

SQUASH HAVEN, INC.

FINANCIAL STATEMENTS

Years Ended June 30, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Squash Haven, Inc.
New Haven, Connecticut

Opinion

We have audited the accompanying financial statements of Squash Haven, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Squash Haven, Inc. as of June 30, 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. 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 Squash Haven, 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 Squash Haven 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Squash Haven 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 Squash Haven 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.

Bailey Scarano, LLC
Bailey Scarano, LLC

Branford, Connecticut
November 7, 2023

SQUASH HAVEN, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 620,259	\$ 572,524
Pledges receivable	4,608	29,840
Prepaid expenses	1,756	7,964
Grant receivable	-	75,000
Total	626,623	685,328
FIXED ASSETS, NET	50,951	66,282
OTHER ASSET		
Investments - endowment funds	4,262,123	3,749,049
Total	\$ 4,939,697	\$ 4,500,659
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 8,466	\$ 3,212
Accrued expenses	37,184	40,042
Deferred revenue	35,250	13,500
Total	80,900	56,754
NET ASSETS		
Without donor restrictions		
Undesignated	596,674	694,856
Board designated	4,262,123	3,749,049
Total	4,858,797	4,443,905
Total	\$ 4,939,697	\$ 4,500,659

See accompanying notes and independent auditors' report.

SQUASH HAVEN, INC.
 STATEMENTS OF ACTIVITIES
 Years ended June 30, 2023 and 2022

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenue and other support		
Individual and board contributions	\$ 680,488	\$ 978,505
Fundraising events	363,958	345,981
Grants	257,745	260,000
Investment income, net	70,934	6,143
Contributed goods and services	22,056	30,056
Matching gifts	11,123	5,019
PPP loan forgiveness	-	89,092
Employee retention credit	-	31,324
Gain on sale of vehicle	-	6,000
Total	1,406,304	1,752,120
Expenses		
Program services	887,845	786,800
Fundraising	56,541	66,713
Management and general	47,026	49,864
Total	991,412	903,377
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	414,892	848,743
NET ASSETS - BEGINNING OF YEAR	4,443,905	3,595,162
NET ASSETS - END OF YEAR	\$ 4,858,797	\$ 4,443,905

See accompanying notes and independent auditors' report.

SQUASH HAVEN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended June 30, 2023 and 2021

	Program Services	Management and General	Fundraising	Total	2022
Payroll	\$ 556,805	\$ -	\$ -	\$ 556,805	\$ 472,228
Travel	59,811	1,416	-	61,227	88,546
Employee benefits	57,152	-	-	57,152	52,266
Payroll taxes and burden	45,036	-	-	45,036	40,877
Consulting	-	-	31,563	31,563	53,000
Rent	18,756	9,600	-	28,356	20,856
Event expenses	-	-	24,978	24,978	13,713
Insurance	21,795	-	-	21,795	20,973
Miscellaneous	19,315	2,266	-	21,581	16,121
Equipment	18,548	-	-	18,548	16,074
Meals and entertainment	15,916	-	-	15,916	10,571
Professional fees	-	15,854	-	15,854	16,800
Depreciation	15,331	-	-	15,331	12,681
Financial aid at schools	13,132	-	-	13,132	8,093
Functions and outings	11,420	-	-	11,420	14,525
Tournament entry fees	11,175	-	-	11,175	3,911
Retirement plan	10,663	-	-	10,663	13,311
Telephone	6,349	3,788	-	10,137	6,475
Supplies	6,216	-	-	6,216	6,987
Office	-	5,076	-	5,076	7,095
Printing	138	4,872	-	5,010	3,293
Utilities	-	1,200	-	1,200	1,200
Payroll services	-	1,133	-	1,133	817
Website design and maintenance	-	1,031	-	1,031	1,703
Dues and subscriptions	-	790	-	790	1,261
Professional development	156	-	-	156	-
Repairs and maintenance	131	-	-	131	-
Total expenses, year ended June 30, 2023	\$ 887,845	\$ 47,026	\$ 56,541	\$ 991,412	
Total expenses, year ended June 30, 2022	\$ 786,800	\$ 49,864	\$ 66,713		\$ 903,377

See accompanying notes and independent auditors' report.

