

**HOPELINK BEHAVIORAL HEALTH
(A Nonprofit Organization)**

FINANCIAL STATEMENTS

**Year Ended June 30, 2025
with Summarized Comparative Information
for the year ended June 30, 2024**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	9

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
HopeLink Behavioral Health
Oakton, Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HopeLink Behavioral Health (HopeLink), which comprise the statement of financial position as of June 30, 2025, 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 HopeLink as of June 30, 2025, 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 HopeLink and to meet our 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.

Responsibilities of Management 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, 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 HopeLink'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 and *Government 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 and *Government 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 HopeLink'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 HopeLink'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2025, on our consideration of HopeLink's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of HopeLink's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HopeLink's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited HopeLink's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Renner and Company, CPA, P.C.

Alexandria, Virginia

October 21, 2025

HOPELINK BEHAVIORAL HEALTH

STATEMENT OF FINANCIAL POSITION

June 30, 2025 (with Summarized Comparative Information as of June 30, 2024)

ASSETS				
	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
CURRENT ASSETS				
Cash and restricted cash	\$ 869,314	\$ 127,011	\$ 996,325	\$ 586,307
Investments	56,269	-	56,269	544,637
Accounts receivable	3,450,160	-	3,450,160	2,795,382
Promises to give	-	32,000	32,000	28,080
Prepaid expenses	63,231	-	63,231	53,062
TOTAL CURRENT ASSETS	4,438,974	159,011	4,597,985	4,007,468
PROPERTY AND EQUIPMENT, net	571,384	-	571,384	685,477
OTHER ASSETS				
Investments	3,954,720	-	3,954,720	3,485,489
Intangible assets, net	-	-	-	4,412
Operating right-of-use asset	1,246,981	-	1,246,981	1,525,820
Deferred compensation	110,609	-	110,609	99,262
Security deposit	38,936	-	38,936	38,936
TOTAL OTHER ASSETS	5,351,246	-	5,351,246	5,153,919
TOTAL ASSETS	\$ 10,361,604	\$ 159,011	\$ 10,520,615	\$ 9,846,864
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 87,422	\$ -	\$ 87,422	\$ 199,844
Accrued expenses	1,245,952	-	1,245,952	990,448
Deferred revenue	66,237	-	66,237	4,570
Custodial accounts	6,611	-	6,611	6,385
Deferred compensation	110,609	-	110,609	99,262
Operating lease liability	376,304	-	376,304	340,930
TOTAL CURRENT LIABILITIES	1,893,135	-	1,893,135	1,641,439
LONG-TERM LIABILITIES				
Operating lease liability, net	1,203,870	-	1,203,870	1,580,175
TOTAL LIABILITIES	3,097,005	-	3,097,005	3,221,614
NET ASSETS	7,264,599	159,011	7,423,610	6,625,250
TOTAL LIABILITIES AND NET ASSETS	\$ 10,361,604	\$ 159,011	\$ 10,520,615	\$ 9,846,864

See Notes to Financial Statements.

HOPELINK BEHAVIORAL HEALTH**STATEMENT OF ACTIVITIES****Year Ended June 30, 2025 (with Summarized Comparative Information for the year ended June 30, 2024)**

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Government contracts and grants	\$ 22,038,171	\$ -	\$ 22,038,171	\$ 18,018,461
Contributions and other grants	1,422,255	134,863	1,557,118	1,786,126
Donated facilities and services	495,143	-	495,143	506,614
Investment return	485,963	-	485,963	462,035
Miscellaneous	376,115	-	376,115	228,842
Consumer fees	46,643	-	46,643	35,616
Rental income	31,600	-	31,600	31,461
Net assets released from restrictions	139,878	(139,878)	-	-
TOTAL SUPPORT AND REVENUE	25,035,768	(5,015)	25,030,753	21,069,155
EXPENSES				
Program	21,227,311	-	21,227,311	18,730,648
Management and general	2,470,454	-	2,470,454	2,050,004
Fundraising	534,628	-	534,628	510,660
TOTAL EXPENSES	24,232,393	-	24,232,393	21,291,312
CHANGE IN NET ASSETS	803,375	(5,015)	798,360	(222,157)
NET ASSETS, beginning of year	6,461,224	164,026	6,625,250	6,847,407
NET ASSETS, end of year	\$ 7,264,599	\$ 159,011	\$ 7,423,610	\$ 6,625,250

See Notes to Financial Statements.

