# CASTING FOR RECOVERY, INC.

## AUDITED FINANCIAL STATEMENTS

## December 31, 2022 and 2021

AMATICS
CPA GROUP

**CASTING FOR RECOVERY, INC.**
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AMATICS
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# INDEPENDENT AUDITORS' REPORT

Board of Trustees
Casting for Recovery, Inc.
Bozeman, MT

## Opinion

We have audited the accompanying financial statements of Casting for Recovery, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casting for Recovery, Inc., as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Casting for Recovery, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization adopted Accounting Standards Codification 842, *Leases*, issued by the Financial Accounting Standards Board (FASB). Our opinion is not modified with respect to this matter.

## 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 Casting for Recovery, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' Responsibility 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 Casting for Recovery, 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 Casting for Recovery, 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.

Amatics CPA Group

Bozeman, Montana
October 10, 2023

**CASTING FOR RECOVERY, INC.**
**STATEMENTS OF FINANCIAL POSITION**

| | December 31 | |
|---|---|---|
| | **2022** | **2021** |
| **ASSETS** | | |
| **ASSETS** | | |
| Cash and cash equivalents | $ 2,016,882 | $ 1,907,189 |
| Investments | 898,807 | 1,060,705 |
| Contributions receivable | 22,495 | 24,570 |
| Other receivables | - | 54,244 |
| Promises to give | 60,000 | 80,000 |
| Prepaid expenses | 107,721 | 41,506 |
| Right-of-use asset | 108,672 | - |
| Total assets | $ 3,214,577 | $ 3,168,214 |
| **LIABILITIES AND NET ASSETS** | | |
| **LIABILITIES** | | |
| Accounts payable | $ 85,071 | $ 16,141 |
| Payroll liabilities | 142 | 15,546 |
| Accrued paid time off | 12,112 | 11,741 |
| Accrued wages | 29,096 | 35,321 |
| Lease liability | 108,743 | - |
| Total liabilities | 235,164 | 78,749 |
| **NET ASSETS** | | |
| Without donor restrictions | 677,941 | 921,236 |
| With donor restrictions | 2,301,472 | 2,168,229 |
| Total net assets | 2,979,413 | 3,089,465 |
| Total liabilities and net assets | $ 3,214,577 | $ 3,168,214 |

See the accompanying notes to financial statements.

# CASTING FOR RECOVERY, INC.
# STATEMENT OF ACTIVITIES
# Year ended December 31, 2022

| | Without Donor Restrictions | With Donor Restrictions | Totals |
|---|---|---|---|
| **REVENUE AND SUPPORT** | | | |
| Contributions | $ 678,574 | $ 624,396 | $ 1,302,970 |
| Event income | 233,648 | 295,462 | 529,110 |
| In-kind support | 32,775 | 9,233 | 42,008 |
| Sales of branded items | 7,391 | 7,430 | 14,821 |
| Investment return, net | (153,070) | - | (153,070) |
| Miscellaneous income | 29 | - | 29 |
| Satisfaction of program restrictions | 803,278 | (803,278) | - |
| Total revenue and support | 1,602,625 | 133,243 | 1,735,868 |
| **EXPENSES** | | | |
| Program services | 1,145,792 | - | 1,145,792 |
| Administration | 265,130 | - | 265,130 |
| Fundraising | 434,998 | - | 434,998 |
| Total expenses | 1,845,920 | - | 1,845,920 |
| **CHANGE IN NET ASSETS** | (243,295) | 133,243 | (110,052) |
| Net assets at beginning of year | 921,236 | 2,168,229 | 3,089,465 |
| **NET ASSETS AT END OF YEAR** | $ 677,941 | $ 2,301,472 | $ 2,979,413 |

See the accompanying notes to financial statements.

