SIERRA NEVADA JOURNEYS

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2022 AND 2021

SIERRA NEVADA JOURNEYS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Sierra Nevada Journeys
Reno, Nevada

Opinion

We have audited the accompanying financial statements of Sierra Nevada Journeys (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 Sierra Nevada Journeys 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sierra Nevada Journeys 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.

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 Sierra Nevada Journeys' 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

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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 Sierra Nevada Journeys' 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 Sierra Nevada Journeys' 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.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

April 20, 2023

SIERRA NEVADA JOURNEYS

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,231,071	$ 2,638,902
Accounts receivable	76,964	244,842
Pledges receivable, current	53,200	282,645
Grants receivable	284,883	33,879
Prepaid expenses and other assets	188,972	161,757
Total current assets	1,835,090	3,362,025
NON-CURRENT ASSETS:		
Investments	1,586,386	
Pledges receivable, net	45,000	301,120
Grants receivable, net	86,976	
Property and equipment, net	5,032,025	5,113,305
Operating lease, right-of-use asset	89,105	
Total non-current assets	6,839,492	5,414,425
TOTAL ASSETS	$ 8,674,582	$ 8,776,450
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 77,128	$ 32,785
Accrued expenses	138,352	232,429
Deferred revenue	669,923	382,264
Refundable advances		295,191
Current portion of operating lease liability	27,230	
Total current liabilities	912,633	942,669
OPERATING LEASE LIABILITY, Net	62,178	
PAYCHECK PROTECTION PROGRAM LOAN		745,243
TOTAL LIABILITIES	974,811	1,687,912
NET ASSETS:		
Without donor restrictions	6,922,849	5,824,944
With donor restrictions	776,922	1,263,594
Total net assets	7,699,771	7,088,538
TOTAL LIABILITIES AND NET ASSETS	$ 8,674,582	$ 8,776,450

The accompanying notes are an integral part of these financial statements.

SIERRA NEVADA JOURNEYS

STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
NET ASSETS WITHOUT DONOR RESTRICTIONS		
OPERATING REVENUES AND SUPPORT:		
Program fees (net of scholarship discounts of $1,404,988 for 2022 and $1,507,714 for 2021)	$ 2,464,953	$ 1,669,592
Paycheck Protection Program loan forgiveness	745,243	
Grants and contributions	179,122	403,777
Investment income (loss)	(1,435)	5,713
Other revenue	6,882	5,642
Net assets released from restriction	2,065,696	1,153,583
Total revenue and support	5,460,461	3,238,307
OPERATING EXPENSES:		
Program services:		
Grizzly Creek Ranch	2,731,578	2,073,227
School field-based programs	821,463	530,250
Total program services	3,553,041	2,603,477
Supporting services:		
General and administrative	432,957	233,388
Fundraising	376,558	423,238
Total supporting services	809,515	656,626
Total expenses	4,362,556	3,260,103
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,097,905	(21,796)
NET ASSETS WITH DONOR RESTRICTIONS:		
Grants and contributions	1,579,024	1,322,460
Net assets released from restriction	(2,065,696)	(1,153,583)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	(486,672)	168,877
INCREASE IN NET ASSETS	611,233	147,081
NET ASSETS, Beginning of the Year	7,088,538	6,941,457
NET ASSETS, End of the Year	$ 7,699,771	$ 7,088,538

SIERRA NEVADA JOURNEYS

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services		Supporting Services		
	Grizzly Creek Ranch	School Field-Based Programs	General and Administrative	Fundraising	Total
Salaries, wages and benefits	$ 1,424,590	$ 662,563	$ 310,019	$ 302,117	$ 2,699,289
Insurance	295,656	6,945		1,321	303,922
Occupancy	255,756	38,136	14,346	15,393	323,631
Food service	213,424				213,424
Depreciation	136,623				136,623
Operating expenses	54,523	34,757	13,850	22,494	125,624
Outside contract services	50,773	11,648	37,459	24,094	123,974
Transportation and fieldtrip costs	70,280	35,294	3,976	1,625	111,175
Other program costs	79,884	4,953			84,837
Travel and meetings	67,469	2,299	8,701	5,484	83,953
Supplies	43,195	14,426		172	57,793
Staff training and apparel	7,985	5,335	24,300	441	38,061
Bank fees	15,216		2,921		18,137
Advertising	1,400	24	15,100		16,524
Membership dues	5,043	289	1,106	860	7,298
Other	9,761	4,794	1,179	2,557	18,291
Total expenses	$ 2,731,578	$ 821,463	$ 432,957	$ 376,558	$ 4,362,556

