

GRAND STAIRCASE ESCALANTE PARTNERS, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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Independent Auditors' Report

To the Board of Trustees of
Grand Staircase Escalante Partners, Inc.

Opinion

We have audited the financial statements of Grand Staircase Escalante Partners, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of Grand Staircase Escalante Partners, Inc. (the Organization) as of December 31, 2021 and 2020, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grand Staircase Escalante Partners, Inc. 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 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 the Organization'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 the Organization'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.

HintonBurdick, PLLC

St. George, Utah
June 29, 2022

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statements of Financial Position
December 31, 2021 and 2020

<u>ASSETS</u>		
	<u>2021</u>	<u>2020</u>
Current assets		
Cash and cash equivalents	\$ 736,146	\$ 876,653
Receivables	3,478	-
Total current assets	<u>739,624</u>	<u>876,653</u>
Property and equipment		
Land	30,500	30,500
Buildings and improvements	392,774	230,478
Equipment	4,200	4,200
Vehicles	35,507	26,124
Accumulated depreciation	<u>(31,107)</u>	<u>(28,902)</u>
Total property and equipment, net	<u>431,874</u>	<u>262,400</u>
Total assets	<u><u>\$ 1,171,498</u></u>	<u><u>\$ 1,139,053</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 5,129	\$ 3,832
Accrued payroll expenses and liabilities	13,747	15,677
Grant advances	29,875	-
Current portion of building loan	<u>4,556</u>	<u>4,354</u>
Total current liabilities	<u>53,307</u>	<u>23,863</u>
Long-term liabilities:		
Building loan, net of current portion	<u>123,464</u>	<u>128,020</u>
Total long-term liabilities	<u>123,464</u>	<u>128,020</u>
Total liabilities	<u>176,771</u>	<u>151,883</u>
Net assets		
Without donor restrictions	\$ 677,548	\$ 602,749
Without donor restrictions-board designated	106,329	160,055
With donor restrictions	<u>210,850</u>	<u>224,366</u>
Total net assets	<u>994,727</u>	<u>987,170</u>
Total liabilities and net assets	<u><u>\$ 1,171,498</u></u>	<u><u>\$ 1,139,053</u></u>

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions and grants	\$ 215,123	\$ 448,150	\$ 663,273
In-kind donations	-	287,435	287,435
Program service fees	4,615	-	4,615
Event income	571	-	571
PPP Loan forgiveness	-	70,486	70,486
Interest income	232	-	232
Other	5,439	-	5,439
Net assets released from restrictions	819,587	(819,587)	-
Total revenues, gains and other support	1,045,567	(13,516)	1,032,051
Expenses			
Program	801,348	-	801,348
Management and general	145,199	-	145,199
Fundraising	77,947	-	77,947
Total expenses	1,024,494	-	1,024,494
Change in net assets	21,073	(13,516)	7,557
Net assets at beginning of year	762,804	224,366	987,170
Net assets at end of year	\$ 783,877	\$ 210,850	\$ 994,727

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions and grants	\$ 178,703	\$ 446,053	\$ 624,756
In-kind donations	-	397,775	397,775
Program service fees	4,880	-	4,880
Event income	5,876	-	5,876
PPP loan forgiveness	0	70,500	70,500
Interest income	632	-	632
Other	9,170	-	9,170
Net assets released from restrictions	955,629	(955,629)	-
	<u>1,154,890</u>	<u>(41,301)</u>	<u>1,113,589</u>
Expenses			
Program	818,389	-	818,389
Management and general	147,793	-	147,793
Fundraising	84,406	-	84,406
	<u>1,050,588</u>	<u>-</u>	<u>1,050,588</u>
Change in net assets	104,302	(41,301)	63,001
Net assets at beginning of year	<u>658,502</u>	<u>265,667</u>	<u>924,169</u>
Net assets at end of year	<u>\$ 762,804</u>	<u>\$ 224,366</u>	<u>\$ 987,170</u>

