



CIRCLE OF HOPE, INC.

FINANCIAL STATEMENTS

JUNE 30, 2023

CIRCLE OF HOPE, INC.

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CERTIFIED  
PUBLIC  
ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Circle of Hope, Inc.  
Needham, Massachusetts

### Opinion

We have audited the accompanying financial statements of Circle of Hope, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities and changes in net assets, 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 Circle of Hope, Inc. as of June 30, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Circle of Hope, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Circle of Hope, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be used.

#### Needham Office

105 Chestnut Street Suite 10  
Needham, MA 02492  
P: (781) 449-3346  
F: (508) 759-6762

#### Cape Cod Office

258 Main Street Suite A-1  
Buzzards Bay, MA 02532  
P: (781) 449-3346  
F: (508) 759-6762

#### Framingham Office

1290 Worcester Road Lower Floor  
Framingham, MA 01702  
P: (781) 449-3346  
F: (508) 759-6762

To the Board of Directors  
Circle of Hope, Inc.  
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### **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 Circle of Hope, 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 Circle of Hope, 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.

*Treeful Damasso Aniceto, Inc.*

December 5, 2023

CIRCLE OF HOPE, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023

**ASSETS**

Current Assets:	
Cash and cash equivalents	\$ 771,816
Grants receivable	<u>111,000</u>
Total Current Assets	882,816
Property and Equipment:	
Office equipment	4,705
Motor vehicles	<u>30,553</u>
Total Property and Equipment	35,258
Accumulated depreciation	<u>(33,515)</u>
Net Property and Equipment	<u>1,743</u>
Other Assets	
Refundable security deposits	9,706
Right of use asset	<u>355,090</u>
	<u>364,796</u>
TOTAL ASSETS	<u><u>\$ 1,249,355</u></u>

**LIABILITIES AND NET ASSETS**

Liabilities:	
Accounts payable and accrued expenses	\$ 47,569
Lease liabilities	<u>355,090</u>
Total Liabilities	402,659
Net Assets:	
Without Donor Restrictions	606,453
With Donor Restrictions	<u>240,243</u>
Total Net Assets	<u>846,696</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,249,355</u></u>

See accompanying notes and independent auditors' report.

**CIRCLE OF HOPE, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
<b>REVENUE AND SUPPORT</b>			
Contributions	\$ 363,466	\$ 249,235	\$ 612,701
Special event	18,384	135,148	153,532
In-kind donations	823,452	-	823,452
Contributed professional services	110,000	-	110,000
Interest income	400	-	400
Net assets released from restriction	<u>330,410</u>	<u>(330,410)</u>	<u>-</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<b>1,646,112</b>	<b>53,973</b>	<b>1,700,085</b>
<b>EXPENSES</b>			
Program Services:			
Circle of Hope Boston and Metro West	1,145,218	-	1,145,218
Supporting Services:			
Management and general	242,878	-	242,878
Fundraising	<u>166,666</u>	<u>-</u>	<u>166,666</u>
Total Supporting Services	<u>409,544</u>	<u>-</u>	<u>409,544</u>
<b>TOTAL EXPENSES</b>	<b><u>1,554,762</u></b>	<b><u>-</u></b>	<b><u>1,554,762</u></b>
<b>CHANGE IN NET ASSETS</b>	<b>91,350</b>	<b>53,973</b>	<b>145,323</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b><u>515,103</u></b>	<b><u>186,270</u></b>	<b><u>701,373</u></b>
<b>NET ASSETS, END OF YEAR</b>	<b><u><u>\$ 606,453</u></u></b>	<b><u><u>\$ 240,243</u></u></b>	<b><u><u>\$ 846,696</u></u></b>

See accompanying notes and independent auditors' report.

