

UNTOLD, INC.

**FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT
AND
SUPPLEMENTARY INFORMATION
Years Ended December 31, 2022 and 2021**

UNTOLD, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors

Untold, Inc.

Atlanta, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Untold, Inc. (a Georgia not-for-profit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows, for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Untold, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Untold, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Untold, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Untold, Inc.'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 Untold, Inc.'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.

Mersereau, Lazenby & Rockas, LLC

Mersereau, Lazenby & Rockas, LLC

Certified Public Accountants

Suwanee, Georgia

December 15, 2023

UNTOLD, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 2,320,355	\$ 1,287,236
Investments (Note 13)	1,179,653	1,188,729
Grants receivable (Note 9)	25,000	-
Other current assets	790,137	460,701
Inventory	<u>6,814</u>	<u>2,653</u>
Total current assets	4,321,959	2,939,319
PROPERTY AND EQUIPMENT, net (Note 7)	<u>42,233</u>	<u>73,645</u>
OTHER ASSETS		
Operating lease right of use asset, net of amortization	<u>15,620</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 4,379,812</u></u>	<u><u>\$ 3,012,964</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 23,156	\$ 15,661
Operating lease liability (Note 8)	16,887	-
Other current liabilities	<u>1,802</u>	<u>4,966</u>
Total current liabilities	41,845	20,627
NET ASSETS		
Without donor restrictions		
Undesignated - expendable	3,818,740	1,667,161
Net invested in property and equipment	<u>42,233</u>	<u>73,645</u>
Total net assets without donor restrictions	3,860,973	1,740,806
Net assets with donor restrictions (Note 3)	<u>476,994</u>	<u>1,251,531</u>
Total net assets	<u>4,337,967</u>	<u>2,992,337</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,379,812</u></u>	<u><u>\$ 3,012,964</u></u>

See auditors' report and accompanying notes to the financial statements

UNTOLD, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 4,050,288	\$ 3,815,953	\$ 7,866,241	\$ 1,377,938	\$ 4,018,881	\$ 5,396,819
In kind contributions (Note 10)	20,000	115,621	135,621	-	65,318	65,318
Total contributions	4,070,288	3,931,574	8,001,862	1,377,938	4,084,199	5,462,137
Book and merchandise sales	6,055	-	6,055	731	-	731
Less cost of goods sold	(4,712)	-	(4,712)	(1,458)	-	(1,458)
Net book and merchandise sales	1,343	-	1,343	(727)	-	(727)
Investment and other income	(5,596)	-	(5,596)	5,906	-	5,906
Net assets released from restrictions:						
Satisfaction of program restrictions	4,706,111	(4,706,111)	-	3,910,572	(3,910,572)	-
Total revenue	8,772,146	(774,537)	7,997,609	5,293,689	173,627	5,467,316
EXPENSES						
Program services	5,119,445	-	5,119,445	4,038,365	-	4,038,365
Management and general	626,417	-	626,417	500,040	-	500,040
Fundraising	906,117	-	906,117	776,401	-	776,401
Total expenses	6,651,979	-	6,651,979	5,314,806	-	5,314,806
CHANGE IN NET ASSETS	2,120,167	(774,537)	1,345,630	(21,117)	173,627	152,510
NET ASSETS, Beginning of year	1,740,806	1,251,531	2,992,337	1,761,923	1,077,904	2,839,827
NET ASSETS, End of year	<u>\$ 3,860,973</u>	<u>\$ 476,994</u>	<u>\$ 4,337,967</u>	<u>\$ 1,740,806</u>	<u>\$ 1,251,531</u>	<u>\$ 2,992,337</u>