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2021

Expense category	Program	Management & General	Fundraising	Total
Advertising	\$ 21,232	\$ -	\$ 269	\$ 21,501
Contractual expenses	124,636	4,410	-	129,046
Donations and assistance to others	2,025	55	60	2,140
Depreciation expense	18,606	-	-	18,606
Fees and licenses	5,553	2,581	5,602	13,736
Field supplies and equipment	7,318	-	-	7,318
Insurance	-	2,900	-	2,900
Interest	-	6,629	-	6,629
Occupancy	5,013	4,711	629	10,353
Office supplies and expense	7,554	95	510	8,159
Other	2,171	1,135	338	3,644
Payroll taxes and insurance	26,699	6,240	5,146	38,085
Payroll benefits	3,511	9,649	-	13,160
Printing, copying and postage	841	503	6,218	7,562
Professional fees	264,938	39,913	-	304,851
Salaries and wages	284,466	55,427	57,748	397,641
Telephone and internet	1,316	2,256	-	3,572
Travel and meetings	11,401	8,271	1,427	21,099
Vehicle expense	14,068	424	-	14,492
Total	\$ 801,348	\$ 145,199	\$ 77,947	\$ 1,024,494

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2020

Expense category	Program	Management & General	Fundraising	Total
Contractual expenses	\$ 113,687	\$ 1,433	\$ -	\$ 115,120
Donations and assistance to others	254	1,142	57	1,453
Depreciation expense	9,404	-	-	9,404
Fees and licenses	5,826	2,688	5,398	13,912
Field supplies and equipment	9,832	-	910	10,742
Insurance	262	3,366	-	3,628
Interest	-	3,386	-	3,386
Occupancy	7,742	7,505	-	15,247
Office supplies and expense	14,221	-	4,940	19,161
Other	3,815	1,661	520	5,996
Payroll taxes and insurance	14,039	14,235	6,714	34,988
Payroll benefits	14,541	3,859	-	18,400
Printing, copying and postage	574	725	7,022	8,321
Professional fees	344,957	48,429	-	393,386
Salaries and wages	254,448	49,154	58,788	362,390
Telephone and internet	6,329	1,725	-	8,054
Travel and meetings	6,487	7,795	57	14,339
Utility	-	-	-	-
Vehicle expense	11,971	690	-	12,661
Total	\$ 818,389	\$ 147,793	\$ 84,406	\$ 1,050,588

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 7,557	\$ 63,001
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation expense	18,606	9,404
Donated property and equipment	-	(20,000)
Changes in operating assets and liabilities:		
Decrease (increase) in receivables	(3,478)	10,000
Increase (decrease) in accounts payable	1,297	(27,806)
Increase (decrease) in accrued payroll	(1,930)	12,244
Increase (decrease) in grant advances	29,875	-
Net cash flows from operating activities	51,927	46,843
Cash flows from investing activities:		
Acquisition of property and equipment	(192,920)	(240,978)
Proceeds from sales of property and equipment	4,840	-
Net cash flows from investing activities	(188,080)	(240,978)
Cash flows from financing activities:		
Proceeds from long-term debt	-	135,000
Payments on long-term debt	(4,354)	(2,626)
Cash flows from financing activities	(4,354)	132,374
Change in cash and cash equivalents	(140,507)	(61,761)
Cash and cash equivalents, beginning of year	876,653	938,414
Cash and cash equivalents, end of year	\$ 736,146	\$ 876,653
Supplemental disclosures		
Interest paid	\$ 6,629	\$ 3,386
Non cash investing activities:		
Donation of property (discount on purchase)	\$ -	\$ 20,000

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 1. Significant Accounting Policies

Organization and Nature of Activities

The Grand Staircase Escalante Partners, Inc. (the Organization), a 501(c)(3) non-profit organization, was established in 2004. According to the mission statement, the Organization is committed to honoring the past and safeguarding the future of Grand Staircase-Escalante National Monument through science, conservation, and education. The Organization's vision is to honor the land. Learn its lessons.