HOPELINK BEHAVIORAL HEALTH
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2025 (with Summarized Comparative Information for the year ended June 30, 2024)

	2025										2024	
	Program								Support			
	Psychosocial Rehabilitation	Community Services	Crisis Services	Peer Services	Other Program & Community Housing	Outpatient	Youth and Family	Total Program	Management and General	Fundraising	Total	Total
PERSONNEL EXPENSES												
Salaries and wages	\$ 780,235	\$ 1,321,354	\$ 11,198,899	\$ 716,431	\$ 416,572	\$ 448,201	\$ 376,074	\$ 15,257,766	\$ 1,138,197	\$ 135,286	\$ 16,531,249	\$ 14,544,086
Fringe benefits	85,974	192,402	1,193,426	100,112	67,813	47,235	36,170	1,723,132	141,740	13,280	1,878,152	1,445,263
Payroll taxes	65,748	111,185	1,013,313	60,472	34,603	35,846	30,966	1,352,133	92,704	10,759	1,455,596	1,295,851
TOTAL PERSONNEL EXPENSES	931,957	1,624,941	13,405,638	877,015	518,988	531,282	443,210	18,333,031	1,372,641	159,325	19,864,997	17,285,200
OTHER EXPENSES												
Professional fees	74,837	77,705	785,418	1,582	124,543	6,254	8,586	1,078,925	618,969	94,545	1,792,439	1,578,336
Occupancy	651,055	24,867	55	-	45,861	20,986	-	742,824	195,235	-	938,059	901,125
Communications	43,853	15,167	321,575	9,634	2,752	3,565	2,740	399,286	37,826	-	437,112	417,643
Other	114	347	2,200	-	7,298	-	166	10,125	41,883	248,561	300,569	257,807
Rental and maintenance	113,189	7,123	31,268	739	3,674	2,723	4,941	163,657	34,711	-	198,368	169,946
Conference and training	13,405	15,010	63,548	6,674	5,025	5,121	18,331	127,114	45,655	-	172,769	129,306
Depreciation and amortization	96,009	11,023	6,055	-	488	-	-	113,575	23,135	-	136,710	158,869
Donated services	-	-	109,340	-	-	-	-	109,340	-	-	109,340	132,060
Office supplies	14,480	1,649	5,006	36	471	1,894	1,421	24,957	30,838	24,771	80,566	77,093
Travel	4,256	38,462	11,880	2,795	4,793	104	8,079	70,369	1,595	27	71,991	69,808
Insurance	16,311	6,141	14,956	441	14,749	283	-	52,881	14,254	-	67,135	57,494
Accounting	-	-	-	-	-	-	-	-	44,429	-	44,429	29,202
Advertising	-	-	-	-	-	-	-	-	295	7,399	7,694	8,002
Legal services	-	-	-	-	-	-	-	-	7,426	-	7,426	16,225
Interest	-	-	-	-	-	-	-	-	1,562	-	1,562	1,262
Bad debt expense	1,227	-	-	-	-	-	-	1,227	-	-	1,227	1,934
OTHER EXPENSES	1,028,736	197,494	1,351,301	21,901	209,654	40,930	44,264	2,894,280	1,097,813	375,303	4,367,396	4,006,112
TOTAL EXPENSES	\$ 1,960,693	\$ 1,822,435	\$ 14,756,939	\$ 898,916	\$ 728,642	\$ 572,212	\$ 487,474	\$ 21,227,311	\$ 2,470,454	\$ 534,628	\$ 24,232,393	\$ 21,291,312

See Notes to Financial Statements.

HOPELINK BEHAVIORAL HEALTH**STATEMENT OF CASH FLOWS****Year Ended June 30, 2025 (with Comparative Information for the year ended June 30, 2024)**

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from operations		
Support and revenue	\$ 23,947,759	\$ 20,471,903
Investment income	<u>104,486</u>	<u>102,850</u>
Total cash received from operations	<u>24,052,245</u>	<u>20,574,753</u>
Cash used in operations		
Payments to employees and suppliers	(24,023,300)	(20,946,557)
Interest paid	<u>(1,562)</u>	<u>(1,262)</u>
Total cash disbursed by operations	<u>(24,024,862)</u>	<u>(20,947,819)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>27,383</u>	<u>(373,066)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,019,962	664,632
Purchase of investments	(619,348)	(266,642)
Purchase of property	(18,205)	(17,405)
Amounts received for member funds	<u>226</u>	<u>208</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>382,635</u>	<u>380,793</u>
NET INCREASE IN CASH AND RESTRICTED CASH	410,018	7,727
CASH AND RESTRICTED CASH, beginning of year	<u>586,307</u>	<u>578,580</u>
CASH AND RESTRICTED CASH, end of year	<u>\$ 996,325</u>	<u>\$ 586,307</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Unrealized gain in market value of investments	\$ (256,061)	\$ (330,534)
Increase in investment value	<u>256,061</u>	<u>330,534</u>
	<u>\$ -</u>	<u>\$ -</u>

See Notes to Financial Statements.