**CIRCLE OF HOPE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>SUPPORTING SERVICES</u>			Total Expenses
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Personnel costs				
Salaries and wages	\$ 71,432	\$ 105,859	\$ 56,911	\$ 234,202
Payroll taxes	7,170	10,626	5,712	23,508
Total Personnel costs	<u>78,602</u>	<u>116,485</u>	<u>62,623</u>	<u>257,710</u>
Other Expenses				
Donated clothing, materials and supplies	823,452	-	-	823,452
Clothing, materials and supplies	124,160	-	-	124,160
Contributed professional services	22,000	55,000	33,000	110,000
Occupancy	52,540	13,135	-	65,675
Special Event	-	-	29,504	29,504
Professional fees	5,401	27,968	28,921	62,290
Website and IT expenses	9,477	14,045	7,550	31,072
Office expenses	21,904	5,475	-	27,379
Printing	4,113	6,095	3,277	13,485
Bank and credit card fees	-	-	333	333
Storage	1,830	2,712	1,458	6,000
Insurance	1,739	1,435	-	3,174
Depreciation expense	-	528	-	528
Total Other Expenses	<u>1,066,616</u>	<u>126,393</u>	<u>104,043</u>	<u>1,297,052</u>
TOTAL EXPENSES	<u><u>\$1,145,218</u></u>	<u><u>\$ 242,878</u></u>	<u><u>\$ 166,666</u></u>	<u><u>\$ 1,554,762</u></u>

See accompanying notes and independent auditors' report.

CIRCLE OF HOPE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023

<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 145,323
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	528
Change in:	
Grants receivable	(73,500)
Accounts payable and accrued expenses	22,749
Right of use asset	(355,090)
Lease liabilities	355,090
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>95,100</u>
 <b>Net Increase in Cash and Cash Equivalents</b>	 95,100
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>676,716</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 771,816</u>
 <b>Supplement disclosures:</b>	
Interest paid	<u>\$ -</u>
Taxes	<u>\$ -</u>

See accompanying notes and independent auditors' report.

**CIRCLE OF HOPE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Circle of Hope, Inc. (“the Organization”) is a non-profit organization dedicated to serving people in need. The mission of Circle of Hope, Inc. is to provide infants, children, and adults experiencing homelessness in Boston and Metro West, Massachusetts with clothing and necessities in order to preserve and enhance overall health and personal dignity. By continually providing seasonally appropriate clothing, shoes, linens, and hygiene essentials to 25 homeless shelters, healthcare clinics, and community programs, Circle of Hope, Inc. gives the most vulnerable members of our community the opportunity to protect themselves from the dangers of illness and disease that come from experiencing homelessness in New England. Last year, Circle of Hope, Inc. gave brand new clothing, hygiene essentials, and PPE to 24,900 people experiencing homelessness. Circle of Hope, Inc. responds to emergency requests from partner shelters assisting families who were displaced by house fires, domestic violence, and other emergencies. Through the Welcome Baby Program, the Organization provides porta-cribs, new diaper bags full of infant essentials, and postpartum care kits to mothers and newborns in partner programs. The Organization also offers college students experiencing homelessness clothing, hygiene essentials, bedding, and dorm necessities through the Get Set program.

The Organization is staffed in part by compassionate volunteers and the programs rely on generous contributions of goods, services, and monetary gifts to provide clothing and necessities to individuals experiencing homelessness.

Circle of Hope is a not-for-profit corporation organized under Massachusetts law and is managed by a volunteer board of directors. Circle of Hope is supported primarily through donor contributions, grants, and its annual special event fundraising activities.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition

Circle of Hope, Inc. records all unconditional contributions, sponsorships, and grants at the earlier of when pledged or 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. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, either by satisfaction of purpose or by the passage of time, net assets with donor restrictions are reclassified as net assets without donor restrictions.

CIRCLE OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Circle of Hope, Inc. also receives grants from various grantors. All grants received are considered available for the Organization's general programs unless specifically restricted by the grantor. Amounts received that are designated for future periods or restricted by the grantor are reported as support with donor restrictions and increase the respective class of net assets. When restrictions imposed by grantors are fully satisfied, net assets with donor restrictions are reclassified as net assets without donor restrictions.

Special event revenue is recognized as support revenue due to no material direct donor benefits received and recognized as revenue when received or unconditionally pledged as there is no right of return. Sponsorships and Fund A Need sponsorships are recorded as revenue with donor restrictions while funds received from the silent auction, tickets and donations are recorded as revenue without donor restrictions. Amounts received in advance of the event are restricted and released from restriction on the date of the event.

Miscellaneous and interest income are recognized when earned.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments available for current use with an initial maturity of three months or less. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes, if any, are not considered cash and cash equivalents for purposes of the statement of cash flows.

Grants Receivable

Unconditional grants that are expected to be collected within one year are recorded as grants receivable at net realizable value. Unconditional grants that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional contributions and grants are not included as support until the conditions are substantially met. In management's opinion, all receivables as of June 30, 2023 are expected to be collected in less than one year and, therefore, no allowance for doubtful accounts has been established. If receivables are determined to be uncollectible in subsequent periods, an allowance will be established.