The Organization meets this mission by working with the Bureau of Land Management (BLM), other agencies, universities and other partner organizations on conservation, restoration, education and research projects within the Monument and on public lands within the greater landscape region of the Monument and with other units of the Conservation Lands System that are managed by the BLM. The Organization has the following strategies to guide its efforts:

- Science: Expanding our knowledge and understanding of the natural wonders, biodiversity, and unique ecosystems with which this landscape is endowed by actively supporting and participating in scientific and historical investigation. This includes conducting climate change research as well as launching a climate change mitigation campaign aimed at raising awareness and inspiring action related to the protection of Grand Staircase-Escalante National Monument and all public lands.
- Conservation: Ensuring that Grand Staircase-Escalante's assets —culture, ecology, history, recreation, and science—are recognized, sustained, and enhanced for posterity through collaborative on-the-ground restoration work and invasive species removal.
- Education: Providing places and spaces where adults and youth can meet, exchange ideas, and participate in learning activities, resulting in the building of knowledge and expertise needed to advance local, national, and international interests in the Grand Staircase-Escalante region.

Vacancies in the board of directors are filled by majority vote of the remaining board members. The Organization is managed according to the articles of incorporation, bylaws and policies and procedures with the operations manual.

The Organization's major source of revenues consists of grants and contributions.

Date of Management's Review

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 29, 2022, the date the financial statements were available to be issued.

Income Taxes

No provision has been made for federal income taxes because the Organization is exempt from federal income tax as a public charity organization under Section 501(c)(3) of the Internal Revenue Code. The Organization has implemented accounting guidance associated with accounting for uncertainty in income taxes. There was no impact to the Organization's financial statements as a result of the implementation of this guidance. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2018 through 2021 are subject to examination by the IRS, generally for three years after they were filed.

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 1. Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Credit Risk

The Organization's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition for purposes of the statement of cash flows. Financial instruments that potentially subject the Organization to credit risk consist principally of cash at financial institutions. At times, the balances in cash accounts may have been in excess of FDIC insurance limits.

Promises to Give and Grants Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional contributions, including certain grants, are recognized when the Organization overcomes the donor/grantor stipulations that represents a barrier to being entitled to the assets transferred or promised. A transfer of assets that is a conditional contribution is recognized as an advance until the conditions have been substantially met or explicitly waived by the donor/grantor.

All receivables are due within one year from the dates of the financial statements. Management considers all receivables to be collectible; therefore, an allowance is not considered necessary.

Property and Equipment

The Organization capitalizes property and equipment with estimated useful lives greater than two years. Assets with lesser lives are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method: Buildings and improvements over estimated useful lives of 10 to 30 years and equipment and vehicles over estimated useful lives of five to seven years.

Revenue Recognition

Program service fees, including private landowner contracts, are recognized when the related services are performed. For private landowner contracts, the Organization receives payment (and recognizes revenue) once the related contract item obligation is completed and inspected (see Note 4 regarding related board designations). The Organization recognizes a liability for payments received in advance, if any, of performing the related services.

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 1. Significant Accounting Policies (Continued)

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Contributed Services and Facility Use

Except as noted below, no amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

A professional law firm provided legal services relating to the Organization's programs and exempt purpose for the years ended December 31, 2021 and 2020. The services relate to the Monument's protected status, advocacy for long-term protection of the Monument and enhanced cooperation with the BLM. The Organization recognized revenue and associated expense (i.e. professional fees) for this in-kind donation that totaled \$287,435 and \$377,775 for the years ended December 31, 2021 and 2020, respectively.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, payroll taxes, insurance, and some other shared expenses which are allocated on the basis of estimates of time and effort. Generally, professional fees are allocated directly. However, the donated legal services mentioned above are allocated 90% to program and 10% to management and general, based on management's estimates.

