



# **The Conservation Alliance**

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**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2022**

**THE CONSERVATION ALLIANCE  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
The Conservation Alliance  
Bend, Oregon

We have audited the accompanying financial statements of The Conservation Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Conservation Alliance 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 Conservation Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

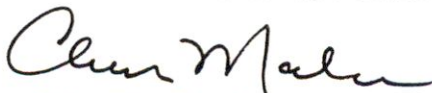
### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Conservation Alliance'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 Conservation Alliance'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.



Chris Mahr, Principal  
Chris Mahr + Associates | CPAs

Bend, Oregon

November 14, 2023

THE CONSERVATION ALLIANCE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,749,886
Receivables	433,490
Prepaid Expense	<u>135,086</u>
Total current assets	<u>2,318,462</u>

FURNITURE AND EQUIPMENT

Furniture and office equipment	19,602
Less accumulated depreciation	<u>(17,378)</u>
Net furniture and equipment	<u>2,224</u>

OTHER ASSETS

Investments	3,513,379
Intangible asset	95,000
Accumulated amortization	<u>(7,917)</u>
Total other assets	<u>87,083</u>

<b>Total Assets</b>	<b><u><u>\$ 5,921,148</u></u></b>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 232,240
Payroll liabilities	17,197
Deferred revenue	<u>220,000</u>
Total current liabilities	<u>469,437</u>

NET ASSETS

Without donor restrictions	1,874,643
With donor restrictions	
Purpose restrictions	15,685
Endowments	<u>3,561,383</u>
Total net assets	<u>5,451,711</u>

<b>Total Liabilities and Net Assets</b>	<b><u><u>\$ 5,921,148</u></u></b>
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See accompanying notes to the financial statements.

**THE CONSERVATION ALLIANCE**

**STATEMENT OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2022**

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Totals</u>
<b>OPERATING REVENUE</b>			
Memberships	\$	\$ 1,660,564	\$ 1,660,564
Donations and contributions	629,040		629,040
Grants	327,000	300,000	627,000
Other revenue	1,064		1,064
Total revenue	<u>957,104</u>	<u>1,960,564</u>	<u>2,917,668</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of usage restrictions	2,208,000	(2,208,000)	
Released from endowment earnings	270,000	(270,000)	
Total net assets released from restrictions	<u>2,478,000</u>	<u>(2,478,000)</u>	
<b>OPERATING EXPENSES</b>			
Program services - grantmaking	2,983,296		2,983,296
Management & general	389,572		389,572
Fundraising	129,217		129,217
Total expenses	<u>3,502,085</u>		<u>3,502,085</u>
<b>OPERATING (LOSS) INCOME</b>	(66,981)	(517,436)	(584,417)
<b>NON-OPERATING (LOSS) INCOME</b>			
Net investment earnings	1,773	(1,497,290)	(1,495,517)
<b>CHANGE IN NET ASSETS</b>	(65,208)	(2,014,726)	(2,079,934)
<b>NET ASSETS - Beginning of year, as restated</b>	<u>1,939,851</u>	<u>5,591,794</u>	<u>7,531,645</u>
<b>NET ASSETS - End of year</b>	<u>\$ 1,874,643</u>	<u>\$ 3,577,068</u>	<u>\$ 5,451,711</u>

See accompanying notes to the financial statements.

**THE CONSERVATION ALLIANCE**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2022**

	Program	Supporting Activities			Total
	Activities	Management		Supporting	
	Grantmaking	& General	Fundraising	Subtotal	
<b>Functional expenses</b>					
Direct grants given	\$ 2,208,000	\$	\$	\$	\$ 2,208,000
Salaries	379,138	189,569	63,190	252,759	631,897
Employee health benefits	32,915	16,457	5,486	21,943	54,858
Pension plan	12,830	6,415	2,138	8,553	21,383
Payroll taxes	33,340	16,670	5,556	22,226	55,566
Office supplies & expenses	20,330	10,165	3,389	13,554	33,884
Occupancy	13,808	6,904	2,301	9,205	23,013
Travel	42,971	21,486	7,162	28,648	71,619
Contract services	218,148	109,074	36,358	145,432	363,580
Insurance	2,543	1,271	424	1,695	4,238
Staff development	311	155	52	207	518
Communications & marketing	13,637	6,818	2,273	9,091	22,728
Foreign tax		1,876		1,876	1,876
Miscellaneous expense		49		49	49
Amortization	4,750	2,375	792	3,167	7,917
Depreciation	575	288	96	384	959
<b>Total</b>	<b>\$ 2,983,296</b>	<b>\$ 389,572</b>	<b>\$ 129,217</b>	<b>\$ 518,789</b>	<b>\$ 3,502,085</b>

See accompanying notes to the financial statements.