HOPELINK BEHAVIORAL HEALTH**STATEMENT OF CASH FLOWS****Year Ended June 30, 2025 (with Comparative Information for the year ended June 30, 2024)**

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2025</u>	<u>2024</u>
CHANGE IN NET ASSETS	<u>\$ 798,360</u>	<u>\$ (222,157)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES		
Depreciation and amortization	136,710	158,870
Non-cash occupancy costs	(62,092)	(50,170)
Realized and unrealized gain on investments	<u>(381,477)</u>	<u>(359,185)</u>
NET ADJUSTMENTS	<u>(306,859)</u>	<u>(250,485)</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING OPERATIONS (USING) PROVIDING CASH		
ASSETS		
Accounts receivable	(654,778)	(89,252)
Promises to give	(3,920)	(25,228)
Prepaid expenses	(10,169)	(11,247)
Deferred compensation	<u>(11,347)</u>	<u>(9,068)</u>
NET CHANGES IN ASSETS	<u>(680,214)</u>	<u>(134,795)</u>
LIABILITIES		
Accounts payable	(112,422)	132,483
Accrued expenses	255,504	113,557
Deferred revenue	61,667	(20,737)
Deferred compensation	<u>11,347</u>	<u>9,068</u>
NET CHANGES IN LIABILITIES	<u>216,096</u>	<u>234,371</u>
NET CHANGES IN ASSETS AND LIABILITIES	<u>(464,118)</u>	<u>99,576</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 27,383</u></u>	<u><u>\$ (373,066)</u></u>

See Notes to Financial Statements.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

1. ORGANIZATION AND PURPOSE

HopeLink Behavioral Health (HopeLink) is a Virginia nonprofit corporation established in 1963 to provide vocational and social rehabilitation programs for persons with serious mental illness in Virginia.

The following is a brief description of HopeLink's major programs:

The Psychosocial Rehabilitation program, also known as the Recovery Academy program, the Community Readiness Support Program (CRSP), and the Stepping Stones program, provides a curriculum-based day program that promotes movement out of HopeLink's facility-based programming and into meaningful community alternatives such as work, volunteering and school. Co-occurring disorder services and assistance with transition to community-based activities are also offered.

The Community Services program includes Employment Services and Mental Health Skills-Building Services (MHSS). Employment Services provides support and training for clients who want to be competitively employed in the community to help them choose, get and keep jobs. MHSS provides individually tailored, community-based intensive skill building and support services to meet each client's unique needs, abilities and goals; and helps clients maintain their housing and maximize their stability.

The Crisis Services program brings immediate help, hope and healing to empower individuals facing serious life challenges, suicidal thoughts, and emotional or situational problems through programs including: 24/7 Crisis & Suicide Prevention hotline, crisis textline, and chatline. HopeLink is part of the 988 Suicide and Crisis Lifeline Network - answering calls in Virginia, and nationally as a National Back-up Center and Core Chat Center. HopeLink also serves as the Regional Crisis Call Center in four of the five Health Planning Regions (HPRs) in the Commonwealth of Virginia.

Peer Support Services are provided by individuals who have lived experience and are successful in their recovery. Peers use that lived experience to provide emotional, affiliation, instrumental, and informational support for others in their own recovery journey. At HopeLink, Peers are embedded within clinical programs and in independent programs serving as paraprofessionals - utilizing their lived experience and training to work alongside treatment teams. Family Peer Support Services are provided by a parent or guardian, with lived experience navigating the behavioral health and mental health system for their child. Family Peers utilize that experience to support other families in the community navigating the systems of care and facing similar challenges.

HopeLink's Mental Health Outpatient Services provide individuals experiencing mental illness, other behavioral health conditions, or other life challenges with compassionate, personalized therapy to help make positive changes.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

1. ORGANIZATION AND PURPOSE (CONTINUED)

The Youth and Family program supports youth, young adults and families impacted by mental health and substance use challenges. Services include the Transition to Independence Process (TIP) program, which supports youth and young adults with emotional or behavioral difficulties to successfully transition to adulthood; the Children and Youth Mental Health and Substance Use Treatment Navigation Program provides Care Navigators to guide youth and families through a screening, care planning, referral and support process to reduce barriers to care and make finding the right services easier, less stressful and a focus on unique needs of persons served; and the Family Peer Support Partner (FPSP) Program provides support to parents and caregivers of youth diagnosed with mental health or substance use challenges.

HopeLink provides several other critical community services. The Coordinated Specialty (CSC) program is a recovery-oriented treatment program for youth and young adults with first episode psychosis. CSC offers skill teaching, case management, supported employment, supported education, family education and support, peer support and psychiatric services. The Community Housing program provides non-time-limited housing and support to help clients live as independently as possible. Residents live in one of the housing residences supported by HopeLink.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

HopeLink prepares its financial statements on the accrual basis of accounting. Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Cash and Cash Equivalents

For the purpose of reporting on the statement of cash flows, cash includes interest bearing and non-interest bearing demand deposit accounts. All highly liquid investments available for current use with an initial maturity of three months or less are considered to be cash equivalents. HopeLink does not consider the short-term investments contained in its investment portfolio to be cash equivalents.