SIERRA NEVADA JOURNEYS

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services		Supporting Services		
	Grizzly Creek Ranch	School Field-Based Programs	General and Administrative	Fundraising	Total
Salaries, wages and benefits	$ 1,040,825	$ 405,563	$ 112,197	$ 366,382	$ 1,924,967
Insurance	241,577	1,618	883	397	244,475
Occupancy	282,127	29,097	6,321	15,834	333,379
Food service	107,381				107,381
Depreciation	130,322				130,322
Operating expenses	64,589	35,688	4,914	12,911	118,102
Outside contract services	65,306	5,436	75,394	16,363	162,499
Transportation and fieldtrip costs	24,211	7,751	272	1,282	33,516
Other program costs	41,206	13,591		60	54,857
Travel and meetings	1,349	2,588	168	873	4,978
Supplies	35,905	10,564	16	232	46,717
Staff training and apparel	12,275	15,286	2,050	7,184	36,795
Bank fees	9,438	105	1,496	549	11,588
Advertising	2,844	52	5,069		7,965
Membership dues	7,090	994	183	1,127	9,394
Other	6,782	1,917	24,425	44	33,168
Total expenses	$ 2,073,227	$ 530,250	$ 233,388	$ 423,238	$ 3,260,103

SIERRA NEVADA JOURNEYS

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	$ 611,233	$ 147,081
Adjustments to reconcile to net cash provided by operating activities:		
Forgiveness of Small Business Administration loan		(25,000)
Depreciation	136,623	130,322
Net realized/unrealized loss on investments	32,333	
Forgiveness of Paycheck Protection Program loan	(745,243)	
Reduction in operating lease, right-of-use asset	9,380	
Changes in:		
Accounts receivable	167,878	(216,502)
Pledges receivable	485,565	(7,992)
Grants receivable	(337,980)	42,910
Prepaid expenses and other assets	(27,215)	(80,664)
Accounts payable	44,343	(12,615)
Accrued expenses	(94,077)	116,621
Deferred revenue	287,659	275,302
Refundable advances	(295,191)	(233,075)
Operating lease liability	(9,077)	
Net cash provided by operating activities	266,231	136,388
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,618,719)	
Purchases of property and equipment	(55,343)	(44,654)
Net cash used by investing activities	(1,674,062)	(44,654)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program Loan		745,243
CHANGE IN CASH AND CASH AND EQUIVALENTS	(1,407,831)	836,977
CASH AND CASH EQUIVALENTS, Beginning of year	2,638,902	1,801,925
CASH AND CASH EQUIVALENTS, End of year	$ 1,231,071	$ 2,638,902
NON-CASH INVESTING ACTIVITIES		
Right-of-use asset acquired through operating lease liability	$ 98,485	$

The accompanying notes are an integral part of these financial statements.

1. NATURE OF ACTIVITIES

Sierra Nevada Journeys (the Organization) was formed in 2006 as a Nevada non-profit corporation. The Organization is a leading provider of experiential education, serving students, teachers, families, and community partners, in Northern Nevada and Northern California. The Organization owns and operates Grizzly Creek Ranch, a 515-acre camp located in Portola, California. The Organization carries out its mission through in-school lessons, after school programs, field-based experiences, residential outdoor schools, and summer camps. Each program focuses on hands-on, inquiry-based education.

As a youth development and education nonprofit, the Organization creates customized experiences using the best practices for teambuilding, Social Emotional Learning, leadership and environmental learning from Next Generation Science Standards (NGSS) and the University of California at Berkeley's BEETLES (Better Environmental Learning Education, Teaching, Learning & Expertise Sharing) teaching techniques and pedagogy.

The Organization's primary source of revenue comes from fees generated by the various educational programs offered. Additional support comes from individual/corporate contributions and government/private foundation grants.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation – The financial statements are prepared on the accrual basis of accounting and in conformity with U.S. generally accepted accounting principles. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represent the portion of net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions represent the portion of net assets subject to donor-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. The Organization has no donor-imposed restrictions that are perpetual in nature.

Revenue recognition – The Organization's revenue from contracts with customers consists of fees charged to schools and families for field trips and camps. The performance obligation of delivering educational services is simultaneously received and consumed by the students and/or families; therefore, the revenue is recognized when the corresponding event takes place.

Funds received in advance of being earned are recorded as deferred revenue, which represents a contract liability. A contract asset is recorded when the Organization satisfies a performance obligation of a contract but is not yet entitled to payment. When the Organization becomes entitled to payment, the contract asset is classified as a receivable, whether invoiced or not. Contract liabilities from contracts with customers as of December 31, 2022, 2021 and 2020 totaled $669,923, $382,264 and $355,228, respectively. Accounts receivable related to contracts with customers as of December 31, 2022, 2021 and 2020 totaled $79,409, $244,842 and $28,340, respectively.