**THE CONSERVATION ALLIANCE**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ (2,079,934)
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Amortization and depreciation	8,876
Investment (gain) loss	1,495,517
Change in current assets and liabilities	
Receivables	(227,452)
Prepaid expenses	(135,086)
Accounts payable	217,987
Payroll liabilities	17,197
Deferred revenue	15,000
	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	(687,895)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Costs incurred for website	(95,000)
Net investment earnings (loss)	(1,495,517)
Net purchases of investments in excess of proceeds from sales	1,788,876
	<hr/>
NET CASH USED BY INVESTING ACTIVITIES	198,359
<b>NET DECREASE IN CASH</b>	(489,536)
<b>CASH - Beginning of year</b>	<hr/>
	2,239,422
<b>CASH - End of year</b>	<hr/>
	\$ 1,749,886

See accompanying notes to the financial statements.



**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Organization and Nature of Activities***

The Conservation Alliance (the Organization) is a not-for-profit organization located in Bend, Oregon that was established in 1989 by outdoor businesses who shared the goal of increasing the outdoor industry support for conservation efforts to help protect and conserve threatened wild places for their habitat and recreational values. The Conservation Alliance collects annual memberships dues from member companies and disburses those dues to grassroots environmental organizations. Presently, there are over 260 member companies.

***Basis of Accounting***

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

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

*Net Assets without donor restrictions* represent net assets that are not subject to donor-imposed stipulations.

*Net Assets with donor restrictions* are net assets subject to donor-imposed stipulations that may, or will be met, either by actions of The Conservation Alliance and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

***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.

***Cash and Cash Equivalents***

For purposes of the statements of financial position, activities, functional expenses and cash flows, The Conservation Alliance considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

***Grants and Membership Dues Revenues and Receivables***

Accounts receivable relate to membership dues, grants and other support revenue as of December 31, 2022. Membership dues are recorded as made and are considered restricted for the purpose of making grants to organizations that meet the requirements of the mission outlined by the Conservation Alliance. Management of the Organization considers accounts receivable at December 31, 2022 to be fully collectible in less than a year; accordingly, no allowance for doubtful accounts has been established.

***Fair Value Measurements***

The Conservation Alliance holds financial instruments that are measured at fair values including certain marketability securities and investments. Fair values for non-financial assets and liabilities, which consist of receivables and accounts payable, are reported at book values which approximate fair value.

***Investments***

The Conservation Alliance carries investments at their fair market values in the Statement of Financial Position. Unrealized gains and losses and investment fees are included in the change in net assets in the accompanying Statement of Activities.

***Furniture and Equipment***

Equipment is stated at historical cost, or if donated, at the estimated fair value at the date of donation. Equipment in excess of \$2,500 is capitalized and is depreciated over an estimated useful life of five to seven years using the straight-line method of depreciation. Depreciation expense amounted to \$959 for the year ended December 31, 2022.

***Other Assets***

The intangible asset consists of a website redesign, is stated at historical cost, and is amortized over an estimated useful life of 7 years. Amortization expense amounted to \$7,917 for the year ended December 31, 2022.

**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

***Revenue Sources***

***Contributions***

Contributions, including unconditional promises to give, are recorded as made and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions and increase that net asset class. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

***Donated Services and Equipment***

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would typically be purchased by The Conservation Alliance, if not donated.

The Conservation Alliance generally pays for services requiring specific expertise. However, individuals may volunteer their time and perform a variety of tasks related to grant making, fundraising and committee assignments. The services provided by these volunteers are not recognized as contributions in the financial statements since the recognition criteria above were not met.

***Income Taxes***

The Conservation Alliance qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore, no provision for federal or state income taxes has been included in these financial statements. The Organization did not conduct unrelated business activities for the year ended December 31, 2022.

