



**FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

TECH GOES HOME INCORPORATED

Contents
December 31, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors of
Tech Goes Home Incorporated:

Opinion

We have audited the financial statements of Tech Goes Home Incorporated (TGH) (a Massachusetts nonprofit corporation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 Tech Goes Home Incorporated as of December 31, 2023 and 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of TGH 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 TGH'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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 TGH'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 TGH'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.

AAFCPA, Inc.

Westborough, Massachusetts
May 20, 2024

TECH GOES HOME INCORPORATEDStatements of Financial Position
December 31, 2023 and 2022

Assets	2023	2022
Current Assets:		
Cash and cash equivalents	\$ 863,888	\$ 693,560
Grants receivable	2,780,127	3,019,413
Prepaid computers and other	495,303	538,668
Total current assets	4,139,318	4,251,641
Grants Receivable, net of current portion	1,094,419	1,000,000
Software, net	32,351	42,954
Total assets	<u>\$ 5,266,088</u>	<u>\$ 5,294,595</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 887,921	\$ 259,393
Net Assets:		
Without donor restrictions	958,807	2,150,837
With donor restrictions	3,419,360	2,884,365
Total net assets	4,378,167	5,035,202
Total liabilities and net assets	<u>\$ 5,266,088</u>	<u>\$ 5,294,595</u>

TECH GOES HOME INCORPORATEDStatements of Activities and Changes in Net Assets
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Changes in Net Assets Without Donor Restrictions:		
Operating revenue:		
Government grants	\$ 1,614,163	\$ 386,713
Grants and contributions	1,578,802	4,240,996
Fee for service revenue	541,673	97,002
Interest and other income	13,901	5,319
Net assets released from restrictions	<u>2,485,033</u>	<u>1,152,730</u>
Total operating revenue	<u>6,233,572</u>	<u>5,882,760</u>
Operating expenses:		
Program	5,967,105	3,665,229
General and administrative	654,771	344,818
Development	<u>803,726</u>	<u>552,231</u>
Total operating expenses	<u>7,425,602</u>	<u>4,562,278</u>
Changes in net assets without donor restrictions	<u>(1,192,030)</u>	<u>1,320,482</u>
Changes in Net Assets With Donor Restrictions:		
Grants	3,020,028	2,316,366
Net assets released from restrictions	<u>(2,485,033)</u>	<u>(1,152,730)</u>
Changes in net assets with donor restrictions	<u>534,995</u>	<u>1,163,636</u>
Changes in net assets	(657,035)	2,484,118
Net Assets:		
Beginning of year	<u>5,035,202</u>	<u>2,551,084</u>
End of year	<u>\$ 4,378,167</u>	<u>\$ 5,035,202</u>

TECH GOES HOME INCORPORATED

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ (657,035)	\$ 2,484,118
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Amortization	36,304	23,862
Changes in operating assets and liabilities:		
Grants receivable	144,867	(3,710,309)
Prepaid computers and other	43,365	521,145
Accounts payable and accrued expenses	628,528	89,423
Conditional advances	-	(65,375)
	<u>196,029</u>	<u>(657,136)</u>
Net cash provided by (used in) operating activities		
	196,029	(657,136)
Cash Flows from Investing Activities:		
Acquisition of software	<u>(25,701)</u>	<u>(62,670)</u>
Net Increase (Decrease) in Cash	170,328	(719,806)
Beginning of year	<u>693,560</u>	<u>1,413,366</u>
End of year	<u>\$ 863,888</u>	<u>\$ 693,560</u>

TECH GOES HOME INCORPORATED

Statements of Functional Expenses
For the Years Ended December 31, 2023 and 2022

	2023				2022			
	Program	General and Administrative	Development	Total	Program	General and Administrative	Development	Total
Operating Expenses:								
Salaries and related	\$ 1,927,696	\$ 317,903	\$ 598,673	\$ 2,844,272	\$ 1,432,500	\$ 89,399	\$ 463,925	\$ 1,985,824
Technology equipment, software and installation	3,099,801	80,006	-	3,179,807	1,739,973	14,834	592	1,755,399
Outside contracted services - technology	420,207	61,835	14,978	497,020	50,063	52,119	-	102,182
Rent	204,001	-	-	204,001	71,459	18,981	21,214	111,654
Professional fees	3,333	183,609	8,001	194,943	64,583	54,023	3,800	122,406
Outreach and awareness	25,000	-	166,900	191,900	103,625	53,500	60,000	217,125
Other	121,432	9,952	4,441	135,825	62,009	28,062	2,700	92,771
Travel	78,037	1,466	8,629	88,132	32,173	474	-	32,647
Amortization	36,304	-	-	36,304	4,146	19,716	-	23,862
Training	32,269	-	-	32,269	73,147	-	-	73,147
Insurance	14,688	-	-	14,688	11,797	6,136	-	17,933
Publication	4,337	-	2,104	6,441	19,754	7,574	-	27,328
Total operating expenses	<u>\$ 5,967,105</u>	<u>\$ 654,771</u>	<u>\$ 803,726</u>	<u>\$ 7,425,602</u>	<u>\$ 3,665,229</u>	<u>\$ 344,818</u>	<u>\$ 552,231</u>	<u>\$ 4,562,278</u>