Advertising

The Organization expenses advertising costs as they are incurred.

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.

Reclassifications

Certain reclassifications have been made to the 2020 financial statement presentation to conform to the current-year presentation. These reclassifications had no effect on the change in net assets for 2020.

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 2. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets available within one year of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Amounts with contractual or donor restrictions are deemed available for general expenditures even though the resources must be used in a particular manner. The Organization is substantially supported by restricted grants and contributions that relate to the primary and ongoing activities of the Organization, and the Organization expects to use the majority of the restricted resources in the normal course of operations within one year of the financial statement date.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 736,146	\$ 876,653
Receivables	3,478	-
Subtotal	739,624	876,653
Less those unavailable for general expenditures within one year, due to:		
Board designations:		
Restoration - private landowner contracts (see Note 4 for details)	<u>(106,329)</u>	<u>(160,055)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 633,295</u>	<u>\$ 716,598</u>

The Organization typically has significant cash to meet the cash needs for general expenditures. The Organization has set aside a cash reserve (no formal board designation; part of cash and cash equivalents and included above), which is expected to continue to grow. This reserve is meant for emergencies and is not needed for general operating expenditures.

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 3. Restrictions on Net Assets

As of December 31, 2021 and 2020, net assets with donor restrictions consist of the following:

	<u>2021</u>	<u>2020</u>
Wander Project- Education & Stewardship	\$ 21,769	\$ 16,509
Recovery funds - Education & Stewardship	-	8,250
ERWP Walton - Conservation	-	45,662
Site Steward Donation - Education & Stewardship	-	960
CLF – Administration/Advocacy	-	20,952
TNC - Conservation	5,304	5,304
Education Program Donation Fund -Education & Steward	358	2,204
GSENM Science – Conservation/Advocacy	-	4,492
Dominion Energy - Education & Stewardship	8,000	-
Forever Our Rivers Foundation - Conservation	20,158	-
Maki Foundation – Conservation/Advocacy	5,000	-
Sweetgrass Foundation - Advocacy	4,566	-
Dee Foundation - Conservation	5,000	-
Wallace Genetic Foundation – Administration/Advocacy	17,071	-
Forever Mighty - Education & Stewardship	4,950	-
Utah Division of Arts & Museums- Education & Steward	2,742	-
Cross Foundation - Education & Stewardship	10,000	-
Kendeda – Advocacy	-	2,652
Patagonia – Conservation/Administration	19,229	14,100
Advocacy Program - Advocacy	4,511	6,694
Utah Humanities ARP - Education & Stewardship	4,633	-
Tamarisk Coalition ROR - Conservation	65,050	73,163
Conservation Program - Conservation	12,509	22,932
Paleo program - Education & Stewardship	-	492
	<u> </u>	<u> </u>
Total net assets with donor restrictions	<u>\$ 210,850</u>	<u>\$ 224,366</u>

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 4. Board-Designated Net Assets

Board-designated net assets are net assets without donor restrictions subject to self-imposed limits by action of the Organization. Board-designated net assets consist of the following at December 31, 2021 and 2020:

	2021	2020
Restoration - private landowner contracts	\$ 106,329	\$ 160,055
Net assets - without donor restrictions - board designated	\$ 106,329	\$ 160,055

The Boulder Escalante restoration private landowner contracts designation is to be used for specific private landowner contracts (see Note 1). The designation is to ensure that these projects are funded through their contractual obligation and beyond until restoration can be achieved. Restoration is defined as less than 5% invasive canopy cover and recruitment of native plants, which may take multiple years of intervention to achieve.

NOTE 5. Long-Term Liabilities

The following is a summary of changes in long-term debt for the years ended December 31, 2021 and 2020.

