Help Hospitalized Veterans, Inc.
D/B/A/ Help Heal Veterans
Financial Statements
July 31, 2022

PragerMetis

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Independent Auditor's Report

To the Board of Directors of
Help Hospitalized Veterans, Inc. d/b/a Help Heal Veterans

Opinion

We have audited the accompanying financial statements of Help Hospitalized Veterans, Inc. d/b/a Help Heal Veterans (a nonprofit organization), which comprise the statement of financial position as of July 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help Hospitalized Veterans, Inc. as of July 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Help Hospitalized Veterans, Inc. and to meet 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.

Management's Responsibility 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; this includes 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 Help Hospitalized Veterans, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 Help Hospitalized Veterans, 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 Help Hospitalized Veterans, 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.

Prager Metis CPAs LLP

Prager Metis CPAs LLP
El Segundo, California
March 14, 2023

Help Hospitalized Veterans, Inc.
D/B/A/ Help Heal Veterans
Statement of Financial Position
July 31, 2022

Assets		
Current assets		
Cash	$	489,650
Other receivables		74,267
Prepaid expenses		23,462
Inventory of therapeutic materials and direct mail supplies, net		1,985,043
Total current assets		2,572,422
Overfunded pension asset		555,886
Property and equipment, net		951,265
Investments		1,877,453
Total assets	$	5,957,026
Liabilities and net assets		
Liabilities		
Current liabilities		
Accounts payable	$	1,741,900
Accrued expenses		237,820
Total current liabilities		1,979,720
Long-term liabilities		
Economic Injury Disaster Loan		155,491
Total liabilities		2,135,211
Net assets		
Without donor restrictions		3,821,815
Total liabilities and net assets	$	5,957,026

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

Statement of Activities
Year Ended July 31, 2022

Revenue, support, and gains	
Contributions received	$11,248,055
Mail list royalty income	142,888
Other revenue	69,344
Paycheck Protection Program loan forgiveness	359,550
Gain on sale of property	1,097,363
In-kind contributions	18,859,171
Total revenue, support, and gains	31,776,371
Expenses	
Program services	
Therapeutic materials	3,455,963
Craft care specialists	528,443
Veterans assistance and awareness	20,221,259
Total program services	24,205,665
Supporting services	
Management and general	1,918,544
Fundraising	5,528,049
Total supporting services	7,446,593
Total expenses	31,652,258
Change in net assets before effect of pension asset	124,113
Pension-related changes other than net periodic pension cost	1,225,178
Change in net assets	1,349,291
Net assets, without donor restrictions, beginning of year	2,472,524
Net assets, without donor restrictions, end of year	$ 3,821,815

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

Help Hospitalized Veterans, Inc.
D/B/A/ Help Heal Veterans
Statement of Cash Flows
Year Ended July 31, 2022

	Program Services			Supporting Services		
	Therapeutic Materials	Craft Care Specialists	Veterans Assistance & Awareness	Management and General	Fundraising	Total
Printing	$ -	$ -	$ 1,211,981	$ 432,850	$ 2,683,671	$ 4,328,502
Postage	814,497	-	700,717	250,256	1,551,586	3,317,056
Direct mail services	-	-	134,907	48,181	298,723	481,811
Mailing list rental	-	-	152,754	54,555	338,242	545,551
Data processing	-	-	50,884	18,173	112,672	181,729
Promotion	-	-	14,858,035	39,068	242,222	15,139,325
Craft kits	1,942,952	-	-	-	-	1,942,952
Rent and facilities	-	122,857	-	6,082	-	128,939
Caging	-	-	-	330,469	-	330,469
Salaries and payroll taxes	472,161	306,381	13,764	291,769	222,838	1,306,913
Utilities	12,971	4,159	-	1,769	-	18,899
Telephone	996	415	83	83	83	1,660
Legal and accounting	-	-	-	81,217	-	81,217
Consulting	57,549	31,076	17,265	4,604	4,604	115,098
Office supplies	20,941	26,509	2,380	3,332	-	53,162
Taxes and licenses	33,106	-	-	2,226	-	35,332
Public relations	-	-	3,045,018	-	-	3,045,018
Outside services	28,414	-	5,328	1,066	710	35,518
Auto and travel expense	-	10,964	19,700	53,218	-	83,882
Depreciation	28,207	-	9,402	9,402	-	47,011
Bank charges	-	-	-	16,966	89,004	105,970
Retirement expense	(74,378)	(48,264)	(2,168)	(45,968)	(35,103)	(205,881)
Insurance	95,442	73,925	1,161	24,615	18,797	213,940
Miscellaneous	23,105	421	48	287,364	-	310,938
Write-off obsolete inventory	-	-	-	7,247	-	7,247
Total	$ 3,455,963	$ 528,443	$ 20,221,259	$ 1,918,544	$ 5,528,049	$ 31,652,258