TECH GOES HOME INCORPORATED

Notes to Financial Statements
December 31, 2023 and 2022

1. OPERATIONS AND NONPROFIT STATUS

Tech Goes Home Incorporated (TGH) is a nonprofit organization that empowers communities to overcome barriers and advance lives. To that end, TGH helps bring computers, internet, and training to those without, so students can do homework, adults can find jobs and manage finances, and seniors can connect with loved ones. TGH promotes lifelong success by teaching the skills, and providing hardware and help with access so that our learners will continue to benefit from the wealth of online resources well after our program ends.

In 2023, thanks to the collective efforts of everyone in the TGH community, thousands more learners graduated from TGH's digital inclusion courses, each earning a digital device, gaining access to reliable home internet, and learning essential skills to navigate the increasingly digital world. Equipped with new tools and knowledge, graduates across Massachusetts were better able to complete schoolwork, apply for jobs, work from home, connect with loved ones, access telehealth services, and engage with their communities.

The continued success of TGH programming, along with the sustained demand for more resources and training, set the stage for further TGH expansion across Massachusetts. In March 2023, in partnership with the Mass Broadband Institute, TGH expanded its footprint into 13 Gateway Cities across Massachusetts. Some of these communities, such as New Bedford and Pittsfield, were new to TGH, while others had some level programming to date. This partnership has allowed TGH to deepen relationships with partners in Gateway Cities across the state, increasing the number of learners served.

TGH's commitment to programmatic expansion is mirrored by its focus on advancing policies and systems that support sustainable, inclusive digital equity for the long term. TGH's advocacy team secured greater digital equity investments from local and state leaders, and continued discussions with leaders who are seeing the challenges of digital inequity firsthand, to help increase public awareness and shape important policy-making conversations. In 2024, TGH will launch an Advocacy Fellows program to build on these efforts.

Learning from and building on the achievements over the past year, TGH is excited to make even more strides in programming and advocacy work in 2024. TGH will continue to strive to make digital access a reality for everyone in Massachusetts, and will look to pilot its work in communities outside the Commonwealth.

TGH is exempt from Federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). TGH is also exempt from state income taxes. Contributions made to TGH are deductible by donors within the requirements of the IRC.

2. SIGNIFICANT ACCOUNTING POLICIES

TGH prepares its financial statements in accordance with generally accepted accounting standards and principles (U.S. GAAP) established by the Financial Accounting Standards Board (FASB). References to U.S. GAAP in these notes are to the FASB Accounting Standards Codification (ASC).

TECH GOES HOME INCORPORATED

Notes to Financial Statements
December 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Adopted Accounting Pronouncement

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 replaces the “incurred loss” credit losses framework with a new accounting standard that requires management’s measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. This amendment was adopted effective January 1, 2023, with no significant impact to TGH’s financial statements.

Classification of Net Assets

TGH has grouped its net assets into the following categories:

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 TGH. These net assets may be used at the discretion of TGH’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. These donor restrictions are temporary in nature and the restrictions will be met by actions of TGH or by the passage of time. Net assets with donor restrictions are restricted as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Purpose restricted	\$ 2,507,860	\$ 2,884,365
Time restricted	<u>911,500</u>	<u>-</u>
	<u>\$ 3,419,360</u>	<u>\$ 2,884,365</u>

Net assets with donor restrictions were released as follows for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Purpose restricted	\$ 2,485,033	\$ 1,142,314
Time restricted	<u>-</u>	<u>10,416</u>
	<u>\$ 2,485,033</u>	<u>\$ 1,152,730</u>

Revenue Recognition and Funding

Fee for Service Revenue

In accordance with ASC Topic 606, *Revenue from Contracts with Customers, (Topic 606)*, TGH recognizes revenue when promised goods or services (referred to as performance obligations) are transferred to customers in an amount that reflects the consideration to which TGH expects to be entitled in exchange for those goods and services. The standard uses a five-step model for recognizing and measuring revenue from contracts with customers, which includes identifying the contract with the customer, identifying the performance obligation(s) promised within the contract, determining the transaction price (the amount of consideration to which TGH expects to be entitled), allocating the transaction price to the performance obligations, and recognizing revenue when (or as) the performance obligations are satisfied. TGH allocates the transaction price to each performance obligation identified in the contract based on relative standalone selling prices, or estimates of such prices, and recognizes the related revenue as services are provided to the customer, in satisfaction of the corresponding performance obligations.

