

FYIMS, INC. dba Friends for Life Animal Shelter and Sanctuary

Financial Statements for the Year Ended December 31, 2021
(with comparative totals for 2020)
Along with Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
FYIMS, Inc. dba Friends for Life Animal Shelter
and Sanctuary
Houston, Texas

Opinion

We have audited the accompanying financial statements of FYIMS, Inc. dba Friends for Life Animal Shelter and Sanctuary (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 FYIMS, Inc. dba Friends for Life Animal Shelter and Sanctuary as of December 31, 2021, and the changes in 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 FYIMS, Inc. dba Friends for Life Animal Shelter and Sanctuary 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 these 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 FYIMS, Inc. dba Friends for Life Animal Shelter and Sanctuary's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

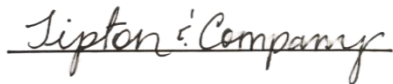
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 FYIMS, Inc. dba Friends for Life Animal Shelter and Sanctuary'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 FYIMS, Inc. dba Friends for Life Animal Shelter and Sanctuary'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.

Report on Summarized Comparative Information

We have previously audited FYIMS, Inc. dba Friends for Life Animal Shelter and Sanctuary's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Tipton & Company
Certified Public Accountants
Houston, Texas

September 13, 2022

FYIMS, INC. dba Friends for Life
Animal Shelter and Sanctuary
Statement of Financial Position

As of December 31, (with comparative totals for 2020)	2021	2020
Assets		
Cash and cash equivalents	\$ 880,176	\$ 743,442
Investments	2,486,471	2,483,254
Property and equipment, net	2,444,423	2,518,228
Other assets	2,840	2,003
Total Assets	\$ 5,813,910	\$ 5,746,927
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ -	\$ -
Total Liabilities	-	-
Net Assets		
Without donor restrictions	5,813,910	5,746,927
With donor restrictions	-	-
Total Net Assets	5,813,910	5,746,927
Total Liabilities and Net Assets	\$ 5,813,910	\$ 5,746,927

FYIMS, INC. dba Friends for Life
Animal Shelter and Sanctuary
Statement of Activities

Year ended December 31, <i>(with comparative totals for 2020)</i>	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenue and Support				
Donations	\$ 680,652	\$ -	\$ 680,652	\$ 794,789
Grants	237,465	-	237,465	340,418
Animal adoption fees	48,692	-	48,692	63,982
Special event revenue	190,240	-	190,240	118,282
Cost of direct benefit to donor	(29,833)	-	(29,833)	(493)
Fundraising events, net	69,006	-	69,006	73,350
Investment income, net	433,041	-	433,041	124,956
Other income	5,787	-	5,787	10,015
Total Revenue and Support	1,635,050	-	1,635,050	1,525,299
Expenses				
Program activities	1,073,442	-	1,073,442	1,040,466
Management and general	255,381	-	255,381	260,037
Fundraising	239,244	-	239,244	210,695
Total Expenses	1,568,067	-	1,568,067	1,511,198
Change in Net Assets	66,983	-	66,983	14,101
Net Assets, Beginning of Year	5,746,927	-	5,746,927	5,732,826
Net Assets, End of Year	\$ 5,813,910	\$ -	\$ 5,813,910	\$ 5,746,927

FYIMS, INC. dba Friends for Life
Animal Shelter and Sanctuary
Statement of Functional Expenses