Accounts Receivable

Accounts receivable consist principally of amounts due to HopeLink for government and private contracts and services performed and are stated at unpaid balances. Accounts receivable are considered past due if payments are not received within 30 days of the invoice date. HopeLink records an allowance based on the history of collectability and its efforts to collect outstanding balances and will write off receivables when they are deemed to be uncollectible after efforts to collect have been exhausted. No interest is accrued on receivables. No provision for doubtful accounts has been established based on management's evaluation of the collectability of receivables.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Unconditional promises to give are recognized as support in the period the promise is made and are stated at the promised balance, net of discounts to present value. Discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are expected to be received. Amortization of the discounts is included in contribution revenue. Promises to give are considered uncollectible once the time restriction has expired and are written off when efforts to collect have been exhausted. HopeLink has not recorded a provision for doubtful promises as it has evaluated all promises to be collectible.

Property and Equipment

Property and equipment are reflected in the financial statements at cost. HopeLink capitalizes all fixed assets with a purchase price of \$1,000 or greater. Depreciation is computed using the straight line method over the estimated useful lives of the assets. Routine repairs and maintenance are expensed as incurred. The following summarizes the estimated useful lives for each major class of depreciable

	Estimated Useful Life
Vehicles	3 - 5 years
Furniture and equipment	3 - 10 years
Building	40 years
Building improvements	3 - 20 years
Leasehold improvements	5 - 10 years

Intangible Assets

Intangible assets are carried at cost. Amortization is computed using the straight-line method based on the asset's estimated useful life ranging from 3 to 4 years. When the asset is retired or otherwise disposed of, the cost and related accumulated amortization are removed from the accounts, and any resulting gain or loss is recognized.

Investments

Investments are recorded at fair value. Unrealized gains and losses are included in investment income in the statement of activities.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

HopeLink invests in a professionally managed portfolio that contains money market funds, mutual funds and exchange traded products. Such investments are exposed to various risks such as market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Money market funds held in HopeLink's investment portfolio are available for HopeLink's short-term cash needs that may arise from time to time.

Deferred Revenue

Revenues billed or collected for which the services or function have not been fulfilled are reflected as deferred revenue.

Custodial Accounts

Custodial accounts are consumer funds held in a custodial capacity to be disbursed in accordance with consumer instructions.

Leases

HopeLink recognizes a right-of-use asset and a corresponding lease liability at lease commencement at the present value of all future lease payments. The present value is calculated using HopeLink's risk-free rate or the explicitly stated rate in the lease agreement. The risk-free rate represents the U.S. Treasury rate for a term comparable to the lease term. The right-of-use asset is further adjusted for any prepaid lease payments, lease incentives received, and initial direct costs incurred. HopeLink determines lease classification at lease commencement based on the terms of the agreement, and after considering executed amendments. HopeLink has elected the short-term lease practical expedient that allows it to expense leases with a term of twelve months or less. Additionally, HopeLink has also elected to not separate lease and non-lease components, accounting them as a single lease component. Finally, for options to extend or terminate the lease, these are included in the present value calculation only when it is reasonable certain HopeLink will exercise the options.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classes of Assets

In accordance with U.S. GAAP, net assets are classified into two categories: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restrictions

Net assets without donor restriction include operating net assets that are available for the general operations of HopeLink, as well as a Board designated Capital Expenditure and Emergency Fund with net assets set aside for capital expenditures or emergency use.

Net Assets With Donor Restrictions

Net assets with donor restriction include net assets that are subject to donor-imposed restrictions for support of a particular program activity, have time restrictions, or represent contributions received from donors to be held in perpetuity. HopeLink maintains assets with donor restriction that consist of amounts contributed to fund various programs and projects. HopeLink does not maintain any assets that are held in perpetuity as of June 30, 2025 and 2024.

Revenue Recognition from Contracts with Customers

Private pay agreements are recognized as the services are provided. The contract for private pay is established upon receipt of a signed agreement to identify which type of services the customer would like to receive, in which case HopeLink provides personal services. These contracts can either have a standard hourly rate or unit rate or monthly fixed fee as specified in special-case contracts. Refunds are not provided once services are performed.