# CASTING FOR RECOVERY, INC.
## STATEMENT OF ACTIVITIES
### Year ended December 31, 2021

| | Without Donor Restrictions | With Donor Restrictions | Totals |
|---|---|---|---|
| **REVENUE AND SUPPORT** | | | |
| Contributions | $ 633,157 | $ 595,372 | $ 1,228,529 |
| Event income | 231,950 | 88,661 | 320,611 |
| In-kind support | 41,282 | 4,701 | 45,983 |
| Sales of branded items | 29,402 | 4,322 | 33,724 |
| Investment return, net | 81,497 | - | 81,497 |
| COVID and PPP grants | 336,667 | - | 336,667 |
| Satisfaction of program restrictions | 534,420 | (534,420) | - |
| Total revenue and support | 1,888,375 | 158,636 | 2,047,011 |
| **EXPENSES** | | | |
| Program services | 1,233,492 | - | 1,233,492 |
| Administration | 113,858 | - | 113,858 |
| Fundraising | 309,814 | - | 309,814 |
| Total expenses | 1,657,164 | - | 1,657,164 |
| **CHANGE IN NET ASSETS** | 231,211 | 158,636 | 389,847 |
| Net assets at beginning of year | 690,025 | 2,009,593 | 2,699,618 |
| **NET ASSETS AT END OF YEAR** | $ 921,236 | $ 2,168,229 | $ 3,089,465 |

See the accompanying notes to financial statements.

**CASTING FOR RECOVERY, INC.**
**STATEMENT OF FUNCTIONAL EXPENSES**
**Year Ended December 31, 2022**

| | Program | Administration | Fundraising | Total |
|---|---|---|---|---|
| Accounting and legal | $ 5,581 | $ 15,625 | $ 1,116 | $ 22,322 |
| Alumni/volunteer recognition | 6,308 | - | 6,308 | 12,616 |
| Bank fees | 10,739 | 6,302 | 6,302 | 23,343 |
| Contracted services | - | 1,446 | 1,446 | 2,892 |
| Equipment management | 9,254 | - | - | 9,254 |
| Filing fees | - | 5,920 | 5,921 | 11,841 |
| Health insurance | 31,547 | 13,801 | 3,943 | 49,291 |
| Insurance | 16,015 | 2,874 | 1,642 | 20,531 |
| Lodging and meals (retreats) | 402,798 | - | - | 402,798 |
| Media and outreach | 9,052 | - | 9,052 | 18,104 |
| Meetings and events | 26,401 | 36,995 | 69,575 | 132,971 |
| Office expenses | 34,306 | 34,459 | - | 68,765 |
| Payroll taxes | 29,041 | 5,280 | 18,480 | 52,801 |
| Postage and shipping | 25,936 | 1,526 | 3,051 | 30,513 |
| Premiums/merchandise | 16,470 | - | 4,118 | 20,588 |
| Printing | 13,303 | 1,565 | 782 | 15,650 |
| Rent | - | 39,594 | - | 39,594 |
| Salaries and wages | 466,455 | 84,810 | 296,835 | 848,100 |
| Staff training | 1,792 | - | - | 1,792 |
| Telephone | 9,051 | 940 | 1,763 | 11,754 |
| Travel | 27,988 | 13,993 | 4,664 | 46,645 |
| Website | 3,755 | - | - | 3,755 |
| | $ 1,145,792 | $ 265,130 | $ 434,998 | $ 1,845,920 |

See the accompanying notes to financial statements.

**CASTING FOR RECOVERY, INC.**
**STATEMENT OF FUNCTIONAL EXPENSES**
**Year Ended December 31, 2021**

| | Program | Administration | Fundraising | Total |
|---|---|---|---|---|
| Accounting and legal | $ 4,499 | $ 13,829 | $ 1,061 | $ 19,389 |
| Alumni/volunteer recognition | 5,955 | - | - | 5,955 |
| Bank fees | 5,579 | 5,019 | 5,019 | 15,617 |
| Contracted services | 28,622 | 2,730 | 6,746 | 38,098 |
| Equipment management | 7,665 | - | - | 7,665 |
| Filing fees | 29,342 | - | - | 29,342 |
| Health insurance | 36,089 | 3,442 | 8,507 | 48,038 |
| Insurance | 11,288 | 2,163 | 523 | 13,974 |
| Lodging and meals (retreats) | 299,455 | - | - | 299,455 |
| Media and outreach | 11,687 | - | 11,687 | 23,374 |
| Meetings and events | 6,128 | 10,575 | 97,941 | 114,644 |
| Office expenses | 20,726 | 138 | 341 | 21,205 |
| Payroll taxes | 48,958 | 4,963 | 11,603 | 65,524 |
| Postage and shipping | 22,350 | 1,315 | 2,630 | 26,295 |
| Premiums/merchandise | 43,181 | - | 10,795 | 53,976 |
| Printing | 4,628 | 544 | 272 | 5,444 |
| Rent | 26,187 | 2,497 | 6,173 | 34,857 |
| Salaries and wages | 600,000 | 61,984 | 143,339 | 805,323 |
| Staff training | 1,721 | - | - | 1,721 |
| Telephone | 7,965 | 760 | 1,877 | 10,602 |
| Travel | 7,797 | 3,899 | 1,300 | 12,996 |
| Website | 3,670 | - | - | 3,670 |
| | $ 1,233,492 | $ 113,858 | $ 309,814 | $ 1,657,164 |

See the accompanying notes to financial statements.