See auditors' report and accompanying notes to the financial statements

UNTOLD, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2022 and 2021

	2022				2021			
	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	Total
Salaries and benefits	\$ 273,567	\$ 244,904	\$ 446,839	\$ 965,310	\$ 238,723	\$ 169,771	\$ 460,385	\$ 868,879
Advertising and promotion	-	5,773	65,564	71,337	-	-	18,501	18,501
Computers and software	10,000	44,959	-	54,959	11,000	5,698	-	16,698
Cost of goods sold	-	4,712	-	4,712	-	1,458	-	1,458
Depreciation and amortization	-	31,412	-	31,412	-	49,017	-	49,017
Donor cultivation	-	-	4,246	4,246	-	-	6,342	6,342
Donor events	-	1,059	322,968	324,027	-	-	76,845	76,845
Dues and subscriptions	-	4,845	-	4,845	-	4,127	-	4,127
Grant - Untold Africa	4,641,519	-	-	4,641,519	3,710,360	-	-	3,710,360
Insurance	-	10,221	-	10,221	-	10,792	-	10,792
Miscellaneous	-	3,897	(2,563)	1,334	-	1,262	-	1,262
Office supplies	-	2,940	-	2,940	-	2,124	-	2,124
Office lease	-	37,526	-	37,526	-	39,794	-	39,794
Printing, reproduction, and postage	-	-	23,972	23,972	-	210	12,605	12,815
Processing fees and bank charges	-	38,431	-	38,431	-	40,129	-	40,129
Professional fees	-	131,727	31,475	163,202	-	116,395	194,117	310,512
Professional development	5,500	37,715	-	43,215	24,337	34,976	-	59,313
Travel	188,859	-	13,616	202,475	53,945	-	7,606	61,551
Utilities and other building expenses	-	31,008	-	31,008	-	25,745	-	25,745
Total expenses by function	5,119,445	631,129	906,117	6,656,691	4,038,365	501,498	776,401	5,316,264
Less expenses included with revenues on the statements of activities:								
Cost of goods sold	-	(4,712)	-	(4,712)	-	(1,458)	-	(1,458)
Total expenses included in the expense section of the statements of activities	<u>\$ 5,119,445</u>	<u>\$ 626,417</u>	<u>\$ 906,117</u>	<u>\$ 6,651,979</u>	<u>\$ 4,038,365</u>	<u>\$ 500,040</u>	<u>\$ 776,401</u>	<u>\$ 5,314,806</u>
<i>Percentage of total expenses</i>	<i>76.9%</i>	<i>9.5%</i>	<i>13.6%</i>	<i>100.0%</i>	<i>76.0%</i>	<i>9.4%</i>	<i>14.6%</i>	<i>100.0%</i>

See auditors' report and accompanying notes to the financial statements

UNTOLD, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1,345,630	\$ 152,510
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	31,412	49,017
Unrealized investment loss	33,527	7,420
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	(25,000)	100,000
Increase in other current assets	(329,436)	(370,314)
(Increase) decrease in inventory	(4,161)	1,458
Increase in accounts payable	7,495	5,843
Decrease in other current liabilities	(3,164)	(1,372)
Net cash provided (used) by operating activities	1,056,303	(55,438)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Operating lease asset recognition, net	(15,620)	-
Purchase of investments	(24,451)	(981,303)
Proceeds from sales of investments	-	490,034
Net cash (used) provided by investing activities	(40,071)	(491,269)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Operating lease obligation recognition, net	16,887	-
Net cash provided by investing activities	16,887	-
 NET INCREASE (DECREASE) IN CASH	1,033,119	(546,707)
 CASH, Beginning of year	1,287,236	1,833,943
 CASH, End of year	\$ 2,320,355	\$ 1,287,236

See auditors' report and accompanying notes to the financial statements

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Activities

Untold, Inc. (the “Organization” and formerly known as CARE for AIDS, Inc.) is a not-for-profit organization that exists to embrace and equip people to live a life beyond AIDS. This is accomplished through grant making, advocacy and storytelling to increase US engagement with the AIDS epidemic in Africa. The Organization provides grants to an entity in Kenya named UNTOLD, which in turn grants to entities in Tanzania (UNTOLD Foundation) and Uganda (UNTOLD Initiative). Collectively, these African entities are referred to as “Untold Africa”. Untold Africa operates life-transforming centers in East African churches that meet the physical, spiritual, emotional, and economic needs of HIV-positive men and women. Clients participate in a nine-month program where they receive counseling, medical and nutritional support, vocational training, spiritual care, and more. Through this process, clients are equipped to live long, healthy, productive lives and are able to raise and educate their children. Other activities to accomplish the mission include community HIV education and testing. Through these individual and community interventions, stigma is decreased and economic productivity is increased. The Organization is supported primarily through donor contributions.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with US generally accepted accounting principles (“US GAAP”), which require the Organization 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.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature and will be met by actions of the Organization or with the passage of time. Net assets in this class include contributions and gifts for restricted purposes (such as a specific center or impact trip). Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. The Organization currently has no such funds held in perpetuity.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash

Cash includes all monies in banks, cash in a brokerage account, and deposits in transit. Accounts maintained by banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022 and 2021, deposits in excess of federally insured limits were approximately \$1,349,000 and \$574,000, respectively. Management believes it is not exposed to any significant credit risk on cash, although its balance has, at times, exceeded federally insured limits.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Property and Equipment

Items capitalized as property and equipment are stated at cost or, if donated, at fair market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$3,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years. Items capitalized as intangible assets are recorded at cost incurred to place the asset into service. Amortization is computed using a double-declining balance method over the useful life of the asset. For the years ended December 31, 2022 and 2021, depreciation and amortization expense of \$31,412 and \$49,017 was recorded.

The Organization operates under a bring-your-own-device IT policy where employees provide their own computers. There is a \$1,000 per employee, once every five years reimbursement available for new computer purchases, but the reimbursement is expensed when paid.

Support, Revenue Recognition and Reclassifications

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets are transferred to the Organization.

All donor-restricted support is reported as an increase in net assets with donor 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.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Costs incurred are reported according to the function (program, management and general, and fundraising) which they benefit. Salaries and benefits are allocated to functions based on personnel time and responsibilities. Other costs are recorded directly according to their function when incurred.

Donated Assets

Donated marketable securities and other in kind donations are recorded as contributions at their estimated fair values at the date of donation. Fair value is the price 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.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the Georgia Revenue and Taxation Code, though subject to tax on income unrelated to its exempt purpose, unless that income is specifically excluded by the Code. The Organization has not recognized any liability for unrecognized tax benefits, as it has no known uncertain tax positions that would subject them to any material income tax exposure.

Use of Estimates

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

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position. Changes in fair value, along with interest and dividends, are reported as other income in the statements of activities. Purchases and sales of securities are reflected on a trade-date basis. See Note 13 for further discussion and determination of fair value.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Organization but which will only be resolved when one or more future events occur or fail to occur. The Organization's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Organization's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Loss contingencies considered remote are generally not disclosed.

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

The disaggregation of revenue by type is depicted on the face of the statements of activities. No contract assets or contract liabilities (or changes thereto) were recorded for the periods ending December 31, 2022 or 2021. See Note 1, Significant Accounting Policies: Support, Revenue Recognition and Reclassifications, for further information.

NOTE 3: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, contributions, and releases were as follows:

	Balance December 31, 2021	Restricted Contributions	Releases	Balance December 31, 2022
Africa operations	\$ 1,154,643	\$ 3,765,818	\$ (4,534,218)	\$ 386,243
Impact trips	47,913	132,756	(131,579)	49,090
Innovation	48,975	33,000	(40,314)	41,661
Total	<u>\$ 1,251,531</u>	<u>\$ 3,931,574</u>	<u>\$ (4,706,111)</u>	<u>\$ 476,994</u>

	Balance December 31, 2020	Restricted Contributions	Releases	Balance December 31, 2021
Africa operations	\$ 975,701	\$ 4,067,988	\$ (3,889,046)	\$ 1,154,643
Impact trips	42,228	16,211	(10,526)	47,913
Innovation	59,975	-	(11,000)	48,975
Total	<u>\$ 1,077,904</u>	<u>\$ 4,084,199</u>	<u>\$ (3,910,572)</u>	<u>\$ 1,251,531</u>

NOTE 4: GRANT EXPENSE - UNTOLD AFRICA

Grant – Untold Africa expense represents cash and food sent to Africa for program operations. As described in Note 1, Untold Africa operated 100 and 87 program centers at December 31, 2022 and 2021, respectively. The attached supplemental Schedules of Grant Expenditures as Reported by Recipient provides detail of December 31, 2022 and 2021 Untold Africa’s expenditures. It also provides summarized reconciliation information that accounts for timing differences between grant expenditures reported in the financial statements.

