



Hope Community Services, Inc.
Financial Statements
for the Year Ended June 30, 2022

Hope Community Services, Inc.

Financial Statements
Year Ended June 30, 2022

**HOPE COMMUNITY SERVICES, INC.
YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Hope Community Services, Inc.

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Hope Community Services, Inc. (HCS), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope Community Services, Inc. as of June 30, 2022, 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 Hope Community Services, Inc. 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 the HCS'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, including omissions, 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 the HCS'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 the HCS'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.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
October 12, 2022

HOPE COMMUNITY SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

Assets

Cash and cash equivalents	\$ 2,848,273
Government receivables, net	209,528
Contributions receivables, net	150,000
Prepaid expenses and other current assets	19,909
Property and equipment, net	76,450
Security deposit	10,299
Total Assets	<u>\$ 3,314,459</u>

Liabilities

Accounts payable	\$ 91,036
Accrued expenses	65,268
Deferred rent	490
Total Liabilities	<u>156,794</u>

Net assets

Without donor restrictions:	
Undesignated	2,789,378
With donor restrictions:	
Purpose restricted	218,287
Time restricted	150,000
Total net assets	<u>3,157,665</u>
Total liabilities and net assets	<u>\$ 3,314,459</u>

See accompanying notes to financial statements.

HOPE COMMUNITY SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:			
Public support:			
Community support	\$ 21,107	\$	\$ 21,107
Corporations and nongovernment grants	63,245	603,262	666,507
Foundations	8,550		8,550
Individuals	137,420		137,420
United Way	5,676		5,676
Gifts-in-kind	20,961		20,961
Total public support	256,959	603,262	860,221
Revenue:			
Governmental contracts and grants	2,382,942		2,382,942
Gain on sale of land	1,008,584		1,008,584
Interest and dividends	948		948
Special events	345		345
Total revenue	3,392,819	-	3,392,819
Net assets released from restrictions	244,788	(244,788)	-
Total Public Support and Revenue	3,894,566	358,474	4,253,040
EXPENSES:			
Program services:			
Foster adopt	253,593		253,593
Family support services	1,027,987		1,027,987
Behavioral health	775,695		775,695
Total program services	2,057,275	-	2,057,275
Supporting services:			
General and administrative	519,175		519,175
Fundraising	151,715		151,715
Total supporting services	670,890	-	670,890
Total expenses	2,728,165	-	2,728,165
Total expenses and losses	2,728,165	-	2,728,165
Change in net assets	1,166,401	358,474	1,524,875
Net assets, beginning of year	1,622,977	9,813	1,632,790
Net assets, end of year	\$ 2,789,378	\$ 368,287	\$ 3,157,665

See accompanying notes to financial statements.

HOPE COMMUNITY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services				Supporting Services		
	Family		Behavioral		Management		Total
	Foster Adopt	Support Services	Health	Total	and General	Fundraising	
Salaries and wages	\$ 170,426	\$ 634,785	\$ 625,430	\$ 1,430,641	\$ 271,493	\$ 82,644	\$ 1,784,778
Payroll taxes and employee related expenses	21,630	71,506	62,348	155,484	25,442	11,456	192,382
Employee mileage	3,822	101,566	4,438	109,826	55	141	110,022
Employment expenses	2,793	9,772	7,911	20,476	3,399	363	24,238
Insurance	2,879	11,742	6,680	21,301	6,273	834	28,408
Events & meetings	-	-	357	357	316	3,051	3,724
Licenses & fees	183	-	987	1,170	1,200	1,471	3,841
Office expenses	347	1,489	1,238	3,074	2,072	304	5,450
Postage	185	500	344	1,029	340	1,311	2,680
Printing	400	1,747	1,391	3,538	331	936	4,805
Professional fees	-	89	47,244	47,333	134,612	24,000	205,945
Program supplies & activities	9,235	1,453	34,098	44,786	-	-	44,786
Repairs & maintenance	1,061	5,265	32,759	39,085	9,332	7,378	55,795
Security	-	-	-	-	569	-	569
Storage rental	1,786	436	218	2,440	10,813	2,575	15,828
Other expenses	2,149	10,182	7,023	19,354	3,024	14,207	36,585
Depreciation & amortization	-	-	2,295	2,295	-	-	2,295
Telephone	4,239	28,240	8,383	40,862	2,466	1,044	44,372
Rent & utilities	11,497	46,660	35,106	93,263	9,573	-	102,836
Bad debt expense	-	-	-	-	7,270	-	7,270
Interest Expense	-	-	-	-	18,600	-	18,600
Property Taxes	-	-	-	-	11,995	-	11,995
Gifts-in-kind	20,961	-	-	20,961	-	-	20,961
Total expenses	<u>\$ 253,593</u>	<u>\$ 925,432</u>	<u>\$ 878,250</u>	<u>\$ 2,057,275</u>	<u>\$ 519,175</u>	<u>\$ 151,715</u>	<u>\$ 2,728,165</u>

See accompanying notes to financial statements.