Property and Equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over the estimated useful lives.

CIRCLE OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Major additions and betterments are charged to the property accounts while replacements, maintenance and repairs which will not improve or extend the life of the respective assets are expensed in the year incurred. The Organization capitalizes all expenditures for property and equipment in excess of \$500.

Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence, or absence, of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported in one of two categories:

*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 Circle of Hope, Inc. 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 or grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Circle of Hope, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Circle of Hope, Inc. did not have any of these funds to be maintained in perpetuity at June 30, 2023

Donated Goods & Services

The value of clothing and other goods donated to Circle of Hope, Inc. is measured by using the Salvation Army Donation Value Guide for used clothing (including shoes, boots, coats), bedding, and linens.

Contributions of donated goods and services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and change in net assets and functional expenses.

CIRCLE OF HOPE, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2023

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

These costs include direct and indirect costs that have been allocated, on the basis of time and effort estimates made by Management. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization, internal management and accounting for program services. Fundraising includes all activities related to maintaining contributor information, writing grant proposals, distribution of materials related to the procurement of funds for the Organization’s programs. Accordingly, certain expenses have been allocated among the programs and supporting services benefited and other costs are directly allocated to the specific activity benefited. The expenses that are allocated include the following:

<u>Expenses</u>	<u>Method of Allocation</u>
Personnel Costs	Time and Effort
Contributed professional services	Time and Effort
Occupancy	Square footage
Professional Fees	By Provider
Website and IT expenses	Time and Effort
Office expenses	Time and Effort
Depreciation	Time and Effort
Printing	Time and Effort
Storage	Time and Effort

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax-Exempt Status

Circle of Hope, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income during the fiscal year ended June 30, 2023.

CIRCLE OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Accounting for Uncertain Tax Provisions

Circle of Hope, Inc. complies with the provisions of FASB ASC Topic 740, *Accounting for Uncertainty in Income Taxes*, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Management evaluated the Organization's tax positions and concluded that Circle of Hope, Inc. had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. For the years ended June 30, 2023, no unrecognized tax provision or benefit exists in the accompanying financial statements.

Leases

Effective July 1, 2022, the Organization adopted the FASB ASU 2016-02, Leases (ASC 842), which replaced the existing guidance for leases using the transition method introduced by ASU 2018-11. Under ASC 842, a right-of-use asset and lease liability is recorded for all leases and the statement of activities reflects the lease expense for the operating leases and amortization/interest expense for the financing leases. The balance sheet amount recorded for existing leases at the date of adoption of ASC 842 is calculated using the applicable incremental borrowing rate at the date of adoption. The adoption of the lease standard did not result in a cumulative catch-up adjustment to the opening balance of net assets.

The new standard provided various practical expedients, which were assessed to determine the ultimate impact of the new standard upon adoption. The Organization elected the package of practical expedients, which permits the Organization to not reassess (1) whether any expired or existing contracts are or contain leases, (2) the lease classification for any expired or existing leases and (3) any initial direct costs for any existing leases as of the effective date. The Organization also elected the practical expedients to not apply the recognition requirements in the standard to a lease that at commencement date has a term of twelve months or less and does not contain a purchase option that is reasonably certain to exercise and to not separate lease and related non-lease components.

The Organization leases its facilities under a non-cancelable operating lease. Right-of-use asset represents the right to use an underlying asset for the lease term, and the lease liabilities represent the obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. As this lease did not provide an implicit rate, the Organization uses the federal borrowing rate in determining the present value of lease payments.

CIRCLE OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

This lease agreement does include options to extend the lease, but these are not included in these financial statements as the certainty of exercising these options is not reasonably certain.

Subsequent Events

The date to which events occurring after June 30, 2023, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is December 5, 2023, which is the date on which the financial statements were available to be issued and noted no events which met the criteria for recognition or disclosure.

**NOTE 2 – AVAILABILITY AND LIQUIDITY**

Circle of Hope, Inc. is supported by grants which oftentimes require resources to be used in a particular manner or in a future period. Due to these grants, Circle of Hope, Inc. must maintain sufficient resources to meet those responsibilities to its grantors. Thus, financial assets may not be available for general expenditure within one year. As part of Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Circle of Hope, Inc. regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Circle of Hope, Inc. has various sources of liquidity at its disposal, including cash and cash equivalents, and grants receivable.