**CASTING FOR RECOVERY, INC.**
**STATEMENTS OF CASH FLOWS**

| | Years ended December 31 2022 | 2021 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Cash receipts from donors | $ 1,379,289 | $ 1,087,174 |
| Other cash receipts | 577,170 | 712,615 |
| Payments for salaries and related costs | (869,358) | (783,801) |
| Payments to vendors | (953,026) | (766,349) |
| Net cash provided by operating activities | 134,075 | 249,639 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Proceeds from sale of investments | 2,910 | - |
| Purchase of investments | (27,292) | (221,562) |
| Net cash used by investing activities | (24,382) | (221,562) |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | 109,693 | 28,077 |
| Cash and cash equivalents at beginning of year | 1,907,189 | 1,879,112 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | $ 2,016,882 | $ 1,907,189 |

See the accompanying notes to financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization and Nature of Operations

Casting for Recovery, Inc. is a not-for-profit organization formed to provide women with breast cancer the opportunity to experience physical, emotional, and spiritual healing through fly fishing retreats in a natural setting. The major source of funding for the organization are contributions from private foundations, corporations, and individuals.

### Basis of Presentation

The financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to nonprofit organizations, as codified by the Financial Accounting Standards Board.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Income Taxes

Casting for Recovery, Inc. is not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore no provision for federal income taxes has been included in the accompanying financial statements. Casting for Recovery, Inc. has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(a)(vi). The Organization's information returns (Form 990) are open to examination by the IRS, generally, for three years after they were filed or the due date of the return, whichever is later.

### Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits.

### Classification and Reporting of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages and related expenses, which are allocated on the basis of employees' time and effort.

### Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Unconditional donor promises to give are reported at fair value at the date there is sufficient verifiable evidence documenting that a promise was made by the donor and received by the Organization. Contributions of donor-restricted gifts are recognized at the time of the gift. Contributions of assets other than cash are recorded at their estimated fair value at date of receipt.  Contributions receivable represent unconditional donor gifts at year end that were received early in the subsequent year. Promises to give represents multi-year pledges receivable (see Note 3). Management considers all receivables to be fully collectible; therefore, no allowance has been recorded.

Contributions and grants are reported either as net assets without donor restrictions or net assets with donor restrictions if they were received with donor or grantor stipulations that sufficiently limit the use of the donated assets. When a donor restriction expires, through the passage of time or when the purpose is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

### In-Kind Support

The Organization records in-kind support that meets the criteria for revenue recognition under GAAP. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind support are offset by corresponding amounts reflected in expenses or assets.

### Adoption of New Accounting Standards

*Contributed Nonfinancial assets*

Effective January 1, 2022, the Organization retroactively adopted FASB Accounting Standards Update (ASU) 2020-07, *Not-for-Profit (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which impacts the accounting for revenue and support. The new guidance requires the Organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and disclose the amount of contributed nonfinancial assets recognized by category. The additional disclosure requires the Organization to disclose the following for each category: qualitative information; the Organization's policy (if any) about monetizing rather than utilizing the contributed nonfinancial asset; description of donor-imposed restrictions; description of valuation techniques and inputs used to arrive at fair value; and the principal market used to arrive at fair value measure if it is a market in which the recipient not-for-profit is prohibited by donor-imposed restriction from selling or using the contributed nonfinancial asset. Adoption of ASU 2020-07 did not have a significant impact on the Organization's financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Adoption of New Accounting Standards (Continued)

*Leases*

Effective January 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other acts and circumstances. The new standard establishes a right of use (ROU) model that requires a lessee to record and ROU asset and a lease liability on the statement of financial position sheet for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized into profit or loss on a straight-line basis over the lease term. The Organization adopted the new lease standard utilizing the modified retrospective transition method, under which amounts presented in prior periods were not restated. See Note 7.

### Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

## 2. CASH AND CASH EQUIVALENTS

At December 31, 2022 and 2021, the Organization's cash and cash equivalents balances were as follows:

| | 2022 | 2021 |
|---|---|---|
| Checking accounts | $ 1,595,776 | $ 1,505,044 |
| Saving accounts | 400,222 | 399,145 |
| Paypal account | 20,884 | 3,000 |
| | $ 2,016,882 | $ 1,907,189 |

Account balances held in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank, per depositor. The Organization's cash in bank deposit accounts may, at time, exceed federally insured limits. The Organization has not experienced any losses on such accounts. As of December 31, 2022 and 2021, funds exceeded federally insured limits by $1,740,996 and $1,660,667, respectively.

## 3. PROMISES TO GIVE

Promises to give consists of a multi-year pledge awarded to Casting for Recovery, Inc. with payments due in future years. Amounts receivable are due as follows:

| | 2022 | 2021 |
|---|---|---|
| Amounts due within | | |
| Less than one year | $ 20,000 | $ 20,000 |
| One to five years | 40,000 | 60,000 |
| | $ 60,000 | $ 80,000 |

As of December 31, 2022, the entire balance in promises to give was due from one foundation.

## 4. INVESTMENTS

Investment holdings as of December 31 consisted of the following:

| | 2022 | 2021 |
|---|---|---|
| Cash reserves | $ 24,184 | $ - |
| Mutual funds - equity | 451,711 | 659,663 |
| Mutual funds - fixed income | 395,714 | 398,556 |
| Mutual funds - liquidity | 27,198 | - |
| Corporate stocks | - | 2,486 |
| Total investments | $ 898,807 | $ 1,060,705 |

## 5. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosure*s, defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs.

The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable, and the last unobservable, that may be used to measure fair value. The levels of inputs are as follows:

*Level 1* – Quoted market prices in active markets for identical assets or liabilities.

*Level 2* – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.

## 5. FAIR VALUE MEASUREMENTS (Continued)

*Level 3* – Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that the observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The following is a description of the valuation methodologies used for assets measured at fair value. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2022.

*Marketable securities* - Fair value is based on quoted market prices for those securities.

*Promises to give* - Promises to give are reported at net realizable value if at the time the promise is made payment is expected to be received in one year or less. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and in subsequent periods because the Organization elected the fair value option in accordance with generally accepted accounting principles. The change in the fair value of the unconditional promises expected to be collected in more than one year is reported as contribution revenue.

Fair value of assets measured on a recurring basis at are as follows:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| December 31, 2022 | | | | |
| Mutual funds | $ 874,623 | $ 874,623 | $ - | $ - |
| Promises to give | 60,000 | - | - | 60,000 |
| | $ 934,623 | $ 874,623 | $ - | $ 60,000 |

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| December 31, 2021 | | | | |
| Mutual funds | $ 1,058,219 | $ 1,058,219 | $ - | $ - |
| Corporate stocks | 2,486 | 2,486 | - | - |
| Promises to give | 80,000 | - | - | 80,000 |
| | $ 1,140,705 | $ 1,060,705 | $ - | $ 80,000 |

## 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of assets with time and/or purpose restrictions as follows for December 31, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Subject to expenditure for specific purpose | | |
| Programs and retreats | $ 2,218,977 | $ 2,063,659 |
| Subject to the passage of time | | |
| Contributions receivable | 22,495 | 24,570 |
| Multi-year promises to give | 60,000 | 80,000 |
| | $ 2,301,472 | $ 2,168,229 |

## 7. OPERATING LEASE

The Organization has an office lease agreement with an original term starting in 2017, subsequently renewed in May 2020. The Organization renewed the lease again in April 2023, with a lease term through June 2026. Monthly lease payments were $2,677 in 2022; the payments are set to increase by 3% each year during the remainder of the lease term.

Lease costs associated with payments on the Organization's operating lease were $33,962 in 2022. The Organization made $31,759 of cash payments related to operating leases in 2022. Noncash activities involving right-of-use ("ROU") assets obtained in exchange for lease liabilities were $136,492 for 2022.

The following table shows right-of-use assets and lease liabilities as of December 31, 2022:

| | |
|---|---|
| Right-of-use asset: | |
| Operating leases | $ 108,672 |
| Lease liability: | |
| Operating leases | $ 108,743 |

Future minimum lease liability payments as of December 31, 2022 are as follows:

| | | |
|---|---|---|
| 2023 | $ 32,782 | |
| 2024 | 33,750 | |
| 2025 | 34,764 | |
| 2026 | 17,640 | |
| Total discounted liability | | $ 118,936 |
| Less: imputed interest | | (10,193) |
| Total lease liability | | $ 108,743 |

The weighted-average remaining lease term related to the Organization's lease liabilities as of December 31, 2022 was 42 months. The discount rate related to the Organization's lease liabilities as of December 31, 2022 was 5%, based on estimates of the Organization's incremental borrowing rate as of the lease commencement date, as the discount rates implicit in the Organization's lease cannot be readily determined.

