

*Raffol and Company, Inc.*  
*Certified Public Accountants*

Kenneth J. Raffol, CPA, MST • Jonathan R. Vitale, CPA, MSA

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**OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.**



*Financial Statements*  
*For the Years Ended June 30, 2022 and 2021*

**OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.**

***Financial Statements  
For the Years Ended June 30, 2022 and 2021***

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***Independent Auditors' Report***

To the Board of Directors  
Oldways Preservation and Exchange Trust, Inc.  
Boston, Massachusetts

***Opinion***

We have audited the accompanying financial statements of Oldways Preservation and Exchange Trust, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 financial statements referred to above present fairly, in all material respects, the financial position of Oldways Preservation and Exchange Trust, Inc. as of June 30, 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. 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 Oldways Preservation and Exchange Trust, 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 Oldways Preservation and Exchange Trust, Inc.'s 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 Oldways Preservation and Exchange Trust, 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 Oldways Preservation and Exchange Trust, 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.



Needham, Massachusetts  
December 15, 2022

**OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.**

***Statements of Financial Position  
As of June 30, 2022 and 2021***

	<b>2022</b>	<b>2021</b>
<b><i>Assets</i></b>		
Cash and cash equivalents	\$ 584,034	\$ 615,633
Pledges receivable	61,400	55,300
Prepaid expenses	77,350	133,664
Property and equipment, net	80,627	9,371
Investments	477,405	516,287
Security deposit	12,000	12,000
	<b>\$ 1,292,816</b>	<b>\$ 1,342,255</b>
<b><i>Liabilities and Net Assets</i></b>		
Liabilities:		
Accounts payable	\$ 22,109	\$ 13,202
Accrued expenses	145,017	120,584
Deferred revenue	43,318	88,268
Refundable advance, PPP loan	-	176,986
	<b>210,444</b>	<b>399,040</b>
Net Assets:		
Without donor restrictions	516,330	375,030
With donor restrictions	566,042	568,185
	<b>1,082,372</b>	<b>943,215</b>
	<b>\$ 1,292,816</b>	<b>\$ 1,342,255</b>

**OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.**

*Statements of Activities  
For the Years Ended June 30, 2022 and 2021*

	<i>2022</i>			<i>2021</i>		
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
Revenue and Support:						
Grants and contributions	\$ 47,671	\$ 1,154,249	\$ 1,201,920	\$ 49,756	\$ 1,169,532	\$ 1,219,288
Governmental PPP grant	178,018	-	178,018	171,701	-	171,701
Program fees	249,863	-	249,863	2,355	-	2,355
Publications	85,713	-	85,713	93,223	-	93,223
Licensing fees	13,540	-	13,540	15,965	-	15,965
Net investment income	(38,819)	-	(38,819)	63,142	-	63,142
Net assets released from restrictions	1,156,392	(1,156,392)	-	1,152,577	(1,152,577)	-
<b><i>Total revenue and support</i></b>	<b>1,692,378</b>	<b>(2,143)</b>	<b>1,690,235</b>	<b>1,548,719</b>	<b>16,955</b>	<b>1,565,674</b>
Expenses and losses:						
Program services	1,290,146	-	1,290,146	1,105,456	-	1,105,456
General and administrative	223,625	-	223,625	241,303	-	241,303
Fundraising	28,507	-	28,507	35,610	-	35,610
<b><i>Total expenses</i></b>	<b>1,542,278</b>	<b>-</b>	<b>1,542,278</b>	<b>1,382,369</b>	<b>-</b>	<b>1,382,369</b>
Loss from disposal of website	8,800	-	8,800	53,150	-	53,150
<b><i>Total expenses and losses</i></b>	<b>1,551,078</b>	<b>-</b>	<b>1,551,078</b>	<b>1,435,519</b>	<b>-</b>	<b>1,435,519</b>
<b><i>Changes in net assets</i></b>	<b>141,300</b>	<b>(2,143)</b>	<b>139,157</b>	<b>113,200</b>	<b>16,955</b>	<b>130,155</b>
Net assets, beginning of year	375,030	568,185	943,215	261,830	551,230	813,060
Net assets, end of year	<b>\$ 516,330</b>	<b>\$ 566,042</b>	<b>\$ 1,082,372</b>	<b>\$ 375,030</b>	<b>\$ 568,185</b>	<b>\$ 943,215</b>

See accompanying notes to financial statements.

**OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.**

*Statements of Cash Flows  
For the Years Ended June 30, 2022 and 2021*

	<i>2022</i>	<i>2021</i>
<b><i>Cash Flows from Operating Activities:</i></b>		
Changes in net assets	\$ 139,157	\$ 130,155
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	4,994	7,862
Disposal of equipment	8,800	53,150
Net realized and unrealized (gain) loss on investments	48,909	(54,035)
Forgiveness of PPP loans	(178,018)	(171,701)
Interest expense on refundable advance	1,032	1,846
Changes in:		
Pledge receivable	(6,100)	9,550
Prepaid expenses	56,314	(746)
Accounts payable	8,907	(3,105)
Accrued expenses	24,433	24,733
Deferred income	(44,950)	(56,661)
	<b><i>Net cash provided by operating activities</i></b>	<b><i>(58,952)</i></b>
	63,478	(58,952)
<b><i>Cash Flows from Investing Activities:</i></b>		
Purchase of investments	(127,141)	(137,303)
Proceeds from sales of investments	117,114	28,629
Purchase of property and equipment	(85,050)	(58,538)
	<b><i>Net cash used in investing activities</i></b>	<b><i>(167,212)</i></b>
	(95,077)	(167,212)
<b><i>Cash Flows from Financing Activities:</i></b>		
Proceeds from refundable advance, PPP loan	-	176,275
	<b><i>Net cash provided by financing activities</i></b>	<b><i>176,275</i></b>
	-	176,275
<b><i>Change in cash and cash equivalents</i></b>	<b><i>(31,599)</i></b>	<b><i>(49,889)</i></b>
<b><i>Cash and cash equivalents, beginning of year</i></b>	<b><i>615,633</i></b>	<b><i>665,522</i></b>
<b><i>Cash and cash equivalents, end of year</i></b>	<b><i>\$ 584,034</i></b>	<b><i>\$ 615,633</i></b>

See accompanying notes to financial statements.

**OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.**

*Statements of Functional Expenses  
For the Years Ended June 30, 2022 and 2021*

	2022				2021			
	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>	<i>Program Services</i>	<i>General and Administrative</i>	<i>Fundraising</i>	<i>Total</i>
Salaries	\$ 704,383	\$ 98,054	\$ 21,417	\$ 823,854	\$ 731,803	\$ 109,381	\$ 27,010	\$ 868,194
Payroll taxes	51,424	7,159	1,564	60,147	58,980	8,816	2,177	69,973
Fringe benefits	48,714	6,781	1,481	56,976	64,512	9,642	2,381	76,535
<b>Personnel Cost</b>	<b>804,521</b>	<b>111,994</b>	<b>24,462</b>	<b>940,977</b>	<b>855,295</b>	<b>127,839</b>	<b>31,568</b>	<b>1,014,702</b>
Bank fees	8,317	768	-	9,085	7,563	874	-	8,437
Books and publications	23	-	-	23	159	59	-	218
Conferences and events	38,278	-	-	38,278	1,658	-	-	1,658
Consultants	58,876	50,602	-	109,478	45,467	48,725	-	94,192
Contributions	12,918	-	-	12,918	6,000	-	-	6,000
Depreciation	4,270	594	130	4,994	-	7,862	-	7,862
Design	1,558	-	-	1,558	863	-	-	863
Dues and subscriptions	21,348	2,866	-	24,214	13,988	1,895	-	15,883
Equipment rental and repair	7,144	994	217	8,355	5,529	826	204	6,559
Facility maintenance	983	137	30	1,150	780	117	29	926
Insurance	1,480	9,270	-	10,750	472	8,719	-	9,191
Marketing	2,488	-	-	2,488	3,689	-	-	3,689
Meetings	13,006	4,335	-	17,341	1,394	2,862	-	4,256
Miscellaneous	500	1,532	-	2,032	-	2,546	-	2,546
Office expenses	3,868	941	-	4,809	3,848	305	-	4,153
Parking	3,078	428	94	3,600	3,034	454	112	3,600
Processing fees	6,376	888	194	7,458	6,672	997	246	7,915
Postage and delivery	4,509	415	-	4,924	5,146	250	-	5,396
Printing	20,814	1,539	-	22,353	17,913	-	-	17,913
Professional fees	17,523	13,748	-	31,271	11,296	12,750	-	24,046
Rent	104,173	14,172	3,095	121,440	94,892	13,872	3,425	112,189
Supplies	1,410	84	-	1,494	2,455	233	-	2,688
Telephone	9,880	1,186	259	11,325	847	7,907	-	8,754
Travel	141,178	4,183	-	145,361	15,589	-	-	15,589
Utilities	870	121	26	1,017	702	105	26	833
Website	757	2,828	-	3,585	205	2,106	-	2,311
<b>Total expenses</b>	<b>\$ 1,290,146</b>	<b>\$ 223,625</b>	<b>\$ 28,507</b>	<b>\$ 1,542,278</b>	<b>\$ 1,105,456</b>	<b>\$ 241,303</b>	<b>\$ 35,610</b>	<b>\$ 1,382,369</b>

See accompanying notes to financial statements.



# OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.

## *Notes to Financial Statements For the Years Ended June 30, 2022 and 2021*

### *Note 1. Nature of Activities*

The Organization was organized on November 11, 1988 as a not-for-profit corporation under Massachusetts General Laws, Chapter 180. The purpose of the Organization is to preserve and promote the healthy and traditional eating and drinking habits, healthy lifestyles, and good aqua and agricultural practices by providing scientific and educational programs, conferences and publications for consumers, media and health professionals.

### *Note 2. Summary of Significant Accounting Policies*

#### *Basis of Presentation*

As required by the FASB Accounting Standards Codification, the Organization's net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net assets with donor restrictions:* Net assets subject to donor- or certain grantor- imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### *Use of Estimates and Assumptions*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### *Concentration of Credit Risk*

The Organization occasionally maintains deposits in excess of federally insured limits. Accounting standards generally accepted in the United States of America, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all cash accounts in high quality financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000 and all investments accounts in financial institutions that are insured by the Securities Investor Protection Corporation up to \$500,000. At June 30, 2022 and 2021, the Organization had \$89,311 and \$103,366, respectively, of cash in excess of the FDIC \$250,000 insurance.

#### *Cash and Cash Equivalents*

The Organization considers cash and cash equivalents to be cash on hand, cash in operating bank accounts, and money market funds. For the purposes of the Statement of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

# OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.

## *Notes to Financial Statements For the Years Ended June 30, 2022 and 2021*

### **Note 2. Summary of Significant Accounting Policies (Continued)**

#### ***Revenue Recognition and Deferred Revenue***

*Contributions:* The Organization recognizes contributions when cash, securities, other assets, an unconditional promise to give, or notification of a beneficial interest are received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

Exchange transactions: Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The Organization adopted Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("Topic 606") on July 1, 2020 using the modified retrospective method applied to all contracts not completed as of the date of the adoption. The core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization applies Topic 606 to exchange transactions in which it receives consideration for products or services offered. Under U.S. GAAP, these arrangements are exchange transactions between the Organization and the customers participating in the Organization's programs or using their services.

The following is a discussion of key revenue streams within the scope of Topic 606. The Organization provides educational services to customers which have related performance obligations that the Organization completes in order to recognize revenue. The Organization's revenues are generally recognized either immediately upon the completion of the service or over time as the Organization performs the services. Any services performed over time generally require that the Organization render services each period and therefore the Organization measure progress in completing these services based upon the passage of time.

Deferred revenue represents program fee income for future years that was received prior to year-end. These amounts are deferred and recognized over the periods to which the fee relates.

# OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.

## *Notes to Financial Statements For the Years Ended June 30, 2022 and 2021*

### *Note 2. Summary of Significant Accounting Policies (Continued)*

#### *Revenue Recognition and Deferred Revenue (Continued)*

Substantially, all of the Organization's revenue is derived from activities throughout the world by having educational material available on the website or at conference settings. The Organization derived approximately 82% and 89% of its total revenue from contributions, 15% and 0% from program fees, and 3% and 11% from other sources during the years ended June 30, 2022 and 2021, respectively. All revenue is recorded at estimated net realizable amounts.

#### *Property and Equipment*

Property and equipment, having a cost in excess of \$1,000 and having an estimated useful life of at least three years, are capitalized at cost. Equipment is depreciated over the life of three years. Donations of property and equipment are recorded as support revenue at their estimated fair value. Depreciation is calculated using the straight line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and betterments are capitalized. Equipment and the website are depreciated over estimated useful lives of three years.

#### *Income Taxes*

The Organization qualifies as a tax-exempt organization under the Internal Revenue Service code section 501(c)(3) and as such has no federal income tax liability. In addition, the Organization qualifies for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation.

#### *Functional Allocation of Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon time studies. Occupancy costs and depreciation expense are also allocated based on these percentages, as they reasonably approximate allocations based on square footage. Other expenses allocated based on these percentages include: equipment rental and repair, and telephone.

#### *Investments*

The Organization reports investments in equity securities with readily determinable fair values in the statements of financial position at fair value. Investment income is included in the change in net assets as a change in net assets without donor restrictions.

## OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.

### *Notes to Financial Statements For the Years Ended June 30, 2022 and 2021*

#### **Note 2. Summary of Significant Accounting Policies (Continued)**

##### ***New Accounting Pronouncements***

The Organization is currently reviewing the implementation of ASU No. 2016-02 *Leases (Topic 842)* for the fiscal year end June 30, 2023, which requires the Organization to capitalize any operating leases which are greater than 12-months as an asset and liability on the statement of financial position and amortize the lease over the term of the lease on a straight-line basis. Finance leases have both an interest factor and depreciation of the lease asset. Non-lease components of monthly payment are a consideration, and the standard allows a practical expedient to lessees to account for non-lease components separately. This ASU is required for fiscal years beginning after December 15, 2021.