Contributions and grants are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor-restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire, or the contributions are used for the restricted purpose.

A portion of the Organization's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as refundable advances in the statement of financial position. The Organization received cost-reimbursable grants of $54,426 and $295,191 that have not been recognized at December 31, 2022 and 2021, respectively, because qualifying expenditures have not yet been incurred.

Donated materials, equipment, and professional services are recorded as contributions in-kind and recognized at the estimated fair value as of the date of donation or service. During the years ended December 31, 2022 and 2021, the Organization did not receive any significant in-kind contributions.

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

Cash and cash equivalents – For financial statement purposes, the Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

The Organization minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The Organization's deposits held with financial institutions in excess of federal depository insurance limits were $889,140 and $2,122,066 as of December 31, 2022 and 2021, respectively. The Organization has not experienced any losses in such accounts and management believes the Organization is not exposed to any significant credit risk related to cash.

Investments are recorded at fair value. Unrealized gains and losses from the fluctuation of market value and realized gains and losses from the sale of investments are reflected in the statements of activities.

Accounts receivable are reported at the amount the Organization expects to collect on outstanding balances. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to bad debt expense. Based on management's assessment of receivables having outstanding balances and past history, it has concluded that losses on balances outstanding are unlikely; therefore, no allowance for doubtful accounts is deemed necessary at December 31, 2022 and 2021.

Pledges receivable are considered to be available for general operations unless specifically restricted by the donor. Pledges receivable are recognized when supported by a written contract to make a contribution. Contributions and pledges receivable are reported net of the allowance for uncollectible accounts. However, management has determined that no allowance was necessary at December 31, 2022 or 2021 based on their conclusion that all pledges were collectible. Management has determined that the present value discount related to long-term pledges receivable is not material, therefore a present value discount has not been recorded.

Grants receivable are amounts due from other nonprofits and government entities which are supported by a written contract and are considered current. Management believes that all outstanding receivables are collectible in full and therefore, an allowance for uncollectible accounts was not considered necessary. Current grants receivable are expected to be collected within 1 year. Non-current grants receivable are expected to be collected within 2 years.

Furniture and equipment are stated at cost or, if donated, at the estimated fair value at the date of donation. The Organization capitalizes all expenditures for furniture and equipment in excess of $5,000. Depreciation is computed using the straight-line method over estimated useful lives of individual assets ranging from 3 to 7 years.

Leases – The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets are also adjusted for prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. If the rate is not determinable, management uses the Organization's incremental borrowing rate based on the information available at lease commencement. Operating lease expense is recognized on a straight-line basis over the lease term. Lease terms may include options to renew, extend or terminate to the extent they are reasonably certain to be exercised. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Advertising – The Organization expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2022 and 2021 was $16,524 and $7,965, respectively.

Income taxes – The Organization is publicly supported and has received tax-exempt status under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. There is no unrelated taxable income and, accordingly, there is no provision for income taxes in the financial statements. The Organization has applied the accounting principles related to accounting for uncertainty in income taxes and has determined that there is no material impact on the financial statements.

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability). In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs for the asset or liability.

Functional allocation of expenses – The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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. Expenses, such as salaries, wages, and benefits, occupancy, and other supporting services have been allocated based primarily on employee time allocations and on estimates made by the Organization.

Recent accounting pronouncement – Effective January 1, 2022, the Organization adopted Accounting Standards Codification (ASC) 842, *Leases*, using the modified retrospective approach with January 1, 2022 as the date of initial adoption. ASC 842 is intended to improve financial reporting of lease transactions by requiring entities that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than 12 months. Key provisions in this guidance include additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. For leases existing at the transition date, the Organization applied the package of three transition practical expedients and therefore did not reassess whether an arrangement is or contains a lease, did not reassess lease classification, and did not reassess what qualifies as an initial direct cost. Additionally, the Organization applied the practical expedient to use hindsight for the purpose of determining the lease term.

Under the modified retrospective approach, the adoption of ASC 842 resulted in the recognition of ROU assets and lease liabilities of $98,485. There is no cumulative effect adjustment to net assets at the transition date.

Subsequent events have been evaluated through April 20, 2023, the date the financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2022, that require recognition or disclosure in such financial statements.

3. LIQUIDITY

The Organization's financial assets available within one year of the statements of financial position dates for general expenditure are as follows as of December 31:

	2022	2021
Cash and cash equivalents	$ 1,231,071	$ 2,638,902
Accounts receivable	79,409	244,842
Pledges receivable	98,200	583,765
Grants receivable	371,859	33,879
Investments	1,586,386	
Total financial assets	3,366,925	3,501,388
Less: amounts unavailable for general expenditures within one year, due to:		
Restricted by donors (see Note 12):	(776,922)	(1,263,594)
Total financial assets available for general expenditure within one year	$ 2,590,003	$ 2,237,794

As part of the Organization's liquidity management, cash in excess of daily requirements is maintained in an interest-bearing money market account.