SQUASH HAVEN, INC.
STATEMENTS OF CASH FLOWS
Years ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 414,892	\$ 848,743
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	15,331	12,681
Unrealized losses on investments	93,712	113,703
Unexpended endowment income	(164,525)	(119,841)
PPP loan forgiveness	-	(89,092)
Gain on sale of vehicle	-	(6,000)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Pledges receivable	25,232	(28,640)
Prepaid expenses	6,208	(4,803)
Grant receivable	75,000	(75,000)
Increase (decrease) in:		
Accounts payable	5,254	(2,245)
Accrued expenses	(2,858)	(4,607)
Deferred revenue	21,750	(11,500)
Total adjustments	75,104	(215,344)
NET CASH PROVIDED BY OPERATING ACTIVITIES	489,996	633,399
CASH FLOWS FROM INVESTING ACTIVITIES		
Net transfers to investments - endowment funds	(442,261)	(890,912)
Purchase of equipment	-	(33,743)
NET CASH USED IN INVESTING ACTIVITIES	(442,261)	(924,655)
NET INCREASE (DECREASE) IN CASH	47,735	(291,256)
CASH - BEGINNING OF YEAR	572,524	863,780
CASH - END OF YEAR	\$ 620,259	\$ 572,524

See accompanying notes and independent auditors' report.

SQUASH HAVEN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Squash Haven, Inc. (the Organization) is an after-school enrichment organization for New Haven youth formed in the spring of 2006. The “Organization” was formed to promote academic, athletic, and personal growth through a program of squash instruction, individual academic support, health and fitness instruction, and community service. Squash Haven empowers New Haven youth to strive for and maintain school success and physical wellness, and to forge a path through higher education to engaged citizenship.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America. 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. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated fund.

Net assets with donor restrictions 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 other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

SQUASH HAVEN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

The Organization obtains revenues through donations received from the Board members, individuals, grants, and fundraising events. Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions with donor restrictions whose restrictions are met in the same reporting period are recorded as contributions without donor restrictions. Sources of income vary from year to year and income in general is classified in sources by management in accordance with GAAP.

Contributed – Goods and Services

The Organization received contributions of supplies and facilities provided by individuals and businesses in the community (See Note #6). The Organization also received donations of equipment. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Organization recognized \$22,056 and \$30,056 of contributed goods and services for the years ended June 30, 2023 and 2022 respectively, as the fair value of the contributions in the accompanying statements of activities. The amounts reflected in the financial statements as contributions in-kind are offset by like amounts in the statement of functional expenses.

Contributed goods and services consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Lease	\$ 22,056	\$ 22,056
Other	-	8,000
Total	<u>\$ 22,056</u>	<u>\$ 30,056</u>

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. No allowance for uncollectible promises to give was deemed necessary at June 30, 2023 and 2022.

Cash Flows

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

SQUASH HAVEN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments – Endowment Funds

During the year ended June 30, 2015, the Organization created a board designated endowment fund. The fund is designed to reduce pressure on annual fund-raising. Since the fund resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions. The board has approved the funds be maintained by Yale University. The board plans to use the funds to support growth of its program consistent with its mission and annual operating expenses if deemed necessary. The board approved of transferring excess funds greater than the projected six months of cash expenses to the endowment fund. During the year ended June 30, 2016, the funds were invested into Yale University's pooled endowment funds and subject to Yale Investment Office's investment policies. The funds invested are valued using unit values based on Yale University's total endowment fund. During the year ended June 30, 2023 the board appropriated \$452,000 of prior year's earnings into the endowment fund. During the year ended June 30, 2022, the board appropriated \$900,000 of prior year's earnings into the endowment fund.

During the year ended June 30, 2018, the Organization created another board designated endowment fund. The fund is designed to support college students' needs that fall outside of the traditional programming budget. Since the fund resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. The board has approved the funds be maintained by Yale University. The board approved the right to transfer excess funds annually to support relevant higher education needs.