TECH GOES HOME INCORPORATED

Notes to Financial Statements
December 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition and Funding (Continued)

Fee for Service Revenue (Continued)

Fee for service revenue consists primarily of consulting fees and generally contains a single performance obligation for the professional services provided to customers. Revenue is recognized over time as the services are rendered, provided that no significant obligations remain, and collection of the receivable is considered probable. For time-and-materials contracts, the performance obligation is satisfied, and revenue is recognized over time as the services are performed. Generally, a fixed-fee contract is signed, and revenue is recognized over time based on an input method of time and effort incurred as a proportion of total expected time and effort to complete the contract. The transaction price is determined based upon hourly rates established by management and the number of hours estimated to complete a contract. Fees and deposits received in advance of services provided are recorded as deferred revenue. As of December 31, 2023 and 2022, there are no contract assets or liabilities in accordance with ASC Topic 606.

Government Grants, Grants and Contributions and Other Income

In accordance with ASC Subtopic 958-605, *Revenue Recognition - Contributions (Topic 958)*, TGH must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance-related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that TGH should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

A portion of TGH's revenue is derived from cost-reimbursable contracts and grants, which are conditional upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when TGH has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as conditional advances in the accompanying statements of financial position. During 2022, TGH recognized a conditional grant of \$65,375 as grant revenue when the conditions were met.

Grants and contributions without donor restrictions are recorded as revenue when received or unconditionally committed. Grants and contributions with donor-imposed stipulations that limit the use of the asset are recorded as net assets with donor restrictions. Transfers are made to net assets without donor restrictions as costs are incurred or time restrictions or program restrictions have lapsed. Donor restricted grants and contributions received and satisfied in the same period are included in net assets without donor restrictions.

All government grants are recorded as services are provided or costs have been incurred. Government grants received in advance of services being provided are recorded as conditional advances. All other income is recognized when earned.

TECH GOES HOME INCORPORATED

Notes to Financial Statements
December 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in accordance with U.S. GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, management considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Allowance for Doubtful Accounts

An allowance for doubtful grants receivable is recorded based on management's analysis of specific receivables and their estimate of amounts that may be uncollectible. There was no allowance deemed necessary as of December 31, 2023 and 2022.

Fair Value Measurements

TGH follows the accounting and disclosure standards pertaining to ASC Topic, *Fair Value Measurements*, for qualifying assets and liabilities. Fair value is defined as the price that TGH would receive upon selling an asset or pay to settle a liability in an orderly transaction between market participants.

TGH uses a framework for measuring fair value that includes a hierarchy that categorizes and prioritizes the sources used to measure and disclose fair value. This hierarchy is broken down into three levels based on inputs that market participants would use in valuing the financial instruments based on market data obtained from sources independent of TGH. Inputs refer broadly to the assumptions that market participants would use in pricing the financial instrument, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the financial instrument developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets at the measurement date.
- Level 2: Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3: Inputs that are unobservable and which require significant judgment or estimation.

An asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement. All qualifying assets and liabilities are valued using Level 1 inputs.

TECH GOES HOME INCORPORATED

Notes to Financial Statements
December 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Software and Amortization

Software having a value of \$5,000 or more and a useful life of more than one year is capitalized. Software is recorded at cost, if purchased, or at fair market value at the time of donation. Amortization is computed on a straight-line basis over five years. Amortization expense for the years ended December 31, 2023 and 2022, was \$36,304 and \$23,862, respectively. As of December 31, 2023 and 2022, accumulated amortization was \$97,471 and \$61,167, respectively.

Expense Allocation

Expenses related directly to a function are distributed to that function, while other expenses are allocated to programs or functions based upon management's estimate of the percentage attributable to each program or function.

Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and related, which are allocated on the basis of estimates of time and effort; rent is allocated on a square footage basis, and amortization, contracted technology services, and outreach and awareness, which are allocated based on annual usage studies.

Subsequent Events

Subsequent events have been evaluated through May 20, 2024, which is the date the financial statements were available to be issued. There were no events that met the criteria for recognition or disclosure in the financial statements.

