

Accelerated Cure Project, Inc.

*Financial Statements as of and for the Years
Ended December 31, 2021 and 2020 and
Independent Auditors' Report*

ACCELERATED CURE PROJECT, INC.

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020:	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 13



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Accelerated Cure Project, Inc.

Opinion

We have audited the accompanying financial statements of Accelerated Cure Project, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Accelerated Cure Project, Inc. as of December 31, 2021 and 2020, 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 Accelerated Cure Project, 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 Accelerated Cure Project, Inc.'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 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Accelerated Cure Project, 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 Accelerated Cure Project, 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.

Stowe & Degon LLC

September 8, 2022

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND 2020

ASSETS	2021	2020
CURRENT ASSETS:		
Cash, cash equivalents and restricted cash	\$ 1,769,378	\$ 1,334,018
Accounts receivable	446,724	454,691
Pledges receivable, current (Note 4)	50,000	100,000
Prepaid expenses	<u>7,322</u>	<u>11,496</u>
Total current assets	2,273,424	1,900,205
PROPERTY AND EQUIPMENT, net	39,783	7,107
PLEDGES RECEIVABLE, net (Note 4)	87,503	89,845
OTHER ASSETS	<u>2,507</u>	<u>2,507</u>
TOTAL ASSETS	<u>\$ 2,403,217</u>	<u>\$ 1,999,664</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 128,984	\$ 92,197
Accrued expenses and other current liabilities	<u>342,052</u>	<u>32,031</u>
Total current liabilities	471,036	124,228
PAYCHECK PROTECTION PROGRAM (PPP) LOAN	<u>-</u>	<u>91,733</u>
TOTAL LIABILITIES	<u>471,036</u>	<u>215,961</u>
NET ASSETS:		
Without donor restrictions	1,080,630	440,488
With donor restrictions	<u>851,551</u>	<u>1,343,215</u>
Total net assets	<u>1,932,181</u>	<u>1,783,703</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,403,217</u>	<u>\$ 1,999,664</u>

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES:			
REVENUES AND OTHER SUPPORT:			
Grants and contributions revenue	\$ 419,686	\$ 812,449	\$ 1,232,135
Program fees	496,973	-	496,973
In-kind revenue	77,895	-	77,895
Special events revenue	9,309	-	9,309
Net assets released from restrictions	1,304,113	(1,304,113)	-
Total revenues and other support	<u>2,307,976</u>	<u>(491,664)</u>	<u>1,816,312</u>
EXPENSES:			
Program services	1,479,958	-	1,479,958
Support services	280,315	-	280,315
Total expenses	<u>1,760,273</u>	<u>-</u>	<u>1,760,273</u>
Change in net assets from operating activities	<u>547,703</u>	<u>(491,664)</u>	<u>56,039</u>
NONOPERATING ACTIVITIES:			
Dividend and interest income	609	-	609
Realized gain on investment	97	-	97
Government grant - forgiveness of PPP loan (Note 5)	91,733	-	91,733
Total nonoperating activities	<u>92,439</u>	<u>-</u>	<u>92,439</u>
Change in net assets	<u>640,142</u>	<u>(491,664)</u>	<u>148,478</u>
NET ASSETS - BEGINNING OF YEAR	<u>440,488</u>	<u>1,343,215</u>	<u>1,783,703</u>
NET ASSETS - END OF YEAR	<u>\$ 1,080,630</u>	<u>\$ 851,551</u>	<u>\$ 1,932,181</u>

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES:			
REVENUES AND OTHER SUPPORT:			
Grants and contributions revenue	\$ 342,239	\$ 1,218,118	\$ 1,560,357
Program fees	232,532	-	232,532
In-kind revenue	1,850	-	1,850
Special events revenue	16,338	-	16,338
Net assets released from restrictions	724,923	(724,923)	-
Total revenues and other support	<u>1,317,882</u>	<u>493,195</u>	<u>1,811,077</u>
EXPENSES:			
Program services	1,006,491	-	1,006,491
Support services	286,090	-	286,090
Total expenses	<u>1,292,581</u>	<u>-</u>	<u>1,292,581</u>
Change in net assets from operating activities	<u>25,301</u>	<u>493,195</u>	<u>518,496</u>
NONOPERATING ACTIVITIES:			
Dividend income	128	-	128
Net unrealized and realized gain on investment	1,874	-	1,874
Total nonoperating activities	<u>2,002</u>	<u>-</u>	<u>2,002</u>
Change in net assets	27,303	493,195	520,498
NET ASSETS - BEGINNING OF YEAR	<u>413,185</u>	<u>850,020</u>	<u>1,263,205</u>
NET ASSETS - END OF YEAR	<u>\$ 440,488</u>	<u>\$ 1,343,215</u>	<u>\$ 1,783,703</u>