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

Help Hospitalized Veterans, Inc.
D/B/A/ Help Heal Veterans
Statement of Cash Flows
Year Ended July 31, 2022

Cash flows from operating activities	
Change in net assets	$ 1,349,291
Adjustments to reconcile change in net assets to net cash used in operating activities	
Pension liability	(1,225,178)
Gain on sale of property	(1,097,363)
Realized gain on investments	(1,418)
Write-off of obsolete inventory	7,247
Depreciation	79,019
Forgiveness of Paycheck Protection Program loan	(359,550)
Changes in	
Other receivables	62,718
Prepaid expenses	20,250
Inventory of therapeutic materials and direct mail supplies	289,319
Accounts payable	678,741
Accrued expenses	8,414
Net cash used in operating activities	(188,510)
Cash flows from investing activities	
Purchases of investments	(1,283,856)
Purchases of property and equipment	(194,604)
Proceeds from sale of investments	347,000
Proceeds from sale of property	1,318,624
Net cash provided by investing activities	187,164
Cash flows from financing activities	
Payments on line of credit	(299,733)
Decrease in cash	(301,079)
Cash, beginning	790,729
Cash, ending	$ 489,650
Noncash financing activity:	
Forgiveness of Paycheck Protection Program loan	$ 359,550

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

Note 1 Description of Organization

Help Hospitalized Veterans, Inc. d/b/a Help Heal Veterans (the Organization) is a not-for-profit corporation organized in 1971 for the purposes of informing the public of the needs of veteran patients, encouraging the public to participate in programs that assist in the veteran's rehabilitation, and providing therapeutic products and services that include arts and craft materials to veteran patients.

Note 2 Summary of Significant Accounting Policies

Financial Statement Presentation
The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 for financial statement presentation. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time or net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

The Organization reports gifts of cash and other assets as with donor restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a 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. Restricted contributions whose restrictions are met in the same reporting period are recorded as contributions without donor restrictions.

Contributions
Contributions are received primarily as a result of direct mail and media solicitations to individuals throughout the country. Contributions are recognized as support when received.

Donated Services, Materials, and Facilities
Donated services are recognized as contributions in accordance with FASB ASC 958, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donations of materials are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use 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 as instructed by the donor.

Note 2 Summary of Significant Accounting Policies (continued)

Donations of facilities and equipment are recorded as contributions based on the square footage occupied by the Organization at the estimated rental value per square foot and the estimated rental value of the equipment. The estimated rental value is based on commercial real estate value guidelines for the location of the property.

Allocation of Expenses
Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis and consistently applied. Expenses associated with direct mailings are allocated based on a direct line count method of allocating joint costs. Salaries and related benefits, payroll taxes, and telephone expenses are allocated based on the estimated time and effort of employees performing their assigned functions. Utility expenses are allocated based on the square footage of the building.

Functional Allocation of Expenses
The costs of providing various program and supporting services have been summarized on a functional basis on the schedule of functional expenses. Certain costs have been allocated among program and supporting services as follows:

Therapeutic Materials - All expenses incurred to purchase, manufacture, store, manage and distribute therapeutic materials containing arts and craft materials to veteran patients.