Income Taxes

TGH accounts for uncertainty in income taxes in accordance with ASC Topic, *Income Taxes*. This standard clarifies the accounting for uncertainty in tax positions and prescribes a recognition threshold and measurement attribute for the financial statements regarding a tax position taken or expected to be taken in a tax return. TGH has determined that there are no uncertain tax positions which qualify for either recognition or disclosure in the financial statements at December 31, 2023 and 2022. TGH's information returns are subject to examination by the Federal and state jurisdictions.

3. IN-KIND DONATIONS

TGH receives various donated goods and services. TGH recognizes the fair value of contributed services received if such services 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 contributed. These items are reflected in the accompanying financial statements based upon the estimated value assigned to them by the donating volunteers, companies or by management.

In 2022 in-kind goods included donated computers of \$69,714, which are included in net assets released from restrictions in the accompanying statement of activities and changes in net assets. There were no in-kind goods or services donated in 2023.

TECH GOES HOME INCORPORATED

Notes to Financial Statements
December 31, 2023 and 2022

4. CONCENTRATIONS

Credit Risk

TGH maintains its cash balances in a bank in Massachusetts. The Federal Deposit Insurance Corporation (FDIC) insures balances up to certain amounts. At certain times during the year, cash balances exceeded the insured amounts. TGH has not experienced any losses in such accounts. TGH believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Funding

Funding from the City of Boston comprises 24% and 28% of operating revenue without donor restrictions for the years ended December 31, 2023 and 2022, respectively. These grants have been expended in accordance with the respective terms contained in the agreements and are subject to possible final audit. In the opinion of management, the results of such audits, if any, will not have a material effect on the financial position of TGH as of December 31, 2023 and 2022, or on its changes in net assets for the years then ended.

At December 31, 2023, 26% of grants receivable was due from the City of Boston and 56% was due from four additional donors. At December 31, 2022, 88% of grants receivable was due from the City of Boston and 12% was due from one additional donor.

Concentrations of grant funding with donor restrictions for the years ended December 31, 2023 and 2022, were comprised of the following:

<u>Donor</u>	<u>2023</u>	<u>2022</u>
A	-%	60%
B	-%	12%
C	18%	-%
D	15%	-%
E	12%	-%
F	16%	-%

5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

TGH's financial assets available within one year from the statements of financial position date for general operating expenses are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 863,888	\$ 693,560
Grants receivable	2,780,127	3,019,413
Less - amounts with donor-imposed restrictions	<u>(2,485,033)</u>	<u>(68,323)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,158,982</u>	<u>\$ 4,644,650</u>

TGH's goal is generally to maintain financial assets to meet ninety days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. TGH has structured its financial assets to be available and liquid as its obligations become due. At December 31, 2023 and 2022, TGH has financial assets equal to approximately six months and one year, respectively, of operating expenses.

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Notes to Financial Statements
December 31, 2023 and 2022

6. PENSION PLAN

TGH sponsors a defined contribution pension plan in accordance with IRC Section 401(k) (the Plan) covering all eligible employees. Employees twenty-one years and older are eligible to participate. TGH makes matching contributions to the participants' accounts annually as defined in the plan agreement and determined by the Board of Directors. Employees are immediately vested in employer contributions. TGH contributed \$116,580 and \$37,780 to the Plan for the years ended December 31, 2023 and 2022, respectively, which are included salaries and related in the accompanying statements of functional expenses.

7. CONDITIONAL GRANT

TGH was awarded approximately \$4.5 million from the Massachusetts Technology Collaborative for digital equity work. The grant contains funder-imposed conditions and milestones that represent a barrier that must be overcome before the revenue can be recognized. During 2023, TGH met a portion of the conditions and milestones and recognized approximately \$894,000 of revenue. The remaining balance of this grant is not included in the accompanying financial statements at December 31, 2023, as the conditions and milestones have not yet been met.

8. GRANTS RECEIVABLE

Grants receivable are expected to be collected as follows at December 31:

	<u>2023</u>	<u>2022</u>
Due in one year	\$ 2,780,127	\$ 3,019,413
Due in one to five years	914,419	1,000,000
Due in more than five years	<u>180,000</u>	<u>-</u>
	3,874,546	4,019,413
Less - current portion	<u>2,780,127</u>	<u>3,019,413</u>
	<u>\$ 1,094,419</u>	<u>\$ 1,000,000</u>

Long-term grants receivable have not been discounted as the discount would not be material to the financial statements.

9. RENT

During 2023 and 2022, TGH rented office space under short-term lease agreements. In accordance with ASC Topic 842, *Leases*, TGH has elected to expense payments for lease agreements that are twelve months or less. During 2023 and 2022, TGH incurred approximately \$204,000 and \$112,000, respectively under short-term lease arrangements.

10. RECLASSIFICATION

Certain amounts in the 2022 financial statements have been reclassified to conform with the 2023 presentation.