Revenue Recognition from Contributions

Contributions

HopeLink recognizes all unconditional contributed support in the period in which it is received. Contributions are recorded as support without donor restriction or support with donor restriction. Categorization is based upon the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the nature of the restrictions is met within the reporting period. All other donor-restricted support is reported as an increase in net assets with donor restriction and then reclassified to net assets

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition from Contributions (Continued)

Government Contracts and Grants

Revenue from government contracts and grants is recorded as earned under the contribution model of revenue recognition; that is, when the grant is awarded, unless they are conditional. These include cost-type grants and contracts (recognized on the basis of reimbursable costs incurred during the period) and service-based grants (recognized as the services are performed in accordance with the budget provided from the grantor.) Both incurring reimbursable costs and performance of services are the conditions that must be met for the grants to become

Donated Facilities and Services

Donated facilities are recorded at fair value at the date the contribution was made. Donated services are recognized if the services received create non-financial assets or require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated facilities and services are recorded at fair value when the

Income Taxes

HopeLink is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), and has been classified by the Internal Revenue Service (IRS) as other than a private foundation within the meaning of Section 509(a)(1) of the IRC. The organization is, however, subject to income taxes on net profits generated by activities defined as unrelated business activities under applicable tax law. HopeLink has not engaged in any such activities during the years ended June 30, 2025 and 2024.

In accounting for uncertainty in income taxes, accounting standards require an entity to recognize the financial statement impact of a tax position when it is more-likely-than-not that the position will not be sustained upon examination. Management evaluated HopeLink's tax positions and concluded there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowability of Reimbursed Costs

HopeLink participates in federal grant programs that are subject to financial and compliance audits by the federal agencies and their representatives. As such, there is a possibility that questioned costs might result from such an audit in the future. Management estimates that there are no material unallowable costs.

Functional Expense Allocation

Expenses are charged directly to programs in general categories based on specific identification. Certain costs such as salaries and wages, fringe benefits, payroll taxes, professional fees, other, office supplies, conference and training, travel, and advertising have been allocated to programs, management and general, and fundraising expenses based on level of effort. Occupancy, communications, rental and maintenance, depreciation and amortization, and insurance have been allocated to programs and management and general based on level of effort. Legal services has been allocated to management and general and fundraising based on level of effort. Donated services and bad debt expense have been allocated solely to program while accounting and interest have been allocated to management and general based on level of effort.

Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total and not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, such information should be read in conjunction with HopeLink's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

3. LIQUIDITY AND AVAILABILITY OF ASSETS

HopeLink maintains a liquid cash balance in checking accounts in an amount necessary to meet its anticipated expenditures for the next 30 days. Cash in excess of this amount is invested in short-term investments.

HopeLink has secured a line of credit up to \$2,000,000 to help manage cash flow. The outstanding balance is \$0 as of the year ended June 30, 2025. The line of credit expires February 13, 2026.

HopeLink reconciles the balance of financial assets subject to donor restrictions monthly, based on restricted amounts used and received. Restricted cash and investments are separately identified and monitored as part of HopeLink's monthly financial reporting process.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

3. LIQUIDITY AND AVAILABILITY OF ASSETS (CONTINUED)

HopeLink's financial assets available within one year to meet cash needs for general expenditures through June 30, 2026 are as follows:

Financial Assets	
Cash	\$ 996,325
Investments	4,010,989
Accounts receivable	3,450,160
Promises to give	32,000
Total financial assets	<u>\$ 8,489,474</u>
Less amounts not available within one year	
Purpose restricted net assets	(159,011)
Board designated net assets	<u>(2,609,308)</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 5,721,155</u></u>

4. CASH AND RESTRICTED CASH

Cash as of June 30, 2025 and 2024 consisted of the following:

	2025	2024
Checking	\$ 435,303	\$ 445,798
Money market	561,023	140,509
	<u>\$ 996,326</u>	<u>\$ 586,307</u>

The cash accounts are insured by the Federal Deposit Insurance Corporation for amounts up to \$250,000. The amounts in excess of deposit insurance limits were \$784,008 and \$203,816 as of June 30, 2025 and 2024, respectively. Cash subject to donor-imposed restrictions for support of a particular program activity is reported as restricted cash. Restricted cash as of June 30, 2025 and 2024 totaled \$173,764 and \$167,209.

5. ACCOUNTS RECEIVABLE

Receivables at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Services performed	\$ 3,425,277	\$ 2,540,318
Accrued revenue	24,883	255,064
	<u>\$ 3,450,160</u>	<u>\$ 2,795,382</u>

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

6. PROMISES TO GIVE

Promises to give as of June 30, 2025 and 2024 consisted of unconditional pledges and are due as follows:

	2025		
	Receivable in		
	Less than one year	One to five years	Total
Promises to give	\$ 32,000	\$ -	\$ 32,000

	2024		
	Receivable in		
	Less than one year	One to five years	Total
Promises to give	\$ 28,080	\$ -	\$ 28,080

7. PROPERTY AND EQUIPMENT

A summary of information related to property and depreciation for the years ended June 30, 2025 and 2024 are as follows:

