

PROKIDS
ANNUAL REPORT
DECEMBER 31, 2023

PROKIDS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of ProKids

Opinion

We have audited the accompanying financial statements of ProKids (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities 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 ProKids 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ProKids 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 ProKids ability to continue as a going concern within one year after the date that the 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 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 ProKids 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 ProKids 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.

Cincinnati, Ohio
August 25, 2024

PROKIDS

STATEMENTS OF FINANCIAL POSITION

At December 31,

ASSETS

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 285,641	\$ 520,427
Accounts Receivable	1,910	1,910
Prepaid Expenses	19,873	28,186
Unconditional Promises to Give	12,469,730	4,098,556
Building, Software, Furniture and Equipment	6,350,179	331,648
Long-term Investments	14,122,008	12,620,072
Beneficial Interest in Greater Cincinnati Foundation	10,487	11,031
Deposit - Rent	-	1,283
- Other	320	320
TOTAL ASSETS	<u>33,260,148</u>	<u>17,613,433</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable and Accrued Expenses	676,393	19,207
Vacation Accrual	<u>188,590</u>	<u>177,029</u>
Total Current Liabilities	<u>864,983</u>	<u>196,236</u>
Net Assets		
Without Donor Restrictions	15,623,235	10,452,467
With Donor Restrictions	<u>16,771,930</u>	<u>6,964,730</u>
Total Net Assets	<u>32,395,165</u>	<u>17,417,197</u>
TOTAL LIABILITIES AND NET ASSETS	<u>33,260,148</u>	<u>17,613,433</u>

The accompanying notes are an integral part of these financial statements.

PROKIDS

STATEMENTS OF ACTIVITIES

December 31, 2023
(With Comparative Totals as of December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
REVENUES, GAINS AND OTHER SUPPORT				
Contributions, Grants and Fundraising	\$ 3,439,697	\$ 27,575	\$ 3,467,272	\$ 2,241,528
Donated Services	1,334,574	-	1,334,574	1,143,852
Government Grants	144,217	-	144,217	144,198
United Way & Community Chest	-	11,421	11,421	146,495
Investment Return, net	1,410,215	302,391	1,712,606	(1,534,311)
Friends of Children Society, Net of Expenses Totaling \$30,018	167,162	905,176	1,072,338	970,746
Capital Campaign Net of Expenses Totaling \$180,000	2,544,197	9,602,653	12,146,850	2,344,463
Loss on disposal of fixed assets	(5,233)	-	(5,233)	
Other	5,432	-	5,432	6,191
Net Assets Released from Restrictions: Satisfaction of Purpose and Time	<u>1,041,473</u>	<u>(1,041,473)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>10,081,734</u>	<u>9,807,743</u>	<u>19,889,477</u>	<u>5,463,162</u>
EXPENSES AND LOSSES				
Victims of Crime Act (VOCA)	145,261	-	145,261	142,421
Operating	3,878,293	-	3,878,293	3,461,317
Management and General	341,559	-	341,559	324,441
Fund Raising	<u>545,853</u>	<u>-</u>	<u>545,853</u>	<u>421,862</u>
Total Expenses	4,910,966	-	4,910,966	4,350,041
Unrealized (Loss) in Beneficial Interest in Greater Cincinnati Foundation	<u>-</u>	<u>(543)</u>	<u>(543)</u>	<u>-</u>
Change in Net Assets	5,170,768	9,807,200	14,977,968	1,113,121
Net Assets at Beginning of Year	<u>10,452,467</u>	<u>6,964,730</u>	<u>17,417,197</u>	<u>16,304,076</u>
Net Assets at End of Year	<u>15,623,235</u>	<u>16,771,930</u>	<u>32,395,165</u>	<u>17,417,197</u>

The accompanying notes are an integral part of these financial statements.