Year ended December 31, (with comparative totals for 2020)	Program		Supporting Activities		2021 Total	2020 Total						
	Animal	Adoptions and Rehabilitation	Management and General	Fundraising			Total Supporting Services					
Salaries and Related Expenses												
Salaries and wages	\$	670,966	\$	161,701	\$	96,649	\$	258,350	\$	929,316	\$	914,481
Benefits		4,765		1,148		686		1,834		6,599		-
Taxes - payroll		55,247		13,314		7,958		21,272		76,519		74,798
Total Salaries and Related Expenses		730,978		176,163		105,293		281,456		1,012,434		989,279
Other Expenses												
Advertising		-		-		40,833		40,833		40,833		28,880
Bank charges		-		-		18,799		18,799		18,799		15,432
Consultant fees		-		-		-		-		-		26,376
Contract labor		-		16,459		17,433		33,892		33,892		35,652
Depreciation		51,664		16,975		5,166		22,141		73,805		74,800
Dues and subscriptions		2,015		580		458		1,038		3,053		2,335
Fees and licenses		1,472		-		4,415		4,415		5,887		1,521
Insurance		19,540		6,420		1,954		8,374		27,914		24,013
IT support		4,963		1,579		978		2,557		7,520		6,952
Microchip registrations		4,134		-		-		-		4,134		3,392
Miscellaneous		1,289		-		373		373		1,662		1,173
Postage, freight and delivery		-		155		1,399		1,554		1,554		1,867
Professional fees		2,267		13,483		30,340		43,823		46,090		30,895
Recognition and appreciation		2,335		634		367		1,001		3,336		4,231
Rent		2,421		484		323		807		3,228		3,113
Repairs and maintenance		24,716		4,227		2,818		7,045		31,761		11,675
Software		4,675		1,169		1,031		2,200		6,875		6,530
Supplies		27,826		5,753		3,183		8,936		36,762		34,316
Supplies - animal care		22,236		-		-		-		22,236		51,911
Telephone		7,126		1,425		950		2,375		9,501		8,613
Travel, lodging and meals		17,297		-		29,833		29,833		47,130		1,909
Utilities		30,095		9,875		3,131		13,006		43,101		42,743
Veterinary fees		116,393		-		-		-		116,393		104,083
Total Other Expenses		342,464		79,218		163,784		243,002		585,466		522,412
Subtotal		1,073,442		255,381		269,077		524,458		1,597,900		1,511,691
Less: Direct benefit to donor		-		-		(29,833)		(29,833)		(29,833)		(493)
Total Expenses	\$	1,073,442	\$	255,381	\$	239,244	\$	494,625	\$	1,568,067	\$	1,511,198

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

FYIMS, INC. dba Friends for Life
Animal Shelter and Sanctuary
Statement of Cash Flows

Year Ended December 31, (with comparative totals for 2020)	2021	2020
Cash Flows From Operating Activities		
Change in net assets	\$ 66,983	\$ 14,101
Adjustments to reconcile change in net assets to net change in operating activities:		
Depreciation	73,805	74,800
Net unrealized (gain)/loss on investments	(285,185)	(144,412)
Net realized (gain)/loss on investments	(110,558)	67,477
Changes in assets and liabilities:		
Other assets	(837)	1,297
Total Adjustments	(322,775)	(838)
Net Change in Operating Activities	(255,792)	13,263
Cash Flows From Investing Activities		
Additions of property and equipment	-	(16,374)
Sales of investments, net of purchases	429,824	227,257
Dividends and interest reinvested, net of fees	(37,298)	(48,022)
Net Change in Investing Activities	392,526	162,861
Net Change in Cash and Cash Equivalents	136,734	176,124
Cash and Cash Equivalents, Beginning of Year	743,442	567,318
Cash and Cash Equivalents, End of Year	\$ 880,176	\$ 743,442

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

FYIMS, INC. dba Friends for Life Animal Shelter and Sanctuary

Notes to Financial Statements

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

FYIMS, Inc. dba Friends For Life Animal Shelter and Sanctuary (the “Organization”), a Texas nonprofit organization, was founded in 1992, and was approved as a 501(c)(3) entity in 2002. The mission of the Organization is to provide a no kill option to the Houston community by rescuing, treating and rehoming animals within the no kill model of sheltering.

Significant operations of the organization include: Don Sanders Adoption Center (no kill, LEED-certified shelter), Fix Houston (providing free spay/neuter services to animals in low-income communities), and Thinking Outside the Shelter (food bank, behavioral services, micro grants for veterinary fees, and animal containment assistance).