	2025			
	Cost	Accumulated depreciation	Depreciation expense	Book Value
Land	\$ 57,660	\$ -	\$ -	\$ 57,660
Vehicles	163,867	(163,867)	977	-
Furniture and equipment	245,583	(232,728)	13,893	12,855
Building	326,738	(211,855)	8,168	114,883
Building improvements	467,501	(441,833)	10,558	25,668
Leasehold improvements	1,295,680	(935,362)	98,702	360,318
	<u>\$ 2,557,029</u>	<u>\$ (1,985,645)</u>	<u>\$ 132,298</u>	<u>\$ 571,384</u>

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

7. PROPERTY AND EQUIPMENT (CONTINUED)

	2024			
	Cost	Accumulated depreciation	Depreciation expense	Book Value
Land	\$ 57,660	\$ -	\$ -	\$ 57,660
Vehicles	163,867	(162,890)	13,813	977
Furniture and equipment	339,242	(317,444)	14,639	21,798
Building	326,738	(203,686)	8,168	123,052
Building improvements	467,501	(431,276)	13,186	36,225
Leasehold improvements	1,287,671	(841,906)	98,740	445,765
	<u>\$ 2,642,679</u>	<u>\$ (1,957,202)</u>	<u>\$ 148,546</u>	<u>\$ 685,477</u>

8. INTANGIBLE ASSETS

Intangible asset costs and amortization for the year ended June 30, 2025 and 2024 are as follows:

	2025			
	Cost	Accumulated amortization	Amortization expense	Book Value
Website and software	<u>\$ 159,783</u>	<u>\$ (159,783)</u>	<u>\$ 10,324</u>	<u>\$ -</u>

	2024			
	Cost	Accumulated amortization	Amortization expense	Book Value
Website and software	<u>\$ 166,534</u>	<u>\$ (162,122)</u>	<u>\$ 10,234</u>	<u>\$ 4,412</u>

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

9. INVESTMENTS

Investments are recorded at fair value and consist of the following as of June 30, 2025 and 2024:

	2025		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money market funds	\$ 56,269	\$ 56,269	\$ -
Mutual funds			
Diversified emerging markets	319,464	359,075	39,611
Large value	245,020	285,796	40,776
Commodities Broad Basket	78,300	77,875	(425)
Real Estate	185,320	202,507	17,187
Short-Term Bond	115,811	116,232	421
Foreign small/mid blend	268,691	310,297	41,606
Intermediate core-plus bond	461,762	430,714	(31,048)
Foreign large growth	62,085	79,591	17,506
Equity-traded products	1,327,400	2,092,633	765,233
	<u>\$ 3,120,122</u>	<u>\$ 4,010,990</u>	<u>\$ 890,868</u>
	2024		
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Money market funds	\$ 616,028	\$ 616,028	\$ -
Mutual funds			
Diversified emerging markets	213,675	224,113	10,438
Large value	218,283	259,844	41,561
Nontraditional bond	96,236	93,858	(2,378)
Foreign small/mid blend	238,686	253,453	14,767
Intermediate core-plus bond	502,319	452,595	(49,724)
Foreign large growth	168,205	198,949	30,744
Mid-cap blend	181,098	182,844	1,746
Exchange-traded products	1,204,970	1,748,442	543,472
	<u>\$ 3,439,500</u>	<u>\$ 4,030,126</u>	<u>\$ 590,626</u>

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

9. INVESTMENTS (CONTINUED)

The Board has designated and set aside a portion of its investment portfolio for capital expenditures and emergency fund use. For the years ended June 30, 2025 and 2024, Board designated funds were \$2,609,308 and \$2,252,072, respectively.

Investment return consisted of the following for the years ended June 30, 2025 and 2024:

	2025	2024
Interest and dividends	\$ 104,486	\$ 102,850
Unrealized and realized gain on investments	381,477	359,185
	<u>\$ 485,963</u>	<u>\$ 462,035</u>

10. FAIR VALUE MEASUREMENTS

HopeLink records investments based on fair value on a recurring basis. Financial accounting and reporting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. The standards emphasize that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the standards established a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent from the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that HopeLink has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

10. FAIR VALUE MEASUREMENTS (CONTINUED)

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. HopeLink's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets or liabilities.

All investments as of June 30, 2025 and 2024 were considered to be classified as Level 1 investments.

