targeted to reach female-headed households who were significantly affected by the covid pandemic. The program includes training on literacy, Savings Group formation, agriculture and nutrition.

South Sudan – The Organization has worked successfully in South Sudan and Sudan for over a decade and is one of the few organizations that has worked to develop a sustainable model for microfinance there. The Organization works in five regions in South Sudan: Greater Bahr-el-Ghazal, Juba, Renk, Wandí and Terekeka, and with training and access to financial services. Additionally, the Organization has incorporated a trauma-healing for peace-building program through the Savings Group platform.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 - ORGANIZATION (CONTINUED)

Tanzania – The Organization has worked in Tanzania for over a decade, with a variety of local partners, to provide financial inclusion services to the rural poor. The Organization’s programs provide training to develop community-owned Savings Groups for local development. Programs have served members in Morogoro and numerous regions that are part of Vicoba program in Tanzania.

Uganda – The Organization supports literacy, business training, and the formation of community Savings Groups in the region of Karamoja.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Organization maintains its accounting records on the accrual basis of accounting.

Basis of Presentation

In accordance with the *Not-For-Profit-Entities – Presentation of Financial Statements* sub topic of the FASB Accounting Standards Codification, the Organization reports 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 the Organization’s management and the Board of Directors. The board has designated a portion of net assets without donor restrictions (see Note 7).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors that will be satisfied by action of the Organization or by the passage of time.

Grants and Contributions

Grants and contributions are accounted for in accordance with the *Not-For-Profit Entities - Revenue Recognition* topic of the FASB Accounting Standards Codification. Grants and contributions are recognized in the period received or promised. Grants and conditional contributions are recorded when the conditions are met. Grants and 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. 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 statement of activities as net assets released from restrictions.

Cash

Cash consists of checking, savings and money market accounts.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial, Credit Risk and Other

The Organization maintains cash in bank deposit accounts, which at times may exceed Federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

The Organization invests in mutual funds. Such investments are exposed to various market and credit risks.

Contributions Receivable

Contributions receivable are reported in the statement of financial position at the outstanding contributions receivable balance adjusted for any write-offs and an allowance for uncollectible contributions receivable. No allowance for uncollectible contributions receivable was necessary at December 31, 2023 or 2022. Contributions anticipated to be received beyond one year are discounted to their net present value at a risk adjusted rate.

Investments

Investments with readily determinable fair values are reflected at fair market value. Donated securities are recorded at the fair value at the date of the gift. The Organization's policy is to sell donated securities as soon as practical. To adjust the carrying value, unrealized gains and losses are reported in the statement of activities as a component of investment income.

Donated Goods and Services

The Organization receives donated services which are comprised of donated professional services. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as revenue and expense at their fair values in the period. For those services that do not require special expertise, the estimated value of such donated services has not been recorded in the financial statements.

Income Taxes

The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization has no unrelated business taxable income for the year ended December 31, 2023. As of December 31, 2023, the federal and state statute of limitations remains open for the December 31, 2020 through the December 31, 2023 tax years.

Use of Estimates

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

Functional Allocation of Expenses

The cost of providing program and other activities has been summarized on a functional basis in the statement of activities. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. These costs, which are not specifically attributable to a program or supporting activity, are allocated by management on

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, office expenses, meetings and events, travel, printing, occupancy and insurance.

Reclassifications

Certain balances at December 31, 2022 have been reclassified to conform to the December 31, 2023 presentation.

Summarized Comparative Information

The accompanying financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022 from which the summarized information was derived.

Subsequent Events

In preparing these financial statements management has evaluated events and transactions that occurred after the statement of financial position date for potential recognition or disclosure through April 9, 2024, the date the financial statements were available to be issued. None were noted.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2023 and 2022:

Financial assets at year end:	<u>2023</u>	<u>2022</u>
Cash	\$479,510	\$319,060
Contributions receivable, net	233,750	111,960
Investments	<u>130,302</u>	<u>110,613</u>
Total financial assets	843,562	541,633
Less: Amounts not available to be used for general expenditures within one year		
Net assets with donor restrictions	(250,996)	(259,991)
Board designated general reserve	<u>(75,000)</u>	<u>(75,000)</u>
	<u>325,996</u>	<u>334,991</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$517,566</u>	<u>\$206,642</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. In addition to financial assets available to meet general expenditures over the next year, the Organization operates with a balanced budget on a cash-flow basis. In addition, the

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - AVAILABILITY AND LIQUIDITY (CONTINUED)

Organization has a revolving line of credit of up to \$80,000 upon which it may draw and the Board may authorize release of the board designated general reserve should the need arise. The line of credit is subject to certain debt covenants (see Note 6).