The Organization is supported through contributions received from individuals, corporations and foundations, as well as fundraisers.

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 Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

- *Net assets without donor restrictions* are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Assets restricted solely through the actions of the Board of Directors are reported as net assets without donor restrictions, board-designated.
- *Net assets with donor restrictions* are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-restricted endowment earnings are released when those earnings are appropriated with spending policies and are used for the specified purpose.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly-liquid investments with maturity dates of less than three months.

Investments

The Organization records investments at fair value. Investment income consists of interest and dividends, realized and unrealized gains and losses, net of investment expenses.

FYIMS, INC. dba Friends for Life Animal Shelter and Sanctuary

Notes to Financial Statements

Property and Equipment

Property and equipment are stated at cost or fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	10-40 years
Furniture and fixtures	5 years
Vehicles	5-8 years
Construction in progress	Not applicable
Land	Not applicable

Additions and betterments of \$1,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount for the asset is not recoverable, the value is written down to the asset's fair value.

Donated Property and Equipment

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 restricted contributions. 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 donor restrictions at that time.

Contributed Services

The Organization receives a substantial amount of services donated by volunteers in carrying out the Organization's programs. Contributions of services are recognized as support at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. No amounts have been reflected in the financial statements for donated services, as they do not meet the criteria for recognition.

Grants and Contributions

Grants and contributions are recognized at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met.

Estimates

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. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

FYIMS, INC. dba Friends for Life Animal Shelter and Sanctuary

Notes to Financial Statements

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("Code") and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization did not conduct any unrelated business activities in the current fiscal year. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements.

The Organization applies the provisions of FASB ASC Topic 740, Income Taxes, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2021 and 2020 were \$40,833 and \$28,880, respectively.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021, comprise the following.

Financial assets:	
Cash and cash equivalents	\$ 880,176
Investments	2,486,471
Financial assets available to meet cash needs for general expenditures within one year	\$3,366,647

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

FYIMS, INC. dba Friends for Life Animal Shelter and Sanctuary

Notes to Financial Statements

The Organization is primarily funded by contributions from donors and a small number of these (none in 2021) are restricted. Those restrictions require that the donation be used for certain programs. A separate budget is kept for those programs so that the funds and their use can be tracked. As part of its liquidity management, the Organization maintains balances in a general checking account sufficient to cover monthly expenditures and any other obligations that become due. All other cash balances are invested in short-term investments. In the event of an unanticipated expense, the Organization can request that a certain amount of invested funds be transferred to the checking account.

NOTE 3 – FEDERAL COVID RELIEF

In 2021, the Organization received financial relief of \$191,525 under the Small Business Administration (SBA)'s Paycheck Protection Program (PPP) as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The funds were expended according to time and purpose restrictions defined by the SBA and forgiveness was granted in 2021. Therefore, the proceeds have been recognized as revenue during the year ended December 31, 2021.

In May 2020, the Organization received \$192,900 under the first round of the PPP. In addition, the Organization received \$10,000 under the SBA's Economic Injury Disaster Loan (EIDL) program. The funds were expending according to the time and purpose restrictions defined by the SBA and forgiveness was granted in 2020. Therefore, the proceeds were recognized as revenue during the year ended December 31, 2020.

NOTE 4 – CONCENTRATION OF CREDIT RISKS

Financial instruments that potentially subject the Organization to credit risk consist primarily of cash and investments. All of a depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount (\$250,000), for each deposit insurance ownership category. The Organization maintains its cash balances in two financial institutions. At December 31, 2021 and 2020 the excess above the insured limit was approximately \$9,000 and \$8,000, respectively. The Organization has not experienced any losses in such accounts and believes the risk of future loss is mitigated by monitoring the balances and the financial institutions where the cash is deposited.