## 8. LIQUIDITY AND AVAILABILITY

The Organization is substantially supported by donor-restricted contributions. Because a donor's restriction requires resources to be used in a specific manner or in a future period, the Organization must maintain sufficient resources to meet its responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year of December 31, 2022. The following reflects the Organization's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use because of donor-imposed restrictions. Amounts not available include the restricted funds designated by the donor and amounts due in more than one year. Additionally, the Organization has included the upcoming year's allocations anticipated to be collected from local programs in the calculation of total financial resources available to cover upcoming general expenditures not covered by donor-restricted resources.

| | 2022 | 2021 |
|---|---|---|
| Financial assets | | |
| Cash and cash equivalents | $ 2,016,882 | $ 1,907,189 |
| Investments | 898,807 | 1,060,705 |
| Contributions receivable | 22,495 | 24,570 |
| Other receivables | - | 54,244 |
| Promises to give | 60,000 | 80,000 |
| | 2,998,184 | 3,126,708 |
| Unavailable for general expenditures within one year | | |
| Donor restricted funds - programs and retreats | (2,218,977) | (2,063,659) |
| Promises to give due in more than one year | (40,000) | (60,000) |
| | (2,258,977) | (2,123,659) |
| Total financial resources available for general expenditure | $ 739,207 | $ 1,003,049 |

## 9. PAYCHECK PROTECTION PROGRAM LOAN

In February 2021, the Organization was granted a $134,847 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and fully guaranteed by the Federal government. The Organization has accounted for the PPP funding as a conditional contribution in the financial statements. The loan was fully forgiven in November 2021 and the loan forgiveness is included in 2021 revenue and support.

In April 2020, the Organization was granted a $135,118 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan was uncollateralized and fully guaranteed by the Federal government. The Organization has accounted for the PPP funding as a conditional contribution in the financial statements. The loan was fully forgiven in December 2020 and the loan forgiveness is included in 2020 revenue and support.

## 10. EMPLOYEE RETENTION CREDIT

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided an employee retention credit as a refundable tax credit against certain employment taxes. The credit was expanded under the American Rescue Plan Act of 2021. The Organization qualified for the credit for the quarters ended March 31, 2021, June 30, 2021, and September 30, 2021, and has recorded a $201,820 benefit which is presented in the statement of activities in the COVID relief and PPP funds line item. $54,244 of this benefit was included on other receivables as of December 31, 2021 and was received in 2022.

## 11. IN-KIND CONTRIBUTIONS

The Organization records various types of in-kind support including equipment and supplies. The fair value of donated goods and services included in contributions in the financial statements for the year ended December 31, 2022 are as follows:

| | Program | Administration | Fundraising | Total |
|---|---|---|---|---|
| Equipment | $ 100 | $ - | $ - | $ 100 |
| Event expense | - | - | 100 | 100 |
| Office expense | 3,961 | 32,534 | - | 36,495 |
| Premiums/merchandise | 5,313 | - | - | 5,313 |
| Total | $ 9,374 | $ 32,534 | $ 100 | $ 42,008 |

The fair value of donated goods and services included in contributions in the financial statements for the year ended December 31, 2021 are as follows:

| | Program | Administration | Fundraising | Total |
|---|---|---|---|---|
| Accounting | $ - | $ 1,000 | $ - | $ 1,000 |
| Event expense | - | - | 1,388 | 1,388 |
| Lodging and meals | 3,200 | - | - | 3,200 |
| Marketing | - | 550 | - | 550 |
| Office expense | 60 | - | - | 60 |
| Premiums/merchandise | 39,144 | - | - | 39,144 |
| Postage | 341 | - | - | 341 |
| Travel | 300 | - | - | 300 |
| Total | $ 43,045 | $ 1,550 | $ 1,388 | $ 45,983 |

Donated goods and services are valued at estimated fair value based on retail prices or comparable rates to obtain similar services.

## 12. SUBSEQUENT EVENTS

Date of Management Evaluation
Management has evaluated subsequent events through October 10, 2023, the date on which the financial statements were available to be issued.