PROKIDS

STATEMENTS OF CASH FLOWS

For the Years Ended December 31,

	<u>2023</u>	<u>2022</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Change in Net Assets	\$14,977,968	\$ 1,113,121
Depreciation	34,968	25,241
Loss on disposal of fixed assets	5,233	-
Unrealized Loss on Beneficial Interest in GCF	543	-
(Increase) in Unconditional Promises to Give	(8,371,174)	(802,435)
Decrease (Increase) in Prepaid Expenses	8,313	(16,388)
Decrease in Accounts Receivable	-	4,343
Decrease in Deposits	1,283	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	657,186	(30,710)
Increase in Vacation Accrual	<u>11,561</u>	<u>24,277</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>7,325,881</u>	<u>317,449</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) Decrease of Investment Costs	(1,501,935)	162,876
Purchase of Property and Equipment	<u>(6,058,732)</u>	<u>(275,104)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(7,560,667)</u>	<u>(112,228)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(234,786)	205,221
BEGINNING CASH AND CASH EQUIVALENTS	<u>520,427</u>	<u>315,206</u>
ENDING CASH AND CASH EQUIVALENTS	<u>285,641</u>	<u>520,427</u>
NONCASH INVESTING AND FINANCING ACTIVITIES		
IN-KIND CONTRIBUTIONS:		
Stock	<u>137,325</u>	<u>58,142</u>
TOTAL NON-CASH INVESTING AND FINANCING ACTIVITIES	<u>137,325</u>	<u>58,142</u>

The accompanying notes are an integral part of these financial statements.

PROKIDS

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

(With Summarized Financial Information for the Year Ended December 31, 2022)

	PROGRAM SERVICES			SUPPORT SERVICES			2023 TOTAL	2022 TOTAL
	VOCA	OPERATING	TOTAL PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL SUPPORT SERVICES		
Bank Fees	\$ -	\$ 12,260	\$ 12,260	\$ -	\$ -	\$ -	\$ 12,260	\$ 8,239
Client Needs	-	28,839	28,839	-	-	-	28,839	49,135
Computer Expenses	-	37,673	37,673	-	-	-	37,673	32,113
Contract Services	-	-	-	-	-	-	-	1,519
Depreciation	-	25,590	25,590	3,610	5,768	9,378	34,968	25,241
Donated Services	-	1,326,574	1,326,574	8,000	-	8,000	1,334,574	1,143,852
Dues, Subscriptions and Fees	-	10,097	10,097	-	-	-	10,097	10,324
Employee Expense	-	-	-	6,158	-	6,158	6,158	0
Fund Raising Expenses	-	-	-	-	39,889	39,889	39,889	41,177
Insurance – General	-	14,387	14,387	2,029	3,243	5,272	19,659	18,645
Insurance – Health	12,264	189,420	201,684	26,719	42,692	69,411	271,095	248,614
Marketing	-	62,048	62,048	990	-	990	63,038	70,895
Miscellaneous	-	1,721	1,721	-	-	-	1,721	2,370
Outside Payroll Services	-	9,222	9,222	1,301	2,078	3,379	12,601	9,007
Payroll Taxes	8,964	138,444	147,408	19,529	31,203	50,732	198,140	180,526
Postage	-	4,650	4,650	-	-	-	4,650	4,343
Printing and Publication	-	4,049	4,049	-	-	-	4,049	3,358
Professional Services	-	-	-	9,750	-	9,750	9,750	9,400
Rent	-	25,309	25,309	3,569	5,705	9,274	34,583	33,300
Repairs and Maintenance	-	15,042	15,042	2,122	3,390	5,512	20,554	19,969
Salaries	115,815	1,788,783	1,904,598	252,324	403,165	655,489	2,560,087	2,287,272
Security	-	8,472	8,472	1,195	1,909	3,104	11,576	263
Staff Education Expense	-	15,357	15,357	-	-	-	15,357	10,502
Staff Mileage and Travel	-	58,650	58,650	-	-	-	58,650	33,174
Supplies	-	13,197	13,197	-	-	-	13,197	7,866
Technology	-	18,292	18,292	-	-	-	18,292	9,284
Telephone	7,430	3,705	11,135	1,571	2,510	4,081	15,216	15,997
Utilities	-	6,905	6,905	974	1,556	2,530	9,435	7,567
Volunteer Expenses	-	47,428	47,428	-	-	-	47,428	50,305
Workers' Compensation	788	12,179	12,967	1,718	2,745	4,463	17,430	15,784
TOTAL	<u>145,261</u>	<u>3,878,293</u>	<u>4,023,554</u>	<u>341,559</u>	<u>545,853</u>	<u>887,412</u>	<u>4,910,966</u>	<u>4,350,041</u>

The accompanying notes are an integral part of these financial statements.

PROKIDS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Activities and Significant Accounting Policies:

Nature of Activities

ProKids recruits, trains and supervises volunteers, CASA-Court Appointed Special Advocates, who advocate on behalf of children who have been abused and neglected in Hamilton County, Ohio.