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021	Current Portion
Zions building loan	\$ 132,374	\$ -	\$ (4,354)	\$ 128,020	\$ 4,556
Total long-term debt	\$ 132,374	\$ -	\$ (4,354)	\$ 128,020	\$ 4,556

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020	Current Portion
Zions building loan	\$ -	\$ 135,000	\$ (2,626)	\$ 132,374	\$ 4,354
Total long-term debt	\$ -	\$ 135,000	\$ (2,626)	\$ 132,374	\$ 4,354

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 5. Long-Term Liabilities (Continued)

Debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2022	\$ 4,556	\$ 5,750	\$ 10,306
2023	4,769	5,538	10,307
2024	4,976	5,331	10,307
2025	5,223	5,084	10,307
2026	5,466	4,840	10,306
2027-2031	31,382	20,153	51,535
2032-2036	39,405	12,130	51,535
2037-2040	32,243	2,628	34,871
Total	\$ 128,020	\$ 61,454	\$ 189,474

Long-term debt consists of the following:

\$135,000 loan from Zions First National Bank for the purchase of building in Escalante, Utah. Interest rate of 4.5 percent per annum with principal and interest payments due monthly. The term of the note is borrower will pay in 240 payments of \$859. First payment is due June 28, 2020. Final payment will be due on May 28, 2040. Secured by property.

	\$ 128,020
Total long-term debt	\$ 128,020

NOTE 6. Retirement Plan

The Organization maintains a 401k Retirement Plan. The Organization may make matching contributions to the plan, although not required. Employees must make elective deferrals to the plan to receive a matching contribution. The percentage of the elective deferrals to be matched will be determined by the organization at the end of the plan year. Employees must be eligible and employed on December 31 to receive a matching contribution. For the years ended December 31, 2021 and 2020, employer contributions were \$5,560 and \$13,340, respectively.

GRAND STAIRCASE ESCALANTE PARTNERS, INC.
Notes to Financial Statements
December 31, 2021 and 2020

NOTE 7. PPP Loans

In February 2021, the Organization obtained a second SBA loan under the Payroll Protection Program (PPP) in the amount of \$70,486 to help keep the Organization's staff employed during the pandemic. This PPP loan was fully forgiven by the SBA in July 2021. In light of guidance provided by the AICPA (TQ&A Section 3200), the Organization accounts for the PPP loan in accordance with FASB ASC 958-605 as a conditional contribution (see Note 1). Since the Organization had met the conditions of PPP loan forgiveness and had incurred the related expenses as of December 31, 2021, the loan forgiveness grant is recognized in the year ended December 31, 2021.

In April 2020, the Organization obtained an SBA loan under the Payroll Protection Program (PPP) in the amount of \$70,500 to help keep the Organization's staff employed during the pandemic. This PPP loan was fully forgiven by the SBA in November 2020. Since the Organization had met the conditions of PPP loan forgiveness and had incurred the related expenses as of December 31, 2020, the loan forgiveness grant is recognized in the year ended December 31, 2020.

NOTE 8. Related Party Transactions

A board member of the Organization made significant contributions to the Organization for the acquisition of a building and related improvements. For the year ended December 31, 2020, a donation of \$100,000 was made and used. For the year ended December 31, 2021, donations of \$20,000 and \$73,724 were made and used. The \$73,724 donation was initially a construction line of credit loan made to the Organization. The Organization borrowed \$78,373 on this line in 2021 and the donor forgave \$73,724 of this balance in 2021 (remaining portion was repaid in 2021). These donations are included in the contributions and grants line item on the statement of activities.

NOTE 9. Leases

The Organization leases a vehicle under a noncancelable operating lease. The following is a schedule of future minimum lease payments required under the lease as of December 31, 2021:

<u>Year</u>	
2022	\$ 6,184
2023	6,184
2024	515
Total	<u>\$ 12,883</u>

Rent expense (included with vehicle expense on the statements of functional expenses) under this lease is \$5,574 and \$0 for the years ended December 31, 2021 and 2020, respectively.

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