Craft Care Specialists - All expenses incurred to pay and administer employees and consultants whom service the therapeutic materials program in the hospitals and the Community Based Craft Kit Program locations.

Veterans Assistance and Awareness - All expenses incurred to educate the general public about the country's military and veterans' hospital system and the patients ongoing need for physical therapy. Also, all expenses incurred to encourage the general public to participate in the Organization's correspondence and veteran assistance programs. Additionally, all expenses contributed to organizations that provide assistance to veterans or support various special events for veterans are recorded as veterans' assistance and awareness.

Management and General - All other operating expenses incurred by the Organization in the accomplishment of its tax-exempt purposes.

Fundraising - All expenses incurred with the purpose of raising funds.

Other Receivables
Other receivables consist of mail list royalty receivables and are carried at their unpaid principal balance, less any allowance for doubtful accounts. Mail list royalty income is recognized at a point in time when the list is provided for use to the third-party. Management periodically evaluates the adequacy of the allowance based on the customers' ability to repay. Past due status is based on contractual terms. The Organization writes off any receivables determined by management to be uncollectible. At July 31, 2022, other receivables are considered to be fully collectible.

Note 2 Summary of Significant Accounting Policies (continued)

Inventory
The inventory of purchased therapeutic materials, leather, wood, other raw materials, and direct mail supplies are stated at lower of cost or net realizable value determined on a first-in, first-out basis. Donated inventory is stated at fair market value at the time of receipt. Fair market value is the cost the Organization would incur to purchase the inventory which is deemed to approximate the estimated selling price.

The Organization reviews its inventories continuously for seldomly used or unused inventories that it considers to be slow-moving and records an allowance for such inventories.

Property and Equipment
Property and equipment are stated at cost if purchased or fair value if contributed and are depreciated on a straight-line basis over their estimated useful lives of five to ten years. The Organization capitalizes property and equipment with an estimated useful life greater than one year.

Expenditures for maintenance and repairs are expensed as incurred. Betterments, which increase the value or materially extend the life of the related assets, are capitalized.

Valuation of Long-lived Assets
The Organization accounts for the valuation of long-lived assets under FASB ASC 360. FASB ASC 360 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value, less costs to sell. At July 31, 2022 the Organization has not deemed any assets to be impaired.

Investments and Fair Value Measurement
Investments are reported at fair market value determined by unadjusted quoted market prices. Investment revenue and realized and unrealized gains and losses are included in the statement of activities as increases or decreases in without donor restricted net assets unless the income is restricted by donor or law. In accordance with accounting principles generally accepted in the United States of America ("GAAP"), the Organization uses the following prioritized input levels to measure fair value of investments. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2 – Includes inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Note 2 Summary of Significant Accounting Policies (continued)

Level 3 – Unobservable inputs, which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Income Taxes
The Organization has received a tax determination letter from the Internal Revenue Service and is exempt from federal and California income taxes under Section 501(c)(3) of the Internal Revenue Code and related sections of the California Code. As such, only unrelated business income is subject to income tax. For the year ended July 31, 2022, there is no unrelated business income.

Management has evaluated the Organization's tax positions and has concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements.

Uses of Estimates
Management uses estimates and assumptions in preparing financial statements in conformity with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Standards
In 2018, the FASB issued Accounting Standards Update (ASU) 2018-14, *Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans*. This update is part of the disclosure framework project.

The amendments in this Update remove disclosures that no longer are considered cost beneficial, clarify the specific requirements of disclosures, and add disclosure requirements identified as relevant.

Note 3 Concentration of Credit Risks

The Organization maintains cash balances that may exceed federally insured limits at times throughout the year. The cash accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000 per account. The Organization has not experienced any loss in such accounts.

Other receivables include amounts due from two companies comprising 100% of total other receivables.

Direct mail fundraising income accounted for approximately 34% of the Organization's revenue.

Note 4 Intentions to Give

The Organization has received intentions of gifts in the form of bequests which are revocable during the donor's lifetime. Due to the uncertain nature of these intentions, the Organization has not recognized an asset or contribution revenue for these gifts. It is not practicable to estimate the total intentions to give.