**HOPE COMMUNITY SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

Cash flows from operating activities:	
Change in net assets	\$ 1,524,875
Adjustments to reconcile change in net assets to net cash provided by/used for operating activities:	
Depreciation & amortization	2,295
Changes in assets and liabilities:	
Government receivables	(4,175)
Contributions receivables	(150,000)
Prepaid expenses and other current assets	(5,558)
Accounts payable	56,478
Accrued expenses	(18,773)
Refundable advance	(156,677)
Deferred rent	<u>(8,145)</u>
Net cash provided by/used for operating activities	<u>1,240,320</u>
Cash flows from investing activities:	
Purchases of property and equipment	(74,290)
Sale of land	<u>766,309</u>
Net cash provided by/used for investing activities	<u>692,019</u>
Cash flows from financing activities:	
Payments on loan	<u>(381,250)</u>
Net cash provided by/used for financing activities	<u>(381,250)</u>
Net increase/decrease in cash and cash equivalents	1,551,089
Cash and cash equivalents, beginning of year	<u>1,297,184</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,848,273</u></u>

See accompanying notes to financial statements.

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hope Community Services, Inc., (the Organization) was incorporated on November 5, 1986 in the state of Arizona as a nonprofit corporation under the name West Valley Child Crisis Center, Inc. In June 2018, the Organization changed their name to Hope Community Services, Inc. The Organization was established to find temporary and permanent homes for children (from infant to teens) in the Phoenix metropolitan area who are victims of, or at risk of, domestic violence, abuse, or abandonment. In addition, the Organization provides outpatient behavioral health services to include trauma-focused therapy, parenting skills training, supervised parental visitation, and equine assisted therapy. The Organization's primary source of revenue for its programs are government contracts, health insurance contracts, grants, and contributions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. The Organization is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

Donor-restricted contributions are 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 are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions. 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.

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For 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.

Concentrations of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. At year end, the carrying amount of the Organization's deposits was \$2,848,272, and the bank balance was \$2,849,651. At year end, \$2,347,419 of the Organization's deposits were uninsured and uncollateralized. To minimize risk, cash accounts are maintained at high-quality financial institutions and credit exposure is limited to any one institution.

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Contributions. The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is 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. The Organization did not have any conditional promises to give at June 30, 2022.

Government Contracts and Grants. The Organization conducts several programs that are funded by government contracts for foster adopt, family support and behavioral health services. The vast majority of the contacts are unit-of-service contracts, which are contracts in which the amount to be paid is determined by a formula based on units of service provided by the Organization. A maximum amount to be paid over the course of the contract is often specified. Units-of-service contracts are recognized as revenue and receivables as the services are rendered using the agreed-upon rate per unit. The grantor is billed, generally monthly, for the units of service provided during the preceding month.

Government Receivables

Government receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to government receivables. At year end, the valuation allowance for government receivables was \$11,717.

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions Receivable

Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at net present value of expected cash flows. Management does not believe an allowance for uncollectible amounts is necessary based on historical experience with donors, and accordingly has made no allowance for doubtful accounts.

Property and Equipment

All acquisitions of property and equipment with a cost in excess of \$5,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the respective assets, ranging from three years for vehicles, furniture and equipment to three to six years for leasehold improvements. Depreciation and amortization expense for the current fiscal year was \$2,295.

Compensated Absences

Employees are entitled to personal time off (PTO), depending on job classification, length of service, and other factors. It is the Organization's policy to recognize the cost of compensated absence when leave is earned by employees. As of June 30, 2022, the balance in accrued PTO was \$40,311 and is included in the accrued expenses on the Statement of Financial Position.

In-Kind Contributions

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without restrictions at that time.

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Volunteers may contribute time to the Organization’s program services, administration, and fundraising activities; however the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed in generally accepted accounting principles.

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.

Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Time and effort
Payroll taxes and employee related expenses	Time and effort
Professional fees	Time and effort
Rent and utilities	Square footage

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). The Organization’s Form 990, *Return of Organization Exempt from Income Taxes*, is generally subject to examination by the Internal Revenue Service for three years after the date filed.

Management has evaluated the tax positions taken or expected to be taken, if any, on its exempt organization filings, and the likelihood that upon examination those positions would be sustained. Based on the results of this evaluation, management believes there are no uncertain tax positions.

New Accounting Pronouncement

During the fiscal year, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The update increases transparency of contributed nonfinancial assets through enhancements to presentation and disclosures. The adoption did not have a significant impact on the Organization’s financial statements.

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncements Issued Not Yet Effective

In February 2016, the FASB issued ASU Update 2016-02, *Leases (Topic 842)*. The ASU will require entities to recognize assets and liabilities for both capital and operating leases with lease terms of more than 12 months on the statement of financial position. This ASU is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the effect that this pronouncement will have on its financial statements and related disclosures.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The following represents the Organization’s financial assets at fiscal year end:

Financial assets at year end:	
Cash and cash equivalents	\$ 2,848,273
Government receivables, net	209,528
Contributions receivables, net	<u>150,000</u>
Total financial assets	<u>3,207,801</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(368,287)
Less: Net assets with purpose restrictions to be met in less than a year	<u>293,287</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,132,801</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – GOVERNMENT AND CONTRIBUTIONS RECEIVABLES

All government receivables are due within one year. As of June 30, 2022, the Organization has government receivables of \$209,528, including an allowance for uncollectibles of \$11,717.

