RE-MEMBER

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

Goodlander, Swett & Rybicki
Certified Public Accountants

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GOODLANDER, SWETT & RYBICKI

CERTIFIED PUBLIC ACCOUNTANTS
4462 PLAINFIELD AVE., N.E. • GRAND RAPIDS, MI 49525
PHONE (616) 361-1896 • (616) 364-4000
FAX (616) 361-0276

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Re-Member

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Re-Member (a Michigan nonprofit corporation), 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 Re-Member as of December 31, 2021 and 2020, and the results of their activities and their cash flows for the years then ended in accordance with generally accepted accounting principles 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 (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 Re-Member 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 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 Re-Member's ability to continue as a going concern for the next year.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 ABC Company'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 ABC Company'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.

Goodlander, Swett + Rybicki

Goodlander, Swett & Rybicki
Certified Public Accountants

March 28, 2022

RE-MEMBER

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

ASSETS	2021	2020
Current:		
Cash and cash equivalents	$ 1,102,021	$ 971,795
Winter heating pledge receivable	250	100
General pledges receivable	4,955	7,150
Prepaid expenses	31,307	26,297
Inventory	27,231	30,353
Deposit on fixed asset	7,073	-
Total current assets	1,172,837	1,035,695
Non-current:		
Property and equipment		
Land improvements	135,231	135,231
Buildings	785,172	785,172
Equipment	150,352	113,326
Vehicles	289,515	292,530
Website	18,900	-
	1,379,170	1,326,259
Less accumulated depreciation	(658,946)	(593,628)
	720,224	732,631
Land	59,553	59,553
	779,777	792,184
Beneficial interest in assets held by others	16,293	14,423
Total non-current assets	796,070	806,607
TOTAL ASSETS	$ 1,968,907	$ 1,842,302
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ -	$ 3,817
Accrued wages and payroll taxes	12,316	9,141
Credit cards	1,199	2,437
Trip deposits	155,437	156,753
Total current liabilities	168,952	172,148
Long-term liabilities:		
Paycheck Protection Program loan	-	71,800
TOTAL LIABILITIES	168,952	243,948
NET ASSETS:		
Without donor restrictions		
Undesignated	1,242,762	1,058,439
Designated by the Board	199,894	238,007
With donor restrictions		
Purpose restrictions	357,299	301,908
TOTAL NET ASSETS	1,799,955	1,598,354
TOTAL LIABILITIES AND NET ASSETS	$ 1,968,907	$ 1,842,302

See Notes to Financial Statements

RE-MEMBER

STATEMENT OF ACTIVITIES

Year Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Contributions	$ 483,566	$ 159,385	$ 642,951
Non-cash contributions	82,119	-	82,119
Trip fees	-	-	-
Merchandise sales	12,282	-	12,282
Interest	10,646	-	10,646
Loss on disposal of assets	(210)	-	(210)
Paycheck Protection Program loan forgiveness	143,625	-	143,625
Government support	104,157	-	104,157
Miscellaneous	12,031	-	12,031
Net assets released from restrictions			
Expiration of purpose restrictions	103,994	(103,994)	-
Total revenues and support	952,210	55,391	1,007,601
Expenses			
Program	650,766	-	650,766
Management and general	85,618	-	85,618
Fundraising	69,616	-	69,616
Total expenses	806,000	-	806,000
Change in net assets	146,210	55,391	201,601
Net assets at beginning of year	1,296,446	301,908	1,598,354
Net assets at end of year	$ 1,442,656	$ 357,299	$ 1,799,955

See Notes to Financial Statements.

RE-MEMBER

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Contributions	$ 535,086	$ 144,755	$ 679,841
Non-cash contributions	191,110	-	191,110
Trip fees	33,083	-	33,083
Merchandise sales	15,129	-	15,129
Interest	11,945	-	11,945
EIDL advance forgiven	10,000	-	10,000
Miscellaneous	12,987	-	12,987
Net assets released from restrictions			
Expiration of purpose restrictions	160,156	(160,156)	-
Total revenues and support	969,496	(15,401)	954,095
Expenses			
Program	729,084	-	729,084
Management and general	85,645	-	85,645
Fundraising	49,703	-	49,703
Total expenses	864,432	-	864,432
Change in net assets	105,064	(15,401)	89,663
Net assets at beginning of year	1,191,382	317,309	1,508,691
Net assets at end of year	$ 1,296,446	$ 301,908	$ 1,598,354

See Notes to Financial Statements.

RE-MEMBER

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	2021			
		Supporting Services		
	Program Expenses	Management and General	Fundraising	Total Expenses
Wages and payroll taxes	$ 261,545	$ 48,873	$ 14,827	$ 325,245
Employee benefits	4,412	1,364	414	6,190
Office supplies and expense	1,842	595	12,887	15,324
Software	8,043	3,276	7,241	18,560
Bank Fees	1,601	346	8,237	10,184
Telephone	6,748	911	90	7,749
Professional services	-	6,900	-	6,900
Property tax	-	316	-	316
Insurance	31,091	16,653	-	47,744
Postage	370	73	3,220	3,663
Storage and land lease	-	6,114	-	6,114
Program expenses	76,565	-	-	76,565
Repairs and maintenance	5,268	-	-	5,268
Cost of goods sold	9,396	-	-	9,396
Vehicle	46,375	-	-	46,375
Trip expenses	11,585	-	-	11,585
Utilities	13,088	-	-	13,088
Meal and travel	3,924	-	1,358	5,282
Event	-	-	233	233
Donated materials	82,104	-	-	82,104
Depreciation	80,524	-	-	80,524
Miscellaneous	6,285	197	21,109	27,591
Total expenses	$ 650,766	$ 85,618	$ 69,616	$ 806,000

See Notes to Financial Statements.

RE-MEMBER

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	2020			
		Supporting Services		
	Program Expenses	Management and General	Fundraising	Total Expenses
Wages and payroll taxes	$ 278,215	$ 44,709	$ 18,971	$ 341,895
Employee benefits	4,577	1,278	543	6,398
Office supplies and expense	1,336	510	10,752	12,598
Software	3,947	4,769	7,504	16,220
Bank Fees	3,834	236	7,505	11,575
Telephone	8,293	1,539	267	10,099
Professional services	-	7,825	-	7,825
Property tax	-	1,969	-	1,969
Insurance	34,149	17,173	-	51,322
Postage	369	93	2,685	3,147
Storage and land lease	-	5,204	-	5,204
Program expenses	49,474	-	-	49,474
Repