

**Rainbow Railroad USA, Inc.**

Financial Statements

December 31, 2022 and 2021

## **Independent Auditors' Report**

**Board of Directors**  
**Rainbow Railroad USA, Inc.**

### **Opinion**

We have audited the accompanying financial statements of Rainbow Railroad USA, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2022 and 2021 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 Rainbow Railroad USA, Inc. as of December 31, 2022 and 2021, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rainbow Railroad USA, 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 Rainbow Railroad USA, 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 auditors' 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 Rainbow Railroad USA, 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 Rainbow Railroad USA, 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.

*PKF O'Connor Davies, LLP*

New York, New York  
June 5, 2023

## Rainbow Railroad USA, Inc.

### Statements of Financial Position

	December 31	
	2022	2021
<b>ASSETS</b>		
Cash	\$ 5,349,332	\$ 1,103,970
Contributions receivable (due within one year)	77,006	37,804
Investments	108	35,013
Prepaid expenses	-	1,261
Equipment, net	2,232	115
	\$ 5,428,678	\$ 1,178,163
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Due to affiliate	\$ 256,025	\$ 310,352
Accrued payroll and expenses	21,952	-
Paycheck Protection Program loan	33,844	33,844
Total Liabilities	311,821	344,196
Net Assets		
Without donor restrictions		
Undesignated	841,857	450,755
Board designated reserve	4,275,000	-
Total Without Donor Restrictions	5,116,857	450,755
With donor restrictions	-	383,212
Total Net Assets	5,116,857	833,967
	\$ 5,428,678	\$ 1,178,163

See notes to financial statements

## Rainbow Railroad USA, Inc.

### Statements of Activities

	Year Ended December 31							
	2022				2021			
	Without Donor Restrictions			With Donor Restrictions	Total	Without Donor Restrictions		With Donor Restrictions
Undesignated	Board Designated Fund	Total	Total			Total	Total	
<b>REVENUE AND SUPPORT</b>								
Contributions	\$ 8,051,832	\$ -	\$ 8,051,832	\$ -	\$ 8,051,832	\$ 1,859,145	\$ 383,212	\$ 2,242,357
Special events revenue, net of direct expenses of \$173,419 and \$0	(147,744)	-	(147,744)	-	(147,744)	-	-	-
Dividend and interest income	12,982	-	12,982	-	12,982	1,136	-	1,136
Realized and unrealized (loss) gain on investments	(6,027)	-	(6,027)	-	(6,027)	5,535	-	5,535
In-kind contributions	49,572	-	49,572	-	49,572	28,030	-	28,030
Net assets released from restrictions	<u>383,212</u>	-	<u>383,212</u>	<u>(383,212)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>8,343,827</u>	<u>-</u>	<u>8,343,827</u>	<u>(383,212)</u>	<u>7,960,615</u>	<u>1,893,846</u>	<u>383,212</u>	<u>2,277,058</u>
<b>EXPENSES</b>								
Program services	3,010,482	-	3,010,482	-	3,010,482	1,762,276	-	1,762,276
Fundraising	657,360	-	657,360	-	657,360	97,083	-	97,083
General and administrative	<u>9,883</u>	-	<u>9,883</u>	-	<u>9,883</u>	<u>25,537</u>	-	<u>25,537</u>
Total Expenses	<u>3,677,725</u>	<u>-</u>	<u>3,677,725</u>	<u>-</u>	<u>3,677,725</u>	<u>1,884,896</u>	<u>-</u>	<u>1,884,896</u>
Change in Net Assets Before Other Changes	4,666,102	-	4,666,102	(383,212)	4,282,890	8,950	383,212	392,162
<b>OTHER CHANGES</b>								
Transfer to Board designated reserve	<u>(4,275,000)</u>	<u>4,275,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	391,102	4,275,000	4,666,102	(383,212)	4,282,890	8,950	383,212	392,162
<b>NET ASSETS</b>								
Beginning of year	<u>450,755</u>	<u>-</u>	<u>450,755</u>	<u>383,212</u>	<u>833,967</u>	<u>441,805</u>	<u>-</u>	<u>441,805</u>
End of year	<u>\$ 841,857</u>	<u>\$ 4,275,000</u>	<u>\$ 5,116,857</u>	<u>\$ -</u>	<u>\$ 5,116,857</u>	<u>\$ 450,755</u>	<u>\$ 383,212</u>	<u>\$ 833,967</u>

See notes to financial statements

## Rainbow Railroad USA, Inc.

### Statements of Functional Expenses

	Year Ended December 31							
	2022				2021			
	Program Services	Fundraising	General and Administrative	Total	Program Services	Fundraising	General and Administrative	Total
<b>PERSONNEL COSTS</b>								
Salaries, payroll taxes and benefits	\$ 78,849	\$ 118,273	\$ -	\$ 197,122	\$ 44,868	\$ 35,894	\$ 8,974	\$ 89,736
<b>OTHER THAN PERSONNEL COSTS</b>								
Professional fees	30,326	3,137	1,394	34,857	30,097	3,113	1,384	34,594
Rent expense	3,226	334	148	3,708	3,241	335	149	3,725
Office expenses	93,929	9,725	4,309	107,963	59,066	6,110	2,716	67,892
Event expenses	-	328,790	-	328,790	-	-	-	-
Travel	1,586,347	287,881	-	1,874,228	1,002,079	20,661	10,331	1,033,071
Advertising	-	18,869	-	18,869	6,921	1,730	961	9,612
Grant expenses	1,130,100	-	-	1,130,100	565,725	-	-	565,725
Subcontractors	44,262	4,579	2,035	50,876	22,050	2,281	1,014	25,345
Depreciation	315	33	14	362	199	21	8	228
In-kind contributions	43,128	4,461	1,983	49,572	28,030	-	-	28,030
Honorariums and relationship development	-	54,697	-	54,697	-	26,938	-	26,938
	3,010,482	830,779	9,883	3,851,144	1,762,276	97,083	25,537	1,884,896
Less special event direct expenses	-	(173,419)	-	(173,419)	-	-	-	-
	<b>\$ 3,010,482</b>	<b>\$ 657,360</b>	<b>\$ 9,883</b>	<b>\$ 3,677,725</b>	<b>\$ 1,762,276</b>	<b>\$ 97,083</b>	<b>\$ 25,537</b>	<b>\$ 1,884,896</b>

See notes to financial statements

## Rainbow Railroad USA, Inc.

### Statements of Cash Flows

	Year Ended December 31	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,282,890	\$ 392,162
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	362	228
Realized and unrealized loss (gain) on investments	6,027	(5,535)
Changes in operating assets and liabilities		
Contributions receivable	(39,202)	(8,218)
Prepaid expenses	1,261	(1,261)
Due to affiliate	(54,327)	140,556
Accrued payroll and expenses	21,952	(97)
Net Cash from Operating Activities	4,218,963	517,835
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	77,461	-
Purchases of investments	(48,583)	(16,956)
Equipment acquisitions	(2,479)	-
Net Cash from Investing Activities	26,399	(16,956)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Paycheck Protection Program loan	-	16,922
Change in Cash	4,245,362	517,801
<b>CASH</b>		
Beginning of year	1,103,970	586,169
End of year	\$ 5,349,332	\$ 1,103,970

See notes to financial statements

## **Rainbow Railroad USA, Inc.**

Notes to Financial Statements  
December 31, 2022 and 2021

### **1. Nature of the Organization and Tax Status**

Rainbow Railroad USA, Inc. (the “Organization”) was formed on September 1, 2015. Rainbow Railroad USA, Inc. is an organization whose mission is to provide support to individuals facing persecution in countries that criminalize individuals because of their sexual orientation or gender identity. The Organization does this through the emergency travel support program that helps people facing immediate danger to find safe haven.

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private Organization as defined under Section 509(a)(1) of the Internal Revenue Code.

### **2. Summary of Significant Accounting Policies**

#### ***Change in Accounting Principle***

In February 2016, the FASB issued ASU 2016-02, *Leases* (“Topic 842”), which supersedes existing guidance in Topic 840, *Leases*. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-to-use (“ROU”) assets and lease liabilities on the statement of financial position for operating leases.

The Organization adopted the leasing standards effective January 1, 2022, using the modified retrospective approach with January 1, 2022 as the initial date of application. The Organization elected to use all available practical expedients provided in the transition guidance. These allowed the Organization to not reassess the identification, classification and initial direct costs of lessor agreements and to use hindsight in lessee and lessor agreements for determining lease term and right-of-use asset impairment. The adoption of Topic 842 did not result in any material adjustments to the financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (“Topic 958”): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increased transparency around contributed nonfinancial assets received by not-for-profit organizations. The Organization adopted the standard effective January 1, 2022.

#### ***Basis of Presentation and Use of Estimates***

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported period. Actual results could differ from those estimates.



## **Rainbow Railroad USA, Inc.**

Notes to Financial Statements  
December 31, 2022 and 2021

### **2. Summary of Significant Accounting Policies (*continued*)**

#### ***Net Assets***

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those funds having no restriction as to use or purpose imposed by donors. The Board Designated Fund is a component of net assets without donor restrictions and has been created by an action of the Organization's Board of Directors. The balance was established from a contribution received in 2022. Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Organization does not have any net assets with donor restrictions as of December 31, 2022.

#### ***Contributions Receivable and Allowance for Doubtful Accounts***

Contributions receivable are expected to be collected in one year. An allowance for uncollectible contributions is provided based on management's evaluation of potential uncollectible contributions receivable at year end. The Organization has considered a number of factors in evaluating this allowance including the economy and past payment history. As of both December 31, 2022 and 2021 the Organization does not believe an allowance for doubtful accounts should be established.

#### ***Fair Value Measurement***

The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. As of both December 31, 2022 and 2021, the Organization has no Level 2 or 3 investments.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks of liquidity, or degree of difficulty in estimating the fair value of each investment.

#### ***Investment Valuation***

Investments are carried at fair value.

## Rainbow Railroad USA, Inc.

Notes to Financial Statements  
December 31, 2022 and 2021

### 2. Summary of Significant Accounting Policies (*continued*)

#### **Equipment**

Items capitalized as part of equipment are stated at cost if purchased, or fair value if contributed. Depreciation is provided over an estimated useful life of 5 years and is computed utilizing the straight-line method.

#### **Contributions**

Contributions are recorded as net assets with donor restrictions and revenue and support if they are received with donor-imposed stipulations that limit their use. Donor restrictions expire by either the passage of stipulated time or the accomplishment of the stated purpose. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions that are received and expended in the same period are reported as without donor restrictions.

#### **Investment Income Recognition**

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded when declared. Realized and unrealized gains and losses are included in the determination of the change in net assets.

#### **In-Kind Contributions**

The Organization recognizes the fair value of in-kind contributions which create or enhance nonfinancial assets, or require specialized skills provided by individuals possessing those skills and would typically be purchased if not provided by donation. Contributed services which do not meet these criteria are not recognized as revenue and are not reported in the accompanying financial statements.

In-kind contributions consist of items and services received by the Organization. These amounts are recorded as both revenue and expense at their estimated fair values using similar rates and services to those contributed at the date of receipt. In-kind contributions consist of the following for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Usage</u>	<u>Donor Restriction</u>
Discounted services	\$ 22,980	\$ -	Program Services	None
Silent auction items	17,360	-	Fundraising	Yes
Airline miles	9,232	28,030	Program Services	None
	<u>\$ 49,572</u>	<u>\$ 28,030</u>		

## Rainbow Railroad USA, Inc.

Notes to Financial Statements  
December 31, 2022 and 2021

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Allocation of Expenses***

The Organization reports its expenses for providing programs and certain costs for supporting services by their functional classification on a summarized basis in the statements of activities. Program services are the activities that result in services being provided to the public pursuant to the Organization's mission. Supporting expenses are classified as general and administrative activities which includes oversight and business management, but exclude direct conduct of program services and fundraising activities. Fundraising activities include developing and maintaining relations with major donors, foundations, organizations and potential donors.

Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense Classification</u>	<u>Method of Allocation</u>
Salaries, payroll taxes and benefits	Time and effort
Office expenses	Time and effort
Travel	Time and effort
Professional fees, rent, advertising and other expenses	Based on effort and as determined by management to be appropriate

#### ***Operating Leases***

The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right of use assets and lease liabilities on the statement of financial position. Right-of-use assets represent the obligation to make lease payments arising from the lease measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The right of use asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of twelve months or less on the statements of financial position. The expense on such leases is recognized on a straight-line basis over the lease term.

## Rainbow Railroad USA, Inc.

Notes to Financial Statements  
December 31, 2022 and 2021

### 2. Summary of Significant Accounting Policies *(continued)*

#### **Advertising**

The Organization expenses advertising costs as incurred. Advertising costs for the years ended December 31, 2022 and 2021 were \$18,869 and \$9,612.

#### **Accounting for Uncertainty in Income Taxes**

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is subject to examinations by applicable taxing jurisdictions for all periods since December 31, 2019.

#### **Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 5, 2023.

### 3. Investments

Investments at fair value, categorized by the fair value hierarchy, consist of the following at December 31:

	<u>2022</u>	<u>2021</u>
<u>Level 1</u>		
Mutual Funds	\$ -	\$ 13,052
Equities	-	<u>20,432</u>
	-	33,484
Cash, at Cost	<u>108</u>	<u>1,529</u>
	<u>\$ 108</u>	<u>\$ 35,013</u>

### 4. Equipment

Equipment consists of the following at December 31:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 3,621	\$ 1,142
Accumulated depreciation	<u>(1,389)</u>	<u>(1,027)</u>
	<u>\$ 2,232</u>	<u>\$ 115</u>

## **Rainbow Railroad USA, Inc.**

Notes to Financial Statements  
December 31, 2022 and 2021

### **5. Related Party Transactions (Not Disclosed Elsewhere)**

All members of the Organization's Board of Directors are also members of the parent company, Rainbow Railroad Canada, Inc., who provides staff to the Organization for certain administrative work. The Organization incurred grant expenses in the amounts of \$1,130,100 and \$565,725 to Rainbow Railroad Canada, Inc. for the years ended December 31, 2022 and 2021. At December 31, 2022 and 2021, amounts due to Rainbow Railroad Canada, Inc. were \$256,025 and \$310,352.

### **6. Concentration of Credit Risk**

The credit risks of the Organization arise from cash, contributions receivable and investments. The Organization maintains balances with a financial institutions which, at times, may exceed the Federal Deposit Insurance Corporation insurance limits. There was an uninsured portion of this balance of approximately \$4,800,000 at December 31, 2022. There was no uninsured portion of this balance at December 31, 2021. The investment portfolio is diversified by type of investments and industry concentration so that no individual or group of investments represents a significant concentration of risk. Contributions receivable are expected to be collected in the normal course of operations.

The Organization earned approximately 99% and 98% of its revenue from contribution revenue for the years ended December 31, 2022 and 2021 and one contributor accounted for approximately 62% of contributions in 2022.

### **7. Paycheck Protection Program Loan**

On May 6, 2020, the Organization received loan proceeds in the amount of \$16,922 under the Paycheck Protection Program (the "PPP"). The Organization then received additional PPP loan proceeds of \$16,922 on April 2, 2021. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts of 2.5 times the 2019 or 2020 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the PPP loan, if any, is payable within two or five years from the date of the loan. Loan payments of principal and interest are deferred until the amount of loan forgiveness is determined by the United States Small Business Administration ("SBA").

The Organization intends to use all loan proceeds received in accordance with regulations established by the PPP. Management believes its use of the proceeds, including amounts expended in 2021 and 2020, will be forgiven. Management will recognize income when the forgiveness is approved. The PPP funds are reported as a PPP loan in the statements of financial position.

## Rainbow Railroad USA, Inc.

Notes to Financial Statements  
December 31, 2022 and 2021

### 8. Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Time restricted	\$ <u>          -</u>	\$ <u>383,212</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by the donors as follows during the years ended December 31:

	<u>2022</u>	<u>2021</u>
Time restricted	\$ <u>383,212</u>	\$ <u>          -</u>

### 9. Liquidity and Availability of Financial Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash	\$ 5,349,332	\$ 1,103,970
Contributions receivable (due within one year)	77,006	37,804
Investments	<u>108</u>	<u>35,013</u>
Total Financial Assets	5,426,446	1,176,787
Less:		
Board designated net assets	<u>(4,275,000)</u>	<u>          -</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Cost Held One Year	<u>\$ 1,151,446</u>	<u>\$ 1,176,787</u>

#### *Liquidity Management*

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, to help manage unanticipated liquidity needs, the Organization relies on its parent company, Rainbow Railroad Canada, Inc. for financing and other support. Rainbow Railroad Canada, Inc. has the resources to meet this need if necessary.

**Rainbow Railroad USA, Inc.**

Notes to Financial Statements  
December 31, 2022 and 2021

**10. Special Events Revenue**

The Organization records gross receipts from special fundraising events that consist of exchange transaction revenue and contribution revenue. For the years ended December 31, 2022 and 2021, the Organization's special fundraising events revenue consist of the following:

	<u>2022</u>	<u>2021</u>
Contributions revenue	\$ 9,100	\$ -
Special events exchange transaction revenue	<u>16,575</u>	<u>-</u>
Special events revenue, gross	<u>\$ 25,675</u>	<u>\$ -</u>

**11. Commitments**

Beginning on February 1, 2021 the Organization began leasing office space on a month-to-month basis for \$309 per month plus certain expenses required under the lease. The Organization entered into a twelve-month lease agreement for a fully furnished office space on beginning on December 1, 2022. The new lease agreement is \$1,530 per month for use and maintenance of the space and requires two months' notice for cancellation.

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