4. CASH AND CASH EQUIVALENTS

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

	2022	2021
Money market funds	$ 889,101	$ 2,207,362
Cash	341,970	431,540
Total	$ 1,231,071	$ 2,638,902

5. INVESTMENTS

Investments consisted of the following at December 31, 2022:

Exchange traded funds - equity securities:	
Large blend exchange traded funds	$ 452,758
Medium value exchange traded funds	91,800
Large growth exchange traded funds	54,310
Medium blend exchange traded funds	38,012
Small value exchange traded funds	31,261
Emerging markets exchange traded funds	30,644
Mutual funds - equity securities:	
Large blend	36,253
Mutual funds - fixed income:	
Bonds	89,338
Fixed income securities:	
Bond exchange traded funds	249,676
Intermediate Government exchange traded funds	89,499
United States Treasury Bills	192,410
Cash equivalents	230,425
Total	$ 1,586,386

Investments other than investments in United States Treasury Bills are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets for identical assets.

Investments in United States Treasury Bills are classified within Level 2 of the fair value hierarchy because they are valued using alternative pricing methods using observable information inputs, such as current interest rates.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2022	2021
Buildings	$ 3,547,273	$ 3,547,273
Land	1,544,327	1,544,327
Furniture and equipment	258,180	210,414
Capital improvements	106,804	99,227
Vehicles	30,999	30,999
Computer and software	18,757	18,757
Total	5,506,340	5,450,997
Accumulated depreciation	(474,315)	(337,692)
Property and equipment, net	$ 5,032,025	$ 5,113,305

7. PLEDGES RECEIVABLE

Pledges receivable as of December 31 are expected to be collected as follows:

	2022	2021
Within one year	$ 53,200	$ 282,645
In one to five years	45,000	301,120
Total	$ 98,200	$ 583,765

8. LEASES

In August 2022, the Organization entered into a lease agreement for office space through February 2026, which is included on the statement of financial position as of December 31, 2022 as an ROU asset and operating lease liability of $89,105 and $89,408, respectively.

The ROU asset and operating lease liability were calculated using a risk-free discount rate of 3.19%. Rent expense for this lease totaled $9,935 for 2022. Cash paid for amounts included in the measurement of operating lease liabilities totaled $9,632 for 2022.

Maturities of the lease liability for this lease are as follows:

2023	$ 28,896
2024	29,618
2025	30,967
2026	5,201
Total lease payments	94,682
Less: present value discount	(5,274)
Total operating lease liability	$ 89,408

The Organization leases office space, staff housing, and equipment under agreements with terms less than 12 months. The Organization did not report ROU assets and leases liabilities for these short-term leases. Rent expense under these agreements was $135,664 for the year ended December 31, 2022.

Prior to the implementation of ASC 842 in 2022, leases were accounted for in accordance with the previous lease standard, ASC 840. Total rent expense for all operating leases under ASC 840 was $116,715 for 2021.

9. PAYCHECK PROTECTION PROGRAM LOAN

On January 25, 2021, the Organization received a Paycheck Protection Program (PPP) loan under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act totaling $745,243. Under the CARES Act, a portion or all of the loan and accrued interest may be forgiven provided the funds are spent on qualifying expenditures and certain other criteria regarding full-time equivalent employee and payroll levels are maintained.

The Organization received notification that its application for loan forgiveness was approved on February 24, 2022 and recognized the loan as income in the year ended December 31, 2022.

10. CONTINGENCIES

The Organization has received funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under the terms of the grants, it is believed that any required reimbursements will not be material.

11. RETIREMENT PLAN

The Organization sponsors a retirement plan (Plan) under IRC Section 403(b) covering all employees. There is no minimum deferral rate and employees may contribute up to the maximum contribution allowed by the IRS. Employees of age 21 or more who have completed at least 3 months of employment are eligible to receive matching employer contributions. The Plan also permits discretionary profit-sharing contributions and/or a discretionary match to eligible participant accounts. Discretionary profit-sharing payments or matching contributions made for the year ended December 31, 2022, were $54,315. There were no discretionary profit-sharing payments or matching contributions made for the year ended December 31, 2021.

12. NET ASSETS

Net assets with donor restrictions consist of unspent funds from contributions and grants restricted for the following purposes as of December 31:

	2022	2021
Grizzly Creek Ranch	$ 531,607	$ 525,645
Scholarships	245,315	737,949
	$ 776,922	$ 1,263,594