11. NET ASSETS WITH DONOR RESTRICTION

A summary of net assets with donor restriction for the years ended June 30, 2025 and 2024 is as follows:

	2025		
	Balance at June 30, 2024	Revenue and Support	Released
Hope Fund	\$ 48,841	\$ -	\$ 17,065
Arlington Kiwanis	-	3,000	128
Cafritz - Outpatient	-	22,500	3,750
Cafritz - TIP	-	22,500	3,750
Washington Forrest Foundation	27,609	-	27,609
Sentra Cares	19,766	-	19,766
Wolf Family Trust	18,666	-	18,666
Golf Tournament - Outpatient	-	86,863	-
Golf Tournament - TIP	49,144	-	49,144
	<u>\$ 164,026</u>	<u>\$ 134,863</u>	<u>\$ 139,878</u>
			<u>\$ 159,011</u>

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

11. NET ASSETS WITH DONOR RESTRICTION (CONTINUED)

	2024		
	Balance at June 30, 2023	Revenue and Support	Released
Hope Fund	\$ 64,552	\$ -	\$ 15,711
Access Hope	54,696	-	54,696
Peer Pilot	12,678	-	12,678
TD Charitable Foundation	5,000	-	5,000
Washington Forrest Foundation	29,636	30,000	32,027
Sentra Cares	-	30,000	10,234
Wolf Family Trust	-	150,000	131,334
Golf Tournament - Outpatient	85,616	-	85,616
Golf Tournament - TIP	-	84,520	35,376
	<u>\$ 252,178</u>	<u>\$ 294,520</u>	<u>\$ 382,672</u>
			<u>\$ 164,026</u>

12. DONATED FACILITIES AND SERVICES

Gifts-in-kind consist of donated facilities provided by Fairfax County for program service sites in Mt. Vernon. In addition, it consists of volunteers providing their time as part of the 24-hour service that is the CrisisLink hotline and textline program. Due to the nature of these nonfinancial assets, the services and facility usage were all utilized in the period received and there were no donor restrictions imposed on them. Inputs used to measure the initial recognition of donated facilities consist of a value estimate that is provided by the real estate firm managing the facility on an annual basis. For donated services, inputs consist of the volunteer hourly rate set by management, which is \$20 for the year ended June 30, 2025 and 2024, and the total volunteer hours in a fiscal year.

A summary of donated facilities and services for the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Donated facilities	\$ 385,803	\$ 374,554
Donated volunteer hours	109,340	132,060
Total donated facilities and services	<u>\$ 495,143</u>	<u>\$ 506,614</u>

Many other volunteers have donated significant amounts of their time to HopeLink program services. The value of these contributions has not been reflected in the financial statements, as they did not meet the criteria for recognition, nor is a practical estimate available.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

13. GOVERNMENT CONTRACTS AND GRANTS

Government contracts and grants revenue is as follows for the years ended June 30, 2025 and 2024:

	2025	2024
SAMHSA/Vibrant Emotional Health	\$ 8,795,245	\$ 7,107,418
Health Planning Regions	5,989,533	4,816,706
Fairfax County	3,085,373	2,765,554
Virginia Department of Behavioral Health and Developmental Services	2,065,247	768,781
Medicaid	793,659	979,562
Loudoun County	761,039	724,416
Arlington Community Services Board	257,732	539,261
United States Department of Housing and Urban Development	158,167	185,734
Virginia Department for Aging and Rehabilitative Services	131,193	131,029
Outpatient	983	-
	<u>\$ 22,038,171</u>	<u>\$ 18,018,461</u>

14. EMPLOYEE BENEFIT PLANS

HopeLink offers a 403(b) deferred annuity plan for eligible employees. All employees are eligible to participate and make contributions to the plan as of the first day of employment. HopeLink matches employee contributions of 1% up to a maximum of 5% of eligible compensation. For the years ended June 30, 2025 and 2024, HopeLink contributed \$338,646 and \$247,264, respectively.

HopeLink also sponsors a deferred compensation plan under IRC Section 457(f). Eligible employees may elect to have amounts, subject to statutory limits, which are annually adjusted, withheld from their compensation and contributed to funds established for the employee's benefit. HopeLink does not contribute to the plan. Deferred compensation assets held by HopeLink under the plan totaled \$110,608 and \$99,262 for the years ended June 30, 2025 and 2024, respectively, and have been reflected within the statement of financial position as an asset and a corresponding liability.

15. CONCENTRATIONS - REVENUE

For the years ended June 30, 2025 and 2024, HopeLink received \$19,668,333 or 79%, and \$15,458,459 or 73% of total support and revenue from four sources, respectively. Consequently, any material declines in funding from these sources could have a significant negative impact on HopeLink's financial condition.

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

16. LEASES

Operating Office Lease - Fairfax, Virginia

HopeLink has an operating lease agreement for space in Fairfax, VA. The term for the lease agreement is from September 1, 2017 through January 31, 2029. Rent payments did not begin until February 1, 2018. Under the terms of the lease, HopeLink received a leasehold improvement allowance of \$102,600, which will be amortized over the life of the lease. The rate used for the lease is the Treasury bill rate, which was 2.78% as of the date of transition. The rate reflects the risk-free rate for HopeLink and is the coupon equivalent or investment yield for a 52-week bill. It is based on the purchase price, discount and a 365- or 366-day year. Rent expense was \$202,820 for the years ended June 30, 2025 and 2024. There are no renewal or termination clauses within the lease. The right-of-use asset balance is \$682,441 and \$858,647 for the lease as of June 30, 2025 and 2024, respectively.