#### **Note 3. Pledges Receivable**

The Organization has received unconditional promises to give related to membership and sponsorship pledges. As of June 30, 2022, all promises to give were expected to be received in one year and any allowance or discount is expected to be immaterial and has not been recorded. The balance as of June 30, 2022 and 2021 was \$61,400 and \$55,300, respectively.

#### **Note 4. Refundable Advance, PPP Loan**

The Organization was granted a second round loan from a bank for \$176,275 on February 2, 2021, pursuant to the PPP, which was entirely forgiven during the fiscal year 2022. Therefore, the loan is reported as revenue.

The Organization was granted a first round loan from a bank for \$170,239 on April 21, 2020, pursuant to the PPP, which was entirely forgiven during the fiscal year 2021. Therefore, the loan is reported as revenue.

#### **Note 5. Operating Leases**

On May 23, 2022 the Organization extended their program and office space lease for an additional two years through June 2024. Rent expense for the years ended June 30, 2022 and 2021 was \$119,077 and \$110,105, respectively. Future minimum lease payments total \$100,668 and \$100,668 for the year ends June 30, 2023 and 2024, respectively for a total future minimum lease payments of \$201,336.

#### **Note 6. Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by the donor. As of June 30, 2022 and 2021, net assets of \$566,042 and \$568,185, respectively, are restricted for programmatic purposes that are expected to be met in fiscal year 2023 and were met in 2022, respectively.

**OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.**

*Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021*

**Note 7. Defined Contribution Plan**

The Organization has a defined contribution pension plan that qualifies as a tax-sheltered account under Section 403(b) of the IRC for the benefit of eligible employees. Salaried employees with 30 hours or more service during any consecutive 12-month period commencing with date of employment, or anniversary date, are eligible to participate in this plan. Under the Plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account. The Organization is required to match employee contributions up to 3% of the employee's salary. The plan has a five-year vesting window for the employer portion of contributions. During the fiscal year ended June 30, 2022 and 2021, the Organization contributed \$23,894 and \$24,544, respectively, to the employee plans.

**Note 8. Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets at June 30, reduced by any amounts that are not available for general use because of donor-imposed restrictions within one year of the statement of financial position dates:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 584,034	\$ 615,633
Promises to give	61,400	55,300
Investments	<u>477,405</u>	<u>516,287</u>
<b><i>Financial assets available to meet cash needs for general expenditures within one year</i></b>	<b><u>\$ 1,122,839</u></b>	<b><u>\$ 1,187,220</u></b>

As part of its liquidity management plan, the Organization invests excess cash in interest-bearing and other investment accounts. The Organization relies on annual donations/membership revenue to fund its operations and program activities. The Organization also has various sources of earned revenue (program fees, license fees, and publication sales) as well.

The Organization has certain donor-restricted assets limited to use which are available for general expenditure within one year in the normal course of operation. Accordingly, these assets have been included above.

## OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.

### *Notes to Financial Statements For the Years Ended June 30, 2022 and 2021*

#### *Note 9. Fair Value Measurements of Investments*

Financial Accounting Standards Board Statement ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FASB Statement ASC 820 are described below:

- Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2            Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs other than quoted prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3            Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of investments appearing on the statement of financial position has the following valuation approaches as defined by FASB ASC 820 hierarchy and presented in the following table as of June 30:

	<u>2022</u>	<u>2021</u>
Quoted prices in active market for identical assets (Level 1):		
Investments in securities, at fair value	<u>\$ 428,993</u>	<u>\$ 454,263</u>
Quoted prices in non-active market (Level 2):		
Corporate bonds, at fair value	<u>\$ 48,412</u>	<u>\$ 62,024</u>

**OLDWAYS PRESERVATION AND EXCHANGE TRUST, INC.**

*Notes to Financial Statements  
For the Years Ended June 30, 2022 and 2021*

**Note 10. Property and Equipment**

Property and equipment consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 59,898	\$ 59,898
Website	<u>168,250</u>	<u>92,000</u>
	228,148	151,898
Accumulated depreciation	<u>147,521</u>	<u>142,527</u>
<b><i>Property and equipment, net</i></b>	<u><u>\$ 80,627</u></u>	<u><u>\$ 9,371</u></u>

Depreciation expense for the year ended June 30, 2022 and 2021, was \$4,994 and \$7,862, respectively.

**Note 11. Subsequent Events**

ASC 855-10, *Subsequent Events*, defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with ASC 855-10, the Organization evaluated events that occurred after June 30, 2022, the date of the statement of financial position, but before the date the financial statements were available to be issued, December 15, 2022, for potential recognition or disclosure in the financial statements.