NOTE 5: RETIREMENT BENEFITS

The Organization provides retirement benefits through a SIMPLE IRA arrangement. Full-time employees are eligible for 3% matching employer contributions. In 2022 and 2021, the Organization incurred related expenses of \$17,773 and \$17,937, respectively.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 6: AVAILABILITY AND LIQUIDITY

	2022	2021
Financial assets at year-end:		
Cash	\$ 2,320,355	\$ 1,287,236
Investments	1,179,653	1,188,729
Grants receivable	25,000	-
Other current assets	790,137	460,701
Total financial assets	4,315,145	2,936,666
Less amounts not available to be used within one year for general expenditures:		
Deposits	(5,652)	(5,652)
Innovation projects	(41,661)	(48,975)
Food container in transit	(65,621)	-
	(112,934)	(54,627)
Financial assets available to meet general expenditures within one year	\$ 4,202,211	\$ 2,882,039

The Organization receives significant revenue restricted by donors and considers revenue restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended December 31, 2022 and 2021, assets with donor restrictions of \$435,333 and \$1,202,556, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

The Organization regularly monitors liquidity required to meet its operating needs and other commitments. Board policies are in place to guard against the risk of financial jeopardy and require management to use multi-year planning. One policy states that, if unrestricted, undesignated net asset reserves drop below 90 days of operating expenses, five percent of gross revenues will be allocated to that reserve until the 90-day threshold is met. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

In addition to financial assets available to meet general expenditures over the next 12 months, the Board requires management to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures which are not funded by donor restricted resources with unrestricted contributions.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 7: PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2022	2021
Furniture and fixtures	\$ 7,925	\$ 7,925
Leasehold improvements	14,182	14,182
Intangible assets	160,970	160,970
Total property and equipment	183,077	183,077
Less accumulated depreciation and amortization	(140,844)	(109,432)
Net property and equipment	<u>\$ 42,233</u>	<u>\$ 73,645</u>

The intangible assets consist of costs incurred to develop a mobile app and to produce a book co-authored by the Organization’s founders. The book was completed in May of 2019 and seeks to tell the story of the Organization and promote its mission.

NOTE 8: LEASE COMMITMENTS

As of January 1, 2022 the Organization implemented Accounting Standards Update (ASU) No. 2016-02 – *Leases (Topic 842)*, which supersedes previous guidance on leases provided by US GAAP. The standard was adopted for the year ended December 31, 2022 and was not retrospectively applied.

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration.

The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to control and direct the use of the identified asset. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Leases result in the recognition of right-of-use (“ROU”) assets and lease liabilities on the balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date. The Organization has no finance leases for the year ended December 31, 2022.

At lease inception, the lease liability is measured as the present value of all the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate if readily determinable. In the absence of an implicit rate, the Organization elects to use the risk-free rate determined using a period comparable to the lease terms. Lease expense is generally recognized on a straight-line basis over the lease term.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 8: LEASE COMMITMENTS (continued)

The Organization has elected not to record leases with an initial term of 12 months or less on the balance sheet. Lease expense on such leases is recognized on a straight-line basis over the lease term. The Company has elected the practical expedient to not separate lease and non-lease components for all leases.

In April of 2018, the Organization entered into a 62-month operating lease agreement for office space. Total lease costs for the year ended December 31, 2022 is \$1,788,783 as outlined by the following:

	2022
Interest expense	\$ 197
Amortization of right-of-use assets	37,329
Total lease costs	\$ 37,526

According to ASC 842, the weighted-average discount rate is based on the discount rate implicit in the lease. However, the Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms, as the discount rate for leases is not readily determinable. The risk-free rate option has been applied to the office lease asset.

The following summarizes the weighted-average remaining lease term and weighted-average discount rate:

Weighted-average remaining lease term in years	2022
Real estate	0.4
Weighted-average discount rate	2022
Real estate	0.56%

There were no minimum lease payments under noncancellable operating leases greater than one year as of December 31, 2022. However, the Organization did renew its office space lease during 2023 for 65 months.

Further, the Organization entered into a sublease agreement with an organization. For the years ended December 31, 2022 and 2021, sublease rental revenue was \$1,200 and \$-0-, respectively, and is reported in other income in the statements of activities.

NOTE 9: GRANTS RECEIVABLE

The Organization records grants receivable when awards are made and considered unconditional promises to give. The grant receivable of \$25,000 at December 31, 2022 was collected in April of 2023. There were no grants receivable at the end of 2021.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 10: CONTRIBUTED NON-FINANCIAL ASSETS

In kind meal contributions of \$115,621 and \$65,318 for the years ended December 31, 2022 and 2021, respectively, have been recognized in revenue for meals donated to the Organization. The meals are donated by two humanitarian organizations that list the price of the meals donated (approximately \$0.25 - \$0.35/meal) that the Organization uses to record the value. The food is distributed to program participants during the course of their time in the program. As of December 31, 2022, a corresponding amount of \$65,621 was reported as a component of other current assets, as one of the food shipments had not yet been delivered as of December 31, 2022. Further, the Organization recorded in \$20,000 donated professional coaching services for the Organization's directors. The Organization valued the professional coaching services by using a contract provided by the provider for typical, comparable services, which agreed to the Organization's historical experiences with similar providers.