***Functional Allocation of Expense***

The cost of carrying out the organization's mission and other activities has been summarized on a functional basis in the statement of activities. The Conservation Alliance utilizes a simplified cost allocation method, whereby specifically identifiable expenses are charged directly to the applicable expense category. Shared expenses are allocated between program services, management and fundraising based on evaluations of the related benefits in accordance with accounting principles generally accepted in the United States of America for non-profit organizations.

**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Program expenses consist of grants made and all expenses paid for those grant making activities. General and administrative expenses include oversight, business management, general recordkeeping, budgeting and other such management and administrative activities that support the primary service of grant making and the organization, overall. Fundraising expenses include the costs of conducting activities to solicit contributions from individuals and other organizations.

***New Accounting Pronouncement***

During fiscal year ended December 31, 2022, the Organization adopted ASU 2019-01, *Leases* (Topic 842), which required a change in accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. The Organization did not hold any leases during fiscal year ended December 31, 2022. As such, there were no changes to the Organization’s financial statements in recognition of ASU 2019-01.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of the following at December 31, 2022:

On-demand checking account	\$	538,304
Cash held in investment accounts		48,004
Money market accounts		1,163,578
		\$ 1,749,886

**NOTE 3 – INVESTMENTS**

The Organization’s investment holdings at December 31, 2022 consisted of the following:

Government Bonds	\$	59,268
Corporate Bonds		1,045,999
Stocks (domestic & foreign)		2,408,112
		\$ 3,513,379

All of these investments are considered Level 1 investments. See discussion below for categories of investments and their definitions.

**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 3 – INVESTMENTS - Continued**

For the year ended December 31, 2022, investment activity consisted of the following:

	<u>Without Restrictions</u>	<u>With Restrictions</u>	<u>Totals</u>
Interest and dividends	\$ 1,773	\$ 79,147	\$ 80,920
Realized gains on investments		(133,269)	(133,269)
Unrealized gains(losses) on investments		(1,417,028)	(1,417,028)
Investment expenses		(26,140)	(26,140)
	<u>\$ 1,773</u>	<u>\$ (1,497,290)</u>	<u>\$ (1,495,517)</u>

***Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Assets and liabilities are measured using inputs from the following three levels of the fair value hierarchy:

- Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments the Organization included as Level 1 investments are listed equities.
- Level 2 - Pricing inputs for these investments are other than the quoted market prices described for Level 1, but are observable either directly or indirectly.
- Level 3 - Pricing inputs for these investments are unobservable and require significant management judgment or estimation. The Organization primarily uses the net asset values (NAV) as provided by the investment portfolio manager to evaluate the fair value of Level 3 instruments. In addition, where no NAV is available for specific investments, the market approach or income approach is used to evaluate the fair value of such Level 3 instruments. Within Level 3, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of net present value of estimated cash flows, adjusted as appropriate for market and/or other risk factors. Investments in this category include perpetual trust, a charitable remainder trust, and share in a privately held corporation.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 4 – EMPLOYEE RETIREMENT PLAN**

The Conservation Alliance maintains a 401(K) Qualified Retirement Plan (the Plan) which allows employees to defer certain amounts of compensation for income tax purposes. The Plan allows for employees to make pre-tax contributions as a salary deferral up to 95% of their compensation. Employees are eligible to participate in the Plan after 1,000 hours of service and continue serving a minimum of 500 hours per year. All contributions immediately vest at 100%. The Conservation Alliance matches employee contributions to the plan up to 5% of the employee's eligible salary. For the year ended December 31, 2022, the matching contribution was \$21,383.

**NOTE 5 – CREDIT RISKS, CONCENTRATIONS, COMMITMENTS AND CONTINGENCIES**

***Credit risks, Concentrations***

The Organization has credit risk arising from contributions, grants and other receivables. The maximum amount of loss at December 31, 2022 equals the grants and contributions receivables balance of \$433,490. However, management considers these receivables at December 31, 2022 to be fully collectible.

The Organization receives a substantial amount of its support from member companies. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

Financial instruments that potentially subject The Conservation Alliance to a concentration of credit risk consist primarily of cash and investments. The Organization maintains its cash balances at Federal Deposit Insurance Corporation (FDIC) insured institutions with maximum coverage of \$250,000 per account and invests in brokerage accounts that are not insured by the FDIC. At December 31, 2022, the organization held cash in the amount of \$1,546,009 over the FDIC limits.