Note 5 Inventory

The following are the components included in the inventory of therapeutic materials and direct mail supplies on the statement of financial position as of July 31, 2022:

Inventory Type	Value
Raw materials	$ 1,245,930
Direct mail	63,207
Therapeutic materials	690,344
Packing materials	12,942
	2,012,423
Less allowance for slow moving inventories	(27,380)
	$ 1,985,043

Note 6 Property and Equipment

Property and equipment is summarized at July 31, 2022 as follows:

Office furniture and equipment	$ 349,718
Leather equipment	141,008
Automobiles	2,500
Wood equipment	246,158
Land	454,476
Buildings	1,490,682
Land improvements	448,686
Building improvements	50,515
	3,183,743
Less accumulated depreciation	(2,232,478)
Property and equipment, net	$ 951,265

Note 6 Property and Equipment (continued)

For the year ended July 31, 2022, depreciation expense is as follows:

Depreciation expense before indirect cost allocation	$ 79,019
Indirect cost allocation to production of craft kits	(32,008)
	$ 47,011

Note 7 Investments and Fair Value Measurements

Investments consist of mutual funds which are considered Level 1 investments per the fair value hierarchy.

Note 8 Pension and Profit-Sharing Plans

Defined Benefit Plan (frozen)
The Organization has a frozen defined benefit pension plan. The plan provides for payment of retirement benefits commencing at the later of age 65 or the completion of five years participation. After meeting certain qualifications, an employee acquires a vested right to future benefits. The benefit payable under the plan is determined on an employee's length of service and earnings. The annual measurement date is July 31 for the pension benefit. The plan was frozen effective July 2017.

The funded status of the plan is as follows:

Projected benefit obligation	$ (3,572,802)
Fair value of plan assets	4,128,688
Funded status	$ 555,886

Actuarial assumptions are as follows:

Weighted average discount rate	4.25%
Weighted average long-term rate of return on assets	7.00%
Rate of compensation increase	4.00%

The expected long-term rate of return on assets of 7% was determined based on expected future investment returns. Historical market rates of return and interest rate levels were considered in determining the expected future investment returns.

Note 8 Pension and Profit-Sharing Plans (continued)

During 2022, the significant gains to the Projected Benefit Obligation were the result of the increase in interest rates and settlement payments and their related impact on the calculated amounts.

The net periodic pension gain for the year ended July 31, 2022 is $231,841. For the year ended July 31, 2022, benefits, including settlements of $953,323, were paid by the plan. Benefits expected to be paid during the next ten fiscal years are as follows:

Year Ending July 31,	
2023	137,681
2024	149,597
2025	193,753
2026	196,088
2027	212,319
2028 – 2032	1,353,613
Thereafter	1,329,751
	$ 3,572,802

The plan's accumulated benefit obligation is $3,572,802.

The Organization's pension plan assets were 99% invested in mutual funds which are considered a Level 1 investment and totaled $4,113,760, and 1% was held as cash in the amount of $14,928 at July 31, 2022.

The investment policy and strategy is to provide benefits at normal retirement age. The principal goal of the investment of the funds in the plan is both security and long-term stability with moderate growth commensurate with the anticipated retirement dates of the participants. Investments are sufficiently liquid to enable the plan, on short notice, to make some distributions in cash in the event of death or disability of a participant.

As of July 31, 2022, amount recognized in the statement of financial position consists of:

Pension asset	$ 555,886

For the year ended July 31, 2022, net gain recognized in the statement of activities is $1,225,178.

Plan assets and obligations are measured as of July 31, 2022 which is the Organization's fiscal year ending date. Therefore, a provision for the change of measurement date is not required.

Note 8 Pension and Profit-Sharing Plans (continued)

401(K) Profit Sharing Plan

During 2022, the Organization instituted a 401(k) Profit Sharing Plan that provides for discretionary contributions. The Organization's contribution was $25,600 and is included in retirement expense for 2022.