Summary of Significant Accounting Policies:

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Fair Value Measurements

GAAP has established a three-level hierarchy for fair value measurements based on the transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

Cash

The organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash. The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividends, interest and realized gains and losses on investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Statement of Financial Accounting Standards No. 116 requires that contributed revenue be measured at fair value.

Donated Securities and Investments

Donated securities and other investments are valued at their fair value at the date of donation. Donated securities are sold nearly immediately and are reported as operating cash flows in the statement of cash flows unless the donor restricted the use of the gift to financing a long-term purpose such as creating an endowment or purchasing property and equipment.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value when received. The organization capitalizes property and equipment valued in excess of \$1500. Depreciation is provided on the straight-line basis over the following estimated useful lives:

Software	3 years
Equipment and Computers	5 years
Furniture and Fixtures	7 years

Total depreciation expense was \$34,968, and \$25,241, for fiscal years 2023, and 2022; respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Services

In-kind contributions of services used in the organization's programs are recorded as income and expense at the estimated fair value of those items. Donated services are not recorded if no objective basis is available to measure the value received by the organization.

A substantial number of volunteers have contributed significant amounts of their time to the organization's programs and management. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Income Taxes

ProKids is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, ProKids has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2023. The organization’s federal exempt organization tax returns are subject to examination by the Internal Revenue Service generally for three years after they are filed.

Contributions

Contributions are recorded when received as net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction accomplished), donor restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are not in the same period as the contribution are reported as unrestricted support.

Effect of Adopting New Accounting Standards

In 2021, the Organization adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-09, Revenue from Contracts with Customers. The standard’s core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those good or services. This standard also includes expanded disclosure requirements that result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contract with customers. This adoption made no material changes to the financial statements.

In February 2016, the FASB issued the Accounting Standards Update (“ASU”) 2016-02, *Leases* (Topic 842), which requires the recognition of a “right to use” asset and a lease liability, initially measured at the present value of the lease payments, on all of the Organization’s lease obligations. This ASU is effective for fiscal years beginning after December 15, 2021. The adoption made no material changes to the financial statements.

Advertising

The organization expenses advertising as incurred.

Note 2 – United Way

Effective January 1, 1987, ProKids became an agency of *United Way*. For the calendar year ended December 31, 2023, ProKids had revenue totaling \$11,421.

Note 3 – Leases

ProKids leased office space from the Mayerson Foundation at 2605 Burnet Avenue, Cincinnati, Ohio. The third amendment to lease extended the lease to October 31, 2020. The Organization then went to a month-to-month lease as they searched for a new facility. This lease was terminated on December 31, 2023 as the organization began moving into its new facility under a temporary certificate of occupancy.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 4 – Property and Equipment

Property and equipment consist of the following:

	<u>2023</u>	<u>2022</u>
Software	\$ 12,345	\$ 12,345
Furniture	22,082	34,418
Building in process	6,184,655	241,774
Branding	79,752	-
Equipment	<u>261,858</u>	<u>234,118</u>
TOTAL COSTS	6,560,692	522,655
Less: Accumulated Depreciation	<u>210,513</u>	<u>191,007</u>
NET FIXED ASSETS	<u>6,350,179</u>	<u>331,648</u>

Note 5 – Beneficial Interest in Perpetual Trust – Greater Cincinnati Foundation

The organization is the beneficiary of the ProKids Tuition Fund of the Greater Cincinnati Foundation. Application of SFAS No. 136, Transfers of Assets to a Not-For-Profit organization of Charitable Trust that Raises or Holds Contributions for Others, requires that the trust assets, which are not in the possession of the organization be recorded in the statements of financial position as net asset with donor restriction and as an interest in the Greater Cincinnati Foundation based on the fair market value of the trust. Net realized and unrealized gains (losses) related to the organization's beneficial interest are reported as changes in net assets with donor restrictions. Distributions from the Fund are to be used for the granting of partial or full scholarships to persons in need of financial help to begin or continue their education at the high school level. No distributions were made in 2023 and 2022.

Note 6 – Donated Services

The value of donated services included as contributions in the financial statements and the corresponding expenses for the year ended December 31, 2023 are as follows:

	<u>Program</u>	<u>Support</u>
Parking	\$ 20,800	\$
New Building Related	96,652	
Web Rebranding	8,750	
Printing	875	
Volunteer Services	1,192,541	
Catering	750	
Cleaning	6,206	
Accounting Services	-	<u>8,000</u>
TOTAL	<u>1,326,574</u>	<u>8,000</u>

Note 6 – Donated Services – continued

Program volunteer hours have been recorded in the financial statements as it has been determined that the FASB Criteria for financial forms has been met. CASA volunteer hours and other direct service hours of 38,247 were provided in 2023. The estimated value of volunteer time is \$31.18 per hour (per www.independentsector.org).