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Program Services			Support Services			Total
	Repository	Scientific Collaboration	Education and Community Building	General and Administrative	Fundraising	Support Services	
For the Year Ended December 31, 2021:							
Payroll and related costs	\$ 35,554	\$ 458,673	\$ 79	\$ 10,583	\$ 156,924	\$ 167,507	\$ 661,813
Research and data collection	170,014	-	-	-	-	-	170,014
Professional fees	2,443	45,569	-	59,910	-	59,910	107,922
Facilities	2,854	40,565	-	4,366	12,962	17,328	60,747
Other program expenses	-	59,450	10,207	7,074	13,284	20,358	90,015
Scientific program consulting	73,043	498,821	-	-	-	-	571,864
Travel	-	557	-	-	-	-	557
Office	218	4,016	-	8,286	4,090	12,376	16,610
In-kind expense	1,914	75,981	-	-	-	-	77,895
Depreciation	-	-	-	2,836	-	2,836	2,836
Total expenses	\$ 286,040	\$ 1,183,632	\$ 10,286	\$ 93,055	\$ 187,260	\$ 280,315	\$ 1,760,273

	Program Services			Support Services			Total
	Repository	Scientific Collaboration	Education and Community Building	General and Administrative	Fundraising	Support Services	
For the Year Ended December 31, 2020:							
Payroll and related costs	\$ 35,712	\$ 444,097	\$ -	\$ 9,443	\$ 157,578	\$ 167,021	\$ 646,830
Research and data collection	93,232	-	-	-	-	-	93,232
Professional fees	-	36,625	-	60,404	-	60,404	97,029
Facilities	2,828	38,834	-	4,107	12,843	16,950	58,612
Other program expenses	-	42,512	5,690	4,771	18,524	23,295	71,497
Scientific program consulting	39,025	251,311	-	-	-	-	290,336
Travel	-	13,210	-	100	-	100	13,310
Office	267	3,148	-	8,366	4,015	12,381	15,796
In-kind expense	-	-	-	-	1,850	1,850	1,850
Interest expense	-	-	-	584	-	584	584
Depreciation	-	-	-	3,505	-	3,505	3,505
Total expenses	\$ 171,064	\$ 829,737	\$ 5,690	\$ 91,280	\$ 194,810	\$ 286,090	\$ 1,292,581

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 148,478	\$ 520,498
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,836	3,505
Net unrealized and realized gain on investments	(97)	(1,874)
Stock donation	(10,082)	(4,636)
Government grant - forgiveness of PPP loan (Note 5)	(91,733)	-
Changes in operating assets and liabilities:		
Accounts receivable	7,967	(21,281)
Pledges receivable	52,342	85,162
Prepaid expenses	4,174	509
Other assets	-	-
Accounts payable	36,787	(171,667)
Accrued expenses and other current liabilities	310,021	3,429
Net cash provided by operating activities	<u>460,693</u>	<u>413,645</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(35,512)	-
Investment sales	10,179	6,510
Net cash (used in) provided by investing activities	<u>(25,333)</u>	<u>6,510</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the Paycheck Protection Program (PPP)	-	91,733
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	435,360	511,888
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>1,334,018</u>	<u>822,130</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u>\$ 1,769,378</u>	<u>\$ 1,334,018</u>

See notes to financial statements.

ACCELERATED CURE PROJECT, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

1. ORGANIZATION

Accelerated Cure Project, Inc. (the “Organization”), which also conducts business under the name Accelerated Cure Project for Multiple Sclerosis, is located in Waltham, Massachusetts. The Organization, founded in March 2001, is a patient-founded not-for-profit organization dedicated to accelerating research efforts to improve diagnoses, optimize treatment outcomes, and develop cures for multiple sclerosis (“MS”). The Organization promotes scientific collaboration and accelerates research by rapidly and cost-effectively providing researchers with the resources they need to explore novel research ideas that can lead to better health, healthcare, and quality of life for people affected by MS.

The Organization’s major programs consist of the following:

Repository program – a program that provides researchers with materials and data they need to explore novel research ideas based on a collection of biological specimens and data from people with and without MS.