The estimated future minimum lease payments under the lease agreement as of June 30, 2025 are as follows:

For the fiscal years ended:

2026	\$ 240,174
2027	246,179
2028	252,333
2029	<u>149,320</u>
	<u>\$ 888,006</u>

A reconciliation of the undiscounted cash payments to the operating lease liability for the year ended June 30, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Undiscounted future cash flows	\$ 888,006	\$ 1,122,322
Less: discount to present value	<u>(44,333)</u>	<u>(70,947)</u>
Operating lease liability	<u>\$ 843,673</u>	<u>\$ 1,051,375</u>

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

16. LEASES

Operating Office Lease - Oakton, Virginia

HopeLink has an operating lease agreement for space in Oakton, VA. The term for the lease agreement is from April 1, 2018 through March 31, 2029. Under the terms of the lease, HopeLink received a leasehold improvement allowance of \$101,496, which will be amortized over the life of the lease. The rate explicit in the lease is 12%. Rent expense was \$199,901 for the years ended June 30, 2025 and 2024. The lease contains renewal clauses; however, the option is not considered reasonably certain to be exercised for the calculation of the related right-of-use asset and lease liability. The right-of-use asset balance as of June 30, 2025 and 2024 was \$564,539 and \$667,172, respectively.

The estimated future minimum lease payments under the lease agreement as of June 30, 2025 are as follows:

For the fiscal years ended:

2026	\$	236,834
2027		243,347
2028		250,039
2029		<u>191,371</u>
	\$	<u>921,591</u>

A reconciliation of the undiscounted cash payments to the operating lease liability for the year ended June 30, 2025 and 2024 is as follows:

	2025	2024
Undiscounted future cash flows	\$ 921,591	\$ 1,152,086
Less: discount to present value	<u>(173,961)</u>	<u>(282,357)</u>
Operating lease liability	<u>\$ 747,630</u>	<u>\$ 869,729</u>

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

16. LEASES

Housing Sublease - Falls Church, Virginia

HopeLink entered into a housing sublease agreement as a lessor for rental of a housing unit in Falls Church, VA. The lease commenced on September 1, 2022 and expired in August 31, 2024. The renewed lease commenced on September 1, 2024 and expires in August 31, 2026. The base monthly rent is \$2,700. Sublease income was \$31,600 and \$30,000 for the years ended June 30, 2025 and 2024, respectively.

The estimated future minimum lease rental income under the lease agreement as of June 30, 2025 is as follows:

For the fiscal year ended:	
2026	\$ 32,400
2027	5,400
	<u>\$ 37,800</u>

Quantitative Disclosures

Quantitative disclosures related to leases for the year ended June 30, 2025 are as follows:

Lease cost:	2025	2024
Operating lease cost	\$ 402,721	\$ 402,721
Sublease income	(30,000)	(30,000)
Total lease cost	<u>\$ 372,721</u>	<u>\$ 372,721</u>
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash outflows from operating leases	\$ 452,892	\$ 452,892
Weighted-average remaining lease term - operating leases	4.7 years	4.7 years
Weighted-average discount rate - operating leases	7.0%	7.0%

HOPELINK BEHAVIORAL HEALTH

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025 (with Summarized Comparative Information as of and for the year ended June 30, 2024)

17. COMMITMENTS AND CONTINGENCIES

Revolving Line of Credit

HopeLink had a \$800,000 line of credit with Truist Bank at a variable interest rate of 4% that matured on April 6, 2024. HopeLink transferred into a \$1,000,000 line of credit with Pinnacle Bank in February 15, 2024 at a variable interest rate of 7.13% that matured on February 14, 2025. HopeLink renewed a \$2,000,000 line of credit with Pinnacle Bank in February 15, 2025 at a variable interest rate of 7.13% that will mature on February 13, 2026. As of June 30, 2025 and 2024, the outstanding balance on the line of credit was \$0. Interest expense related to this line of credit for the years ended June 30, 2025 and 2024, was \$1,506 and \$279, respectively.

Employment Agreement

HopeLink has entered into an employment agreement that includes a severance package. Under the terms of the agreement, HopeLink could be required to pay severance of up to \$110,654 under circumstances of termination without cause.

18. SUBSEQUENT EVENTS

In preparing these financial statements, HopeLink has evaluated events and transactions for potential recognition or disclosure through October 21, 2025, the date the financial statements were available to be issued.