For purposes of analyzing resources available to meet general expenditures over a one-year period, Circle of Hope, Inc. considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next year, Circle of Hope, Inc. operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following represent Circle of Hope, Inc.'s financial assets at June 30, 2023:

CIRCLE OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 2 – AVAILABILITY AND LIQUIDITY**

Financial assets at year end	
Cash and Cash Equivalents	\$ 771,816
Grants receivable	<u>111,000</u>
Total financial assets	<u><u>\$ 882,816</u></u>
Amounts not available to be used within one year	
Net assets with donor restrictions	\$ 240,243
Less net assets with purpose restrictions to be met in less than a year	<u>(240,243)</u>
Total amounts not available to be used within one year	<u><u>-</u></u>
Financial assets available to meet general expenditures over the next year	<u><u>\$ 882,816</u></u>

**NOTE 4 – DONATED SERVICES AND MATERIALS**

Contributed services are recognized as revenue only if the services create or enhance non-financial assets or require special skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation.

During the fiscal year ended June 30, 2023, contributed services meeting these requirements for recognition in the financial statements were provided by Barbara Waterhouse, the executive director, who specializes in public health. The value of her donated services for the fiscal year ended June 30, 2023 was \$110,000.

The Organization receives a substantial amount of donated professional services from unpaid volunteers. The financial statements recognize volunteer service that has a clear and measurable basis for valuation and is attributable to someone who has special training necessary to satisfactorily complete a task or assignment. Donated services from unpaid volunteers who assist in providing program services and do not meet the recognition criteria have not been recognized in the statement of activities and changes in net assets.

All donated clothing, materials and supplies are without donor restrictions and are used in program activities.

CIRCLE OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 5 – CONCENTRATIONS OF CREDIT RISK**

The Organization maintains its cash balances in one financial institution. Cash accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2023, there is no uninsured cash as the bank is covered by DIF. The Organization has not experienced any losses on this account and Management considers credit risk on cash to be low.

**NOTE 6 – NET ASSETS - WITH DONOR RESTRICTIONS**

Net Assets with donor restrictions are restricted for the following purposes and amounts at June 30, 2023:

Welcome Baby Program	\$ 1,145
Get Set	3,316
Framingham homeless	15,407
Emergency Response	98,875
Dignity	800
Time Restricted	111,000
Winter Coats	1,700
Operations/Purchasing	<u>8,000</u>
Totals	<u><u>\$ 240,243</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposed, occurrence of events specified by donors, or the passage of time for the year ended June 30, 2023:

Hope Blooms	\$ 104,148
Clinton/Pearl	33,669
Welcome Baby Program	10,978
Get Set	38,810
Emergency Response	140,397
Dignity	594
Winter Coats	<u>1,814</u>
Totals	<u><u>\$ 330,410</u></u>

CIRCLE OF HOPE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**NOTE 7 – LEASE COMMITMENTS**

Operating Lease

The Organization is obligated under a ten-year lease for its current premises. The lease expires December 31, 2029, with an option to extend for an additional three years. Rent expense for the year ended June 30, 2023 totaled \$58,158.

In accordance with FASB ASC 842, the Organization has classified the lease as an operating lease and recognized on the accompanying balance sheet at June 30, 2023 an operating lease right-of-use asset and a corresponding operating lease liabilities equivalent to the discounted future lease payments. The following summarizes the undiscounted cash flows for the remaining years under the operating leases at June 30, 2023:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 46,694
2025	49,430
2026	52,270
2027	55,198
2028	58,235
Thereafter	<u>93,263</u>
	<u><u>\$ 355,090</u></u>

**NOTE 8 – SPECIAL EVENT**

Sponsorship, Fund a Need, and silent auction revenue along with ticket sales raised through the annual special event “Hope Blooms” are presented in the Statement of Activities and Changes in Net Assets, gross of applicable expenses. This important event fuels the Organization’s vital work. Revenue from Hope Blooms totaled \$153,532 with related expenses of \$29,504 for the year ended June 30, 2023.



Needham Office  
105 Chestnut Street, Suite 15  
Needham, MA 02492  
(781) 449-3346

Cape Cod Office  
258 Main Street, Suite A1  
Buzzards Bay, MA 02532  
(508) 759-6761

Framingham Office  
1290 Worcester Road Lower Floor  
Framingham, MA 01702  
(508) 872-6842

[www.tdacpas.com](http://www.tdacpas.com)