Changes in government and contributions receivable for the fiscal year are as follows:

	<u>Government Receivables</u>	<u>Contributions Receivables</u>
Beginning of the year	\$ 205,353	\$
Revenue recognized during fiscal the year	2,382,942	860,221
Revenue collected during fiscal the year	<u>(2,378,767)</u>	<u>(710,221)</u>
End of year	<u>\$ 209,528</u>	<u>\$ 150,000</u>

Unconditional contributions receivable consist of the following:

Amounts due in:	
Less than one year	\$ 75,000
One to five years	<u>75,000</u>
Total	<u>\$ 150,000</u>

Management determined discounting the contributions receivable balance was unnecessary and would have had a negligible impact on the financial statements.

NOTE 4 – REFUNDABLE ADVANCE

Changes in government contract liabilities for the fiscal year are as follows:

Amounts due in:	
Revenues recognized that were included in contract liabilities at the beginning of the year	\$137,170
One to five years	<u>(137,170)</u>
Total	<u>\$</u>

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following.

Leasehold improvements	\$ 29,694
Furniture and equipment	<u>121,205</u>
Total property and equipment	150,899
Less: Accumulated depreciation and amortization	<u>(74,449)</u>
Net property and equipment	<u>\$ 76,450</u>

The Organization sold a large parcel of land during the fiscal year for approximately \$1.8 million. Proceeds from the land sale were used to extinguish debt. Funds remaining after extinguishment will be used to address inflationary cost increases and expand the behavioral health program.

NOTE 6 – NET ASSETS

Net assets without donor restrictions at year end of \$2,789,378 were all considered undesignated. Net assets with donor restrictions were as follows:

Specific Purpose	
Foster and adopt program	\$ 13,318
Marketing materials	168
Staff retention	518
Training	298
Behavioral health program	107,711
Equine program	96,274
Passage of time	
Contribution receivable due in 2023	75,000
Contribution receivable due in 2024	<u>75,000</u>
Total	<u>\$ 368,287</u>

Net assets released from donor restrictions are as follows:

Satisfaction of Purpose Restrictions	
Foster and adopt program	\$ 18,617
Marketing materials	171
Training	580
Behavioral health program	83,051
Equine program	66,226
Mentoring program	1,143
Passage of time	
Contribution receivable	<u>75,000</u>
Total	<u>\$ 244,788</u>

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – OPERATING LEASE COMMITMENT

The Organization leases office space under an operating lease agreement expiring July 31, 2022. Rent expense incurred during the current fiscal year is \$102,532. At June 30, 2022, the future minimum rental payment required under the operating lease, due in fiscal year 2023, is \$8,899.

NOTE 8 – CONTRIBUTED NONFINANCIAL ASSETS

The Organization received \$20,961 of supplies as contributions of nonfinancial assets during the fiscal year:

Contributed supplies received by the Organization are recorded as in-kind contribution revenue with a corresponding increase to inventory. The Organization utilized three different valuation methods during the year. These methods include (1) current price located on a publicly available website if the inventory item is a match for the website item when donated; (2) percentage of the price located on a publicly available website if the item donated has been used by the item located online is new; (3) the current average price located on a publicly available website for similar items if a group of items are donated and the items range in price depending on model, size, etc. Contributed supplies were utilized in the Organization's Foster Adopt program.

NOTE 9 – CONCENTRATIONS

The Organization receives a substantial portion of its total revenue, approximately 38 percent under contracts negotiated with the Arizona Department of Child Safety (DCS). At June 30, 2022, 55 percent of their government receivables were from DCS, and 38 percent were from Mercy Care. If the Organization is unable to renegotiate its contracts with DCS in the future, it would have an adverse effect on the operations of the Organization.

At June 30, 2022, the entire contributions receivable balance was attributable to one private foundation.

NOTE 10 – CONTINGENCIES

Compliance. The contract revenue received by the Organization is subject to compliance audits by the funding agencies or their representatives. Funding agencies may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of noncompliance by the Organization with the terms of its contracts.

HOPE COMMUNITY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – CONTINGENCIES

Contract compliance. Under a previous block grant delivery program for behavioral health services, the Organization was required to meet contract year end minimum encounter submission percentages or be subject to sanction by Mercy Care. The organization received communication from Mercy Care that they will not sanction the organization or recoup funding related to an under-encounter prior to January 1, 2020. Accordingly, as of June 30, 2022, the Organization has not recorded a liability associated with an encounter sanction or recoupment.

NOTE 11 – SUBSEQUENT EVENT

Subsequent events have been evaluated through October 12, 2022, which is the date the financial statements were available to be issued.

On July 8, 2022, the Organization signed a lease agreement for office space. The lease term is five years and three months and will be accounted for under the provisions of ASU Update 2016-02, *Leases (Topic 842)* in the subsequent fiscal year.