***Contingencies***

The Conservation Alliance receives grants from various governmental and private sources that require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although a possibility, the Board and management deem the contingency remote.

**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 5 – CREDIT RISKS, CONCENTRATIONS, COMMITMENTS AND CONTINGENCIES - Continued**

Regarding income tax and uncertain tax positions, The Conservation Alliance will recognize in the financial statements the benefit of the tax position when it believes that the tax position will more likely than not be sustained in an audit based on the technical merits of the position. For an exempt organization, uncertain tax positions could result from unrelated business income activities or actions that jeopardize its status as tax-exempt, such as political activities, substantial lobbying expenditures or excessive unrelated business activities. The Conservation Alliance has concluded it had no unrecognized tax liability as of December 31, 2022 and it has no tax positions for which it estimates a significant change during 2023.

***Commitments***

The Organization has obtained a license to use furnished administrative offices located in Bend, Oregon with privileged access to certain office equipment and spaces under a license agreement which commenced September 5, 2019 continuing through August 31, 2022, at which point the license fee became a month-to-month license fee. The monthly license fee in 2022 was \$2,080.

**NOTE 6 – ENDOWMENT**

The Organization's endowment consists of donor-restricted endowment funds, the principal of which is permanently restricted with excess earnings available to be used for the Organization's operating expenses. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the governing Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 6 – ENDOWMENT – Continued**

The original donor-restricted endowment gift amounts and amounts required to be retained by donors totals \$3,671,153, as of December 31, 2022.

Changes in the endowment net assets for the year ended December 31, 2022:

Endowment net assets, beginning of year	\$ 5,330,549
Investment loss, net	(1,497,290)
Foreign taxes paid	(1,876)
Amounts appropriated for expenditure	<u>(270,000)</u>
	<u><u>\$ 3,561,383</u></u>

**NOTE 7 – MANAGEMENT OF LIQUIDITY**

The following is a summary of the Organization’s financial assets, as of December 31, 2022, available to meet cash needs for general expenditures within one year. These assets are reduced by amounts *not* available for general use because of member, donor or board-imposed restrictions within one year of the date of the statement of financial position and amounts maintained in an endowment legacy fund.

Cash and cash equivalents	\$ 1,749,886
Accounts receivables	433,490
Investments	<u>3,513,379</u>
Total financial assets at year-end	5,696,755
Less those unavailable for general expenditure within one year due to contractual or donor imposed restrictions	
Restricted by donor purpose restrictions	(15,685)
Restricted by donors for endowment	<u>(3,671,553)</u>
	<u>(3,687,238)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,009,517</u></u>

As part of liquidity management, The Conservation Alliance has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization is substantially supported by member dues collected on an annual basis. In addition, excess earnings from the endowment fund are unrestricted, available to cover operating expenses. The Board of Directors has established an investment committee to manage the endowment fund and other investments held by the Organization in a brokerage account.



**THE CONSERVATION ALLIANCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**NOTE 8 – RISK MANAGEMENT**

The Conservation Alliance is exposed to various risk of loss related to torts, theft of, damage to, destruction of assets, errors and omissions and natural disasters. To mitigate these risks, the organization has obtained business liability and directors & officers insurance.

**NOTE 9 - RESTATEMENT**

In the current year, it was determined that the Organization recorded grant revenue totaling \$205,000 in the incorrect period. The grants were determined to be earned in fiscal year ended December 31, 2022 but were recorded in the prior fiscal year ended December 31, 2021. The Organization's previously issued financial statements were restated as follows:

Net assets, beginning, as previously reported	\$ 7,736,645
To record grant revenue in the correct period	<u>(205,000)</u>
Net assets, beginning, as restated	<u><u>\$ 7,531,645</u></u>

**NOTE 10 – SUBSEQUENT EVENTS**

The Organization obtained a lease for office space located in Missoula, Montana. The lease commenced June 1, 2023 continuing through May 31, 2025 with monthly rent of \$2,000 plus \$121.20 for utilities.

Subsequent events have been evaluated by management through November 14, 2023, the date the financial statements were available to be issued. Management represents that there are no other items or subsequent events requiring disclosure or recognition in the financial statements through the date of issuance.