Note 9 Operating Leases

The Organization leases space under non-cancellable operating lease agreements. At July 31, 2022, the future minimum lease payments are as follows:

Year Ending July 31,		
2023	$	16,114
2024		16,678
2025		17,261
2026		10,272
	$	60,325

The Organization also leases various storage units on a month-to-month basis. For the year ended July 31, 2022, rent expense for reporting on the statement of functional expenses was $128,939. This included rent expense under operating lease agreements of $76,359.

Note 10 Line of Credit

In 2018, the Organization entered into a revolving line of credit in the amount of $500,000. The line of credit bears interest at the prime rate as reported in the Wall Street Journal (3.5% at July 31, 2022) and expired in March 2022. Interest only payments are due monthly. The line of credit was collateralized by the Organization's headquarters building and property. This line of credit was not renewed.

Note 11 Small Business Administration Loans (SBA)

In 2021, the Organization obtained a loan in the amount of $359,550 pursuant to the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for up to 2.5 times the average monthly payroll expenses of the qualifying business. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The unforgiven portion of the loan is payable over 2 years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization believes they have used the proceeds for the purposes consistent with the PPP.

Note 11 Small Business Administration Loans (SBA) (continued)

During 2022, the Organization's PPP loan in the amount of $359,550 received in 2021 was forgiven and recognized as revenue in the accompanying statement of activities.

In 2021, the Organization executed the standard loan documents required for securing a loan from the SBA under its Economic Injury Disaster Loan (EIDL) assistance program in light of the impact of the COVID-19 pandemic on the Organization's business.

Pursuant to the loan agreement, the principal amount of the EIDL is up to $150,000, with the proceeds to be used for working capital. The Organization received $150,000 under the EIDL. Interest accrues at a rate of 2.75% per annum beginning with the date of the advance. Monthly payments, including principal and interest, of $641, will begin on October 20, 2022 (two years from the date of the loan) and is payable 30 years from the date of the loan agreement. The EIDL is collateralized by all tangible assets of the Organization. The outstanding balance including accrued interest at July 31, 2022, totaled $ 155,491.

Future principal and accrued interest payments are as follows:

Year Ending July 31,	
2023	$ 2,990
2024	4,071
2025	4,169
2026	4,270
2027	4,372
Thereafter	135,619
	$ 155,491

Note 12 Contributed Services, Materials, and Facilities

During the year ended July 31, 2022, the Organization received donated airings of public service announcements, shipping discounts, recreational models, and leather scraps. The Organization also received donated space. The donated space was used by the Organization to provide recreational therapies to veterans as part of the craft care specialists program. For the year ended July 31, 2022, contributed services and materials were as follows:

Note 12 Contributed Services, Materials, and Facilities (continued)

Description	Recorded as	Amount
Public service announcements	In-kind contribution revenue and promotion expense.	$ 14,674,657
Shipping	In-kind contribution revenue and therapeutic materials expense.	554,114
Online public relations	In-kind contribution revenue and public relations expense	2,907,089
Leather	In-kind contribution revenue and inventory.	417,579
Facilities	In-kind contribution revenue and craft care specialist expense.	52,580
Fabric	In-kind contribution revenue and inventory.	136,922
Models and related materials	In-kind contribution revenue and inventory.	45,294
Miscellaneous	In-kind contribution revenue and various accounts.	70,936
		$ 18,859,171

Note 13 Allocation of Joint Costs

During the year ended July 31, 2022, the Organization incurred joint costs of $8,343,289 for direct mail communication materials and activities that include fundraising appeals of which $2,336,121 was allocated to veterans assistance and awareness (program services), $834,329 to management and general, and $5,172,839 was allocated to fundraising expense.

Note 14 Liquidity

The Organization has $2,441,370 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash of $489,650, investments of $1,877,453, and other receivables of $74,267. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due.

Note 15 Subsequent Events

In December 2022, the Board passed a resolution to begin the process of terminating the defined benefit plan effective immediately. As of the date of March 14, 2023, the termination of the plan is still in process.

Management has evaluated subsequent events through March 14, 2023, the date which the financial statements were available to be issued.