Note 7 – Retirement Plan

The organization maintains a 403(b) Plan for the benefit of eligible employees. Participants may contribute a portion of their compensation, up to 15%, to the plan. Contributions are made by the organization at the discretion of management. No discretionary contributions were made by the organization during the year.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 8 – Investments

The fair value of the organization’s investments is summarized as follows:

	<u>2023</u>	<u>2022</u>
Level 1		
Exchange Traded Funds	\$ 8,461,984	\$ 7,068,900
Mutual Funds	4,767,715	5,318,795
Equity Securities	2,193	2,731
Level 2		
Money Market Funds	<u>890,116</u>	<u>229,646</u>
	<u>14,122,008</u>	<u>12,620,072</u>

Note 9 – Prepaid Expenses

As of December 31, prepaid expenses were composed of:

	<u>2023</u>	<u>2022</u>
General Insurance	\$ 7,405	\$ 4,540
Service Contracts	12,378	23,556
Rent	<u>90</u>	<u>90</u>
TOTAL	<u>19,873</u>	<u>11,798</u>

Note 10 – Promises to Give

Unconditional Promises to Give consist of the following:

	<u>2023</u>	<u>2022</u>
Friends of Children Society	\$ 2,873,111	\$ 2,980,858
Capital Campaign	9,487,182	1,008,261
United Way	<u>109,437</u>	<u>109,437</u>
TOTAL	<u>12,469,730</u>	<u>4,098,556</u>
Amounts Due in:		
Less Than one Year	\$ 5,668,023	958,960
One to Five Years	6,444,203	2,667,463
More than Five Years	<u>357,504</u>	<u>472,133</u>
TOTAL	<u>12,469,730</u>	<u>4,098,556</u>

The present value of cash flows from recorded Friends of Children Society and the Capital Campaign are discounted for 90.74% expected collectability and using a 4.0% rate of interest. Without discounting, the stated value of recorded promises to give is \$ 14,766,530, and \$ 4,872,971 for fiscal years 2023, and 2022, respectively.

The organization is no longer receiving annual allocations from United Way although donor direct designations to the United Way may still occur. Accordingly, no provision is made for uncollectible amounts and future related Promises to Give will be \$0.

PROKIDS

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Note 11 – Liquidity and Availability of Financial Assets

ProKids monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. ProKids has the following assets that could be readily made available within one year of the balance sheet to fund expenses without limitations:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 285,641	\$ 520,427
Accounts Receivable	1,910	1,910
Unconditional Promises to Give	5,668,023	958,960
Investments: Operating	<u>9,830,297</u>	<u>9,206,924</u>
	<u>15,785,871</u>	<u>10,688,221</u>

Note 12 - Subsequent Events

ProKids evaluated subsequent events through August 25, 2024 the date the financial statements were available to be issued, and noted no material subsequent events had occurred through this date warranting revision to the financial statements.

ProKids has embarked on a transformational \$28 million campaign that will fundamentally change the way the community supports abused and neglected children. The campaign will support the build out of a new generational home for ProKids and a convening center for child protection located within walking distance of juvenile court, which will be the foundation for growth. Campaign funds will also allow ProKids to maximize the use of this new space by providing resources for training and supporting more CASA Volunteers and system professionals to advocate in the best interest of children. Finally, the campaign will secure the future of ProKids by investing in its sustainability and ensuring continuation of ProKids work to break the vicious cycle of abuse and neglect. The organization began moving into the facility on December 15, 2023, with a temporary certificate of occupancy, although work still continued on the building.

On May 17, 2022 ProKids entered into a lease agreement with 222 W 7th Holdco, LLC for space located on the 1st floor of the garage building located at 222 West Seventh Street, Cincinnati. The original Lease was amended on September 22, 2023. The Initial Term of the lease started on the effective date and will terminate on the date that is one hundred twenty months following the effective date. The term of the Lease shall automatically renew for eighteen successive Renewal Terms of five years each. The lease explicitly states that there shall be no rent payable by Tenant to Landlord during the Term of the Lease, whether characterized as base rent, operating contribution, pass-through expenses or common area maintenance charges. As such, no right of use asset or lease liability appear on these financial statements.