Scientific collaboration – a program that stimulates and enables research and networking amongst MS stakeholders, especially through the input and data contributed by participants in the Organization’s IConquerMS™ People-Powered Research Network (“IConquerMS PPRN”), to accelerate research on what matters most to people affected by MS.

Education and community building – a program to enhance MS stakeholders’ knowledge about the repository program, the IConquerMS PPRN, and other MS-related topics.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds 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 stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Measure of operations – The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization’s ongoing activities working towards a cure for multiple sclerosis. Nonoperating activities are limited to resources that generate returns from investments and other activities considered to be of a more unusual or nonrecurring nature.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, cash equivalents and restricted cash – For purposes of the statement of cash flows, the Organization considers all highly liquid deposits to be cash and cash equivalents. The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced, nor does it anticipate, any losses in such accounts. Total restricted cash consists of the following as of December 31, 2021 and 2020, respectively, and is included with donor restricted net assets at December 31, 2021 and 2020.

	2021	2020
MS patient powered research network	\$ 132,326	\$ 589,896
Diversity, equity and inclusion	112,484	204,570
Repository/iConquerMS	115,000	115,000
Communications	20,833	-
CP Protocol	40,740	-
COVER-MS	13,043	-
MS discovery forum	-	1,068
	<u>\$ 434,426</u>	<u>\$ 910,534</u>

Accounts receivable – Accounts receivable includes grants, contributions and program fees receivables. A provision for doubtful accounts has not been established as management considers all amounts to be collectible.

Pledges receivable – Unconditional promises to give that are expected to be collected or paid within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected or paid in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included in revenues and other support until the conditions are met. Management believes all pledges receivable will be collected; therefore, no allowance for bad debt is recorded. Pledges receivable are written-off as bad debt after significant measures have failed to result in collection of such pledges.

Property and equipment, net – Property and equipment are recorded at cost. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments greater than \$1,500 with a useful life over one year are capitalized as additions to property and equipment. Depreciation is provided over the estimated useful lives of the assets, which range from 3-7 years, using the straight-line method.

Other assets – Other assets consist of security deposits paid for the Organization’s office lease space.

Revenue recognition – The Organization recognizes program fees at the time the service is provided to the client and billed. The majority of the Organization’s revenue arrangements consist of a single performance obligation to transfer promised services. Program fees are recorded net of allowances and adjustments. Grants and contributions are recognized when cash, securities or other assets, or an unconditional promise to give 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 substantially met. Contributions of assets other than cash are recorded at their fair value at the date of the gift.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-kind contributions – The Organization received \$77,895 and \$1,850 in 2021 and 2020, respectively, in donated goods and services. These contributions are based upon information provided by the donors, are recorded at their estimated fair value determined on the date of contribution and are reported as in-kind contributions and expenses in the accompanying statements of activities and statements of functional expenses.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income tax status – The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purposes, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Functional expenses – The cost of providing the various programs and other activities has been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among program and supporting services. Such allocations are determined by management on the basis of estimates of time and effort.

Recent accounting pronouncement – Effective for its annual financial statements for 2022 and thereafter, the Organization expects to adopt a new accounting standard issued by the Financial Accounting Standards Board that will require significant changes in accounting for operating leases under which the Organization is lessee. Upon adoption, among other effects, the Organization will be required to record assets and liabilities for all operating lease obligations with terms of 12 months or greater. These changes will entail certain retrospective adjustments. The quantitative effects on the Organization's future financial statements of these changes and related retrospective adjustments have not yet been determined.

Subsequent events – Management has evaluated subsequent events through September 8, 2022, the date the financial statements were available to be issued.

3. PLEDGES RECEIVABLE

The Organization anticipates collection of outstanding pledges receivable as follows at December 31:

	2021	2020
Pledges receivable before unamortized discount	\$ 150,000	\$ 200,000
Less: unamortized discount	<u>12,497</u>	<u>10,155</u>
Net pledges receivable	<u>\$ 137,503</u>	<u>\$ 189,845</u>
Amounts due in:		
Less than one year	\$ 50,000	\$ 100,000
One to two years	<u>100,000</u>	<u>100,000</u>
	<u>\$ 150,000</u>	<u>\$ 200,000</u>

Amounts presented above have been discounted to present value using a discount rate of 5.5% in 2021 and 2020. The discount will be recognized as contribution income in years 2022-2024 as the pledges are received and using the same effective discount rate for each year.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2021	2020
Website development	\$ 139,946	\$ 105,733
Computer equipment	48,251	46,952
Other equipment	<u>37,222</u>	<u>37,222</u>
	225,419	189,907
Less: accumulated depreciation	<u>185,636</u>	<u>182,800</u>
Property and equipment, net	<u>\$ 39,783</u>	<u>\$ 7,107</u>

5. PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On April 12, 2020, the Organization entered into a 2-year Paycheck Protection Program (PPP) loan in the amount of \$91,733 with a financial institution. The note bears interest at 1% and matures on April 12, 2022. For the first six months, interest and principal payments are deferred. On November 12, 2020, the outstanding principal balance will be amortized for the remaining 18 months and the first monthly payment will be due. No repayments were made on this note during 2020. The note is secured by the Small Business Administration (SBA) under The Coronavirus Aid, Relief, and Economic Security (CARES) Act. The note is subject to the loan forgiveness provisions of the CARES Act and SBA interim final rule dated April 2, 2020. The Organization was granted full forgiveness of the PPP loan on July 16, 2021.

A total of \$584 of interest was accrued on this note and reported with accrued expenses and other current liabilities on the statement of financial position as of December 31, 2020. The forgiveness of the principal and interest is reported as non-operating revenue in the statement of activities for the year ended December 31, 2021. The principal is reported as government grant – forgiveness of PPP loan and the interest is included with dividend and interest income.

6. NET ASSETS

Net assets with donor restrictions – restricted for purpose or time – are as follows at December 31:

	2021	2020
MS discovery forum	\$ -	\$ 1,068
MS patient powered research network	337,173	672,696
Pledges receivable - time restriction	137,503	189,845
Diversity, equity and inclusion	112,484	364,606
Repository/iConquerMS	139,614	115,000
Communications	20,834	-
CP Protocol	90,900	-
COVER-MS	<u>13,043</u>	<u>-</u>
	<u>\$ 851,551</u>	<u>\$ 1,343,215</u>

6. NET ASSETS (CONTINUED)

Net assets released from net assets with donor restrictions are as follows for the year ended December 31:

	2021	2020
MS discovery forum	\$ 1,068	\$ 3,750
MS patient powered research network	878,243	571,454
Long-term pledges receivable - passage of time	50,000	100,000
Diversity, equity and inclusion	273,122	49,719
Repository/iConquerMS	2,238	-
Communications	4,167	-
COVER-MS	95,275	-
	<u>\$ 1,304,113</u>	<u>\$ 724,923</u>

7. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2021:

Financial assets at year-end:

Cash, cash equivalents and restricted cash	\$ 1,769,378
Accounts receivable	446,724
Pledges receivable, current	<u>50,000</u>
Total financial assets	2,266,102
Less net assets with purpose restrictions to be met in less than one year	<u>(764,048)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,502,054</u>

As part of its liquidity management plan, the Organization manages its operations within a balanced budget and invests excess cash in a money market account. The Organization relies on annual fund donations, unrestricted grants, fundraising event revenue, and earned service revenue to cover the costs of operations. The Organization has a goal to maintain financial assets to meet 90 days of normal operating expenses (approximately \$420,000).

8. CONCENTRATIONS

Four donors accounted for approximately 71% of accounts receivable at December 31, 2021 and four donors accounted for approximately 74% of accounts receivable at December 31, 2020. Two donors accounted for approximately 50% of grants and contributions revenue for the year ended December 31, 2021 and two donors accounted for approximately 34% of grants and contributions revenue for the year ended December 31, 2020.

9. COMMITMENTS AND CONTINGENCIES

Operating leases – The Organization leases office space under a lease agreement that expires in March 2023 and storage space under a month-to-month agreement. The office space lease was amended in December 2020 to extend the term to March 31, 2023. Lease expense associated with the office and storage space for the years ended December 31, 2021 and 2020 was \$41,080 and \$40,061, respectively. A security deposit for the office space of \$2,500 is included in the accompanying statements of financial position in other assets for 2021 and 2020, respectively.

The Organization has entered into additional lease agreements for various equipment expiring in September 2024. Equipment lease expense for the years ended December 31, 2021 and 2020 was \$3,365 and \$3,273, respectively.

The future minimum payments arising from the above operating leases are as follows:

2022	\$	35,916
2023		10,410
2024		<u>1,272</u>
Total	\$	<u>47,598</u>

Contingencies – The Organization may become involved in litigation or other claims in the ordinary course of business. Management is not aware of any claims that will have a material adverse effect on the financial statements.

* * * * *