The following reconciliation shows the activity and balance of the endowment funds, all of which is included in unrestricted net assets as of June 30:

	<u>2023</u>	<u>2022</u>
Beginning balance	\$ 3,749,049	\$ 2,851,999
Prior earnings appropriated by board	452,000	900,000
Transfers to operating account	(9,739)	(9,088)
Unexpected endowment income	164,525	119,841
Unrealized losses	<u>(93,712)</u>	<u>(113,703)</u>
Ending balance	<u>\$ 4,262,123</u>	<u>\$ 3,749,049</u>

Fixed Assets

Fixed assets are stated at cost. Depreciation and amortization are computed using the straight-line or accelerated methods to absorb the cost of the assets over their estimated useful lives as follows:

Vehicle	5 years
Furniture	10 years
Equipment	5 years

The Organization has adopted a capitalization policy where items above \$2,500 are capitalized and depreciated. Maintenance and repairs are charged to expense as incurred.

SQUASH HAVEN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE #1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Squash Haven, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization has not engaged in any such unrelated business activities and 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.

The Organization's federal Return of Organization Exempt From Income Tax (Forms 990) are no longer subject to examination by the IRS, for the years before June 30, 2020.

Statement of Functional Expenses

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 Organization's functional expenses are being presented with summarized totals for the year ended June 30, 2022 .

Date of Management Evaluation

Management has evaluated subsequent events through November 7, 2023, the date on which the financial statements were available to be issued.

Revenue Recognition

The organization has analyzed the provisions of the FASB ASC Topic 606 *Revenue from Contracts with Customers*, and have concluded that no change is necessary to conform with the new standard. All grants and contributions contain a single delivery element and the revenue is recognized at the single point in time the funds are received.

Risks and Uncertainties

On January 30, 2020 the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020 declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, the Organization expects the possibility of declining revenues and significant changes in the fair value of assets or liabilities, which may have a material adverse impact on the financial position and operations of the Organization.

SQUASH HAVEN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE#2 – PLEDGES RECEIVABLE

Pledges receivable consists of unconditional promises to give to the organization totaling \$4,608 and \$29,840, for the years ended June 30, 2023 and 2022, respectively. All pledges were received in full subsequent to year end.

NOTE #3 – GRANT RECEIVABLE

Grant receivable represents a grant from Yale University in the amount of \$75,000. The Grant was received in full in July 2022.

NOTE#4 – FIXED ASSETS

Fixed assets consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Vehicle	\$ 39,743	\$ 39,743
Furniture	34,867	34,867
Equipment	<u>22,669</u>	<u>22,669</u>
Total	97,279	97,279
Less: Accumulated depreciation	<u>46,328</u>	<u>30,997</u>
Fixed assets, net	<u>\$ 50,951</u>	<u>\$ 66,282</u>

Depreciation expense for the years ended June 30, 2023 and 2022 was \$15,331 and \$12,681, respectively.

NOTE #5 - RETIREMENT PLAN

On July 9, 2018, the Organization adopted a Simple IRA plan that covers all employees working for the Organization regardless of age or hours of service. The Organization has elected to make matching contributions up to 3% of participant compensation, to the plan. The expense related to these matching contributions was \$10,663 and \$13,311 for the years ended June 30, 2023 and 2022, respectively.

NOTE #6 - RELATED PARTY TRANSACTION

Contributions - Related Party

Board contributions for the years ending June 30, 2023 and 2022 were \$182,022 and \$221,155, respectively.

NOTE #7 – LEASES

On November 1, 2017, Yale University granted the Organization a non-exclusive license to use office and classroom space on 78 Ashmun Street, in New Haven. The lease for the office space renews annually, and either party may terminate this agreement upon thirty days written notice to the other party. The total value of the aforementioned donated spaces and related utilities which was recognized as revenue and expense for the year ended June 30, 2022 was \$22,056, and is included in contributed good and services on the Statements of Activities.

SQUASH HAVEN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE #7 – LEASES (CONTINUED)

On May 9, 2022, the Organization signed a lease with Yale University for court space at the Brady Squash Center. The courts will be used for Squash Haven summer programming. The lease commenced on July 5, 2022 and expired on August 5, 2022. Rent expense for the aforementioned lease is \$2,500 for the year ended June 30, 2023.

On August 6, 2022, the Organization signed a lease with Yale University for court space at the Brady Squash Center. The courts will be used for the Squash Haven 2022-2023 academic year. The lease commenced on September 12, 2022 and expired on June 20, 2023. Rent expense payments for the aforementioned lease is \$5,000 for the year ended June 30, 2023.

NOTE #8 – NOTE PAYABLE - PPP

The Organization received a second Paycheck Protection Program (PPP) loan with a lender in March 2021 for \$89,092. The PPP loans were offered through the U.S. Small Business Administration (SBA) pursuant to the Title 1 of the Coronavirus Aid Relief and Economic Security Act (the “CARES Act”). All or part of this loan may be forgiven if certain guidelines are met which includes using the loan proceeds for payroll costs, including salaries, commissions, and similar compensation, group health care benefits; rent and utilities. The interest on the loan is at an annual rate of 1.00% and the loan matures in March 2023. To apply for forgiveness, the Organization will need to submit a loan forgiveness application to the lender within ten months after the last day of the Organization’s covered period (as defined in the CARES Act and as interpreted by the PPP Rules, the “Loan Forgiveness Covered Period”). The Organization will not be obligated to make any payments of principal or interest before the date on which the SBA remits the loan forgiveness amounts to the lender or notified the lender that the loans are not eligible for forgiveness. The lender will then notify the Organization of remittance by SBA of the loan forgiveness amount or notify the Company that the SBA determined that no loan forgiveness is allowed, and the date the Organization’s first monthly payment is due. If the Company does not submit a timely loan forgiveness application to the lender within ten months after the last day of the Company’s Loan Forgiveness Covered Period, the Organization must begin monthly payments of principal and interest ten months after the last day of the Organization’s Loan Forgiveness Covered Period. Interest will continue to accrue during the applicable deferment period. In any event, if the SBA determines at any time that the loans are not eligible for forgiveness, the loans are no longer deferred and the Organization must begin monthly payments of principal and interest in accordance with a notice to be provided by the lender. The unpaid principal balance of the loan together with all accrued interest and charges owing in connection therewith, shall be due and payable upon maturity in March 2023.

In August 2021, the Organization’s second PPP loan was fully forgiven by the SBA. Eligible PPP expenses such as compensation have been recognized up to the full amount of the loan. Therefore, the PPP loan of \$89,092 has been recorded as income and is included on the Statements of Activities for the year ended June 30, 2022.

SQUASH HAVEN, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022

NOTE #9 – GRANT REVENUE

Grant revenue consists of amounts received by Squash Haven, Inc. under various grants totaling \$257,745 and \$260,000 for the years ended of June 30, 2023 and 2022, respectively.

NOTE #10 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization’s financial assets that are readily available within one year of June 30, 2023 and 2022, to meet general expenditures include:

	<u>2023</u>	<u>2022</u>
Cash	\$ 620,259	\$ 572,524
Investments – endowment funds	4,262,123	3,749,049
Pledges receivable	4,608	29,840
Grant receivable	-	<u>75,000</u>
Financial assets, at year end	<u>\$ 4,886,990</u>	<u>\$ 4,426,413</u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in cash accounts at various financial institutions. In addition, the Organization has two endowment funds included in investments maintained by Yale University. (See Note #1)

NOTE #11 – CONCENTRATION OF CREDIT RISK

Cash

The Organization maintains its cash accounts at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the fiscal year, the Organization’s cash balances exceeded the federally insured limits.

NOTE #12 – ADOPTION OF ACCOUNTING PRONOUNCEMENTS:

In February 2016, the FASB issued the ASU 2016-02, Leases (Topic 842), which modifies the guidance used by lessors and lessees to account for leasing transactions. It is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years beginning after December 15, 2022, with earlier application permitted. The Organization adopted ASU 2016-02 using the optional transition method, which allows for the prospective application of the standard. In addition, the Organization elected practical expedients permitted under the transition guidance permitting the Organization to not reassess historical lease classification, prior conclusions relating to initial direct costs, and whether any expired or existing contracts are or contain leases. For lease agreements with lease and non-lease components, the Organization elected the practical expedient to account for them as a single lease component. Upon adoption of ASU 2016-02, which was effective for the Organization on July 1, 2022, the Organization did not have any leases needing to be recognized as operating lease ROU assets or operating lease liabilities.