Additionally, cash and securities held by a customer at a Security Investor Protection Corporation (SIPC) member brokerage firm are protected up to \$500,000, which includes a limit of \$250,000 for cash. At December 31, 2021 and 2020, the excess above the insured limit was \$2,757,969 and \$2,599,828, respectively.

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

- (i) Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

FYIMS, INC. dba Friends for Life Animal Shelter and Sanctuary

Notes to Financial Statements

(ii) 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 by other means.

(iii) Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset 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.

Assets measured at fair value as of December 31, 2021 are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	\$2,116,146	-	-	\$2,116,146
Exchange-traded funds	8,866	-	-	8,866
Fixed income:				
Certificates of deposit	-	361,459	-	361,459
Totals	\$2,125,012	\$361,459	-	\$2,486,471

Assets measured at fair value as of December 31, 2020 are as follows:

	Level 1	Level 2	Level 3	Total
Equity securities	\$1,870,697	-	-	\$1,870,697
Exchange-traded funds	7,115	-	-	7,115
Fixed income:				
Certificates of deposit	-	605,442	-	605,442
Totals	\$1,877,812	\$605,442	-	\$2,483,254

Valuation methods used for assets measured at fair value are as follows:

- *Equity securities and Exchange-traded funds* are valued at the closing price reported on the active market on which the individual securities are traded.
- *Fixed income securities* are valued using prices obtained from independent quotation bureaus that use computerized valuation formulas to calculate fair values.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

FYIMS, INC. dba Friends for Life Animal Shelter and Sanctuary

Notes to Financial Statements

NOTE 6 – PROPERTY AND EQUIPMENT

As of December 31, 2021 and 2020, property and equipment consisted of the following:

	2021	2020
Land	\$272,378	\$272,378
Buildings and improvements	2,790,610	2,790,610
Furniture and fixtures	51,300	51,300
Vehicles	177,333	177,333
Construction in progress	43,329	43,329
Subtotal property and equipment	3,334,950	3,334,950
Less: accumulated depreciation	(890,527)	(816,722)
Total property and equipment, net	<u>\$2,444,423</u>	<u>\$2,518,228</u>

Depreciation expense charged to operations for the years ended December 31, 2021 and 2020 was \$73,805 and \$74,800, respectively.

NOTE 7 – OPERATING LEASES

The Organization leases a storage unit and certain office equipment. Lease expense for the years ended December 31, 2021 and 2020 was \$3,228 and \$3,113, respectively. Terms of the leases are for periods ranging from 12 to 48 months.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2021, are:

2022	\$1,680
2023	-
Thereafter	-
Total	<u>\$1,680</u>

NOTE 8 – CONCENTRATIONS

For the year ended December 31, 2021, approximately sixteen percent (16%) of the Organization's operating revenues came from government funding under the Payroll Protection Program and approximately thirteen percent (13%) of the Organization's operating revenues came from an annual fundraising event.

For the year ended December 31, 2020, approximately fourteen percent (14%) of the Organization's operating revenues came from government funding under the Payroll Protection Program.

Additionally, the Organization conducts its operations solely in the Houston area, and, therefore, is subject to risks from changes in local economic conditions. A downturn in the local economy could cause a decrease in contributions concurrently with an increase in community need for the Organization's services.

FYIMS, INC. dba Friends for Life Animal Shelter and Sanctuary

Notes to Financial Statements

NOTE 9 – NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued new lease accounting requirements in ASU 2016-02, *Leases*. In June 2020, the FASB issued an amendment to the pronouncement extending the effective date from reporting periods beginning after December 15, 2019 to reporting periods beginning after December 15, 2021 due to the adverse effects of the COVID19 pandemic. A lessee will be required to recognize on the balance sheet the assets and liabilities for leases with lease terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

NOTE 10 –SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 13, 2022, the date the financial statements were available to be issued. Management has not identified any subsequent events that would require an adjustment to the financial statements or disclosures as required by GAAP.