Several volunteers have made significant contributions of their time to the Organization's mission. These services are not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP. Several volunteers have made significant contributions of their time to the Organization's mission. These services are not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

NOTE 11: RELATED PARTY TRANSACTIONS

During 2022 and 2021, board members and officers of the Organization contributed approximately \$1,875,000 and \$993,000, respectively.

NOTE 12: RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform with current year presentation. Specifically, \$430,000 classified as cash in 2021 was moved to other current assets to better reflect the timing of the Organizations transfer of cash at yearend, along with other minor reclassifications. Total changes in net assets were not affected.

NOTE 13: FAIR VALUE MEASUREMENTS

Fair Value is the price 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. US GAAP establishes a hierarchy of inputs to valuation of that price using three levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets for identical assets or liabilities, or model-derived valuations which rely on significant observable inputs.

Level 3 - Valuation techniques that rely on significant unobservable inputs.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 13: FAIR VALUE MEASUREMENTS (continued)

The following sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2022 and 2021:

	Balance	Fair Value Measurements Using		
	December 31, 2022	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash	\$ 2,320,355	\$ 2,320,355	\$ -	\$ -
Investments				
Money market funds	\$ 269,139	\$ 269,139	\$ -	\$ -
Exchange traded funds	725,231	725,231	-	-
Mutual funds	185,283	185,283	-	-
Total investments	\$ 1,179,653	\$ 1,179,653	\$ -	\$ -

	Balance	Fair Value Measurements Using		
	December 31, 2021	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash	\$ 1,287,236	\$ 1,287,236	\$ -	\$ -
Investments				
Money market funds	\$ 244,689	\$ 244,689	\$ -	\$ -
Exchange traded funds	730,294	730,294	-	-
Mutual funds	213,746	213,746	-	-
Total investments	\$ 1,188,729	\$ 1,188,729	\$ -	\$ -

NOTE 14: UNCERTAINTIES AND CONCENTRATION

Pandemic

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern”. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact financial condition or results of operations is uncertain.

Concentration in Revenue

During the year ended December 31, 2022, one donor contributed 13% of total revenue, and another contributed 11%.

UNTOLD, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

NOTE 15: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 15, 2023, which is the date the financial statements were available to be issued. Management is not aware of any material subsequent events that require disclosure in the financial statements.

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
Untold, Inc.
Atlanta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of Untold, Inc. as of December 31, 2022 and 2021, and have issued our report thereon dated December 15, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The Schedules of Grant Expenditures as Reported by Recipient, for the years ended December 31, 2022 and 2021, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mersereau, Lazenby & Rockas, LLC

Mersereau, Lazenby & Rockas, LLC
Certified Public Accountants
Suwanee, Georgia
December 15, 2023

UNTOLD, INC.
SCHEDULES OF GRANT EXPENDITURES AS REPORTED BY RECIPIENT
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Salaries and wages*	\$ 1,757,955	\$ 1,443,255
Center set up costs	58,800	43,041
General and administrative	322,764	294,205
Direct food assistance costs	1,169,232	1,178,706
Empowerment projects	31,548	-
Graduation	36,655	31,579
Medicine	148,951	110,594
Professional fees	67,951	71,494
Repairs and maintenance	20,149	20,267
Seminars and teaching material	193,853	146,784
Staff development	386,779	81,937
Travel and impact trip	131,633	97,803
World Aids Day	<u>5,648</u>	<u>8,282</u>
Total local expenses	4,331,918	3,527,947
Recipient changes in cash and other accruals	<u>309,601</u>	<u>182,413</u>
Total grant expense - Care for Aids Africa	<u><u>\$ 4,641,519</u></u>	<u><u>\$ 3,710,360</u></u>

*One of the grant recipient's grantees reported approximately \$40,000 of expenses included in this line for 2021 that relates to alleged embezzlement by a former employee. A subsequent investigation was conducted by the grant recipient with no further damages revealed, and the grantee began court action against the former employee.