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$233,750	\$111,960
Receivable in one to two years	<u>15,000</u>	<u>159,000</u>
Total unconditional grants and contributions receivable	248,750	270,960
Less discount to net present value	<u>(8,255)</u>	<u>(11,240)</u>
Net unconditional grants and contributions receivable	<u>\$240,495</u>	<u>\$259,720</u>

The Organization has not recorded an allowance for uncollectible accounts, as management believes all amounts are fully collectible.

NOTE 5 - FAIR VALUE OF INVESTMENTS

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification establishes a common definition for fair value to be applied to U.S. generally accepted accounting principles requiring use of fair value, establishes a framework for measuring fair value, and expands disclosures about such fair value measurements.

The framework establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are inactive; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs for the asset or liability.

The following table summarizes the valuation of the financial instruments by the above pricing levels as of December 31, 2023:

FIVE TALENTS USA
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - FAIR VALUE OF INVESTMENTS (CONTINUED)

	Unadjusted quoted market prices	
	<u>(Level 1)</u>	<u>Total</u>
Mutual funds	\$129,516	\$129,516
Money market funds ¹	-	786
	<u>\$129,516</u>	<u>\$130,302</u>

The following table summarizes the valuation of the financial instruments by the above pricing levels as of December 31, 2022:

	Unadjusted quoted market prices	
	<u>(Level 1)</u>	<u>Total</u>
Mutual funds	\$109,910	\$109,910
Money market funds ¹	-	703
	<u>\$109,910</u>	<u>\$110,613</u>

¹ The Organization holds investments which are not valued at fair value under ASC 820, however are presented in this total to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

NOTE 6 - LINE OF CREDIT

The Organization has a secured revolving line of credit with a financial institution of up to \$80,000 to be used as cash flow needs arise. The line of credit carries an interest of prime rate plus .5% (9% and 8% at December 3, 2023 and 2022, respectively). The line of credit is secured by the marketable securities account held by the Organization. The line of credit is subject to certain financial and non-financial covenants. The Organization is in compliance with the covenants at December 31, 2023. There was no balance outstanding on the line of credit at December 31, 2023 and 2022.

NOTE 7 - NET ASSETS

At December 31, 2023 and 2022, there were \$75,000 of Board designated net assets for a general reserve.

Net assets with donor restrictions at December 31, 2023 and 2022 were restricted for the following purposes:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purpose or passage of time:		
General support pledges	\$200,496	\$259,719
Africa	50,500	272
	<u>\$250,996</u>	<u>\$259,991</u>

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 - NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. The net assets released from restrictions during the years ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Purpose or period restrictions accomplished:		
General support pledges	\$97,229	\$221,921
Africa	387,167	114,455
Program evaluation and assessment	-	33,374
Asia	32,543	29,882
Latin America	<u>2,323</u>	<u>6,526</u>
Net assets released from restrictions	<u>\$519,262</u>	<u>\$406,158</u>

NOTE 8 - MAJOR DONORS

Contributions from one donor accounted for approximately 13% of the Organization's total revenue and support for the year ended December 31, 2023. There were no major donors for the year ended December 31, 2022.

NOTE 9 - DONATED GOODS AND SERVICES

The Organization received \$13,834 and \$11,810 in donated legal services used in general and administrative activities during the years ended December 31, 2023 and 2022, respectively. The fair value of donated professional legal services was based on estimated hour worked and an hourly rate for each position as determined by the Board of Directors of the Organization based on comparable rates for the industry. The fair value of these in-kind donations has been recognized as a contribution and expense by the Organization in the statements of activities. Donated goods were used in the Organization's programs and totaled \$2,999 and \$1,868 during the years ended December 31, 2023 and 2022, respectively. The donated goods were valued based on the price of similar goods offered for sale.

NOTE 10 - PENSION PLAN

The Organization maintains a simple IRA plan (the Plan) for all eligible employees. Eligible employees may contribute a percentage of their annual compensation, subject to certain limitations, to the Plan. The Organization can match up to 3% of qualified employee's contributions. During the years ended December 31, 2023 and 2022, the Organization contributed \$11,159 and \$11,318 to the plan, respectively.

NOTE 11 - RELATED PARTY TRANSACTIONS

Board contributions for the years ended December 31, 2023 and 2022 were \$65,003 and \$211,149, respectively.

FIVE TALENTS USA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 - LEASE COMMITMENTS

The Organization rents office space under a month-to-month operating lease agreement. Operating lease expense is \$12,000 for the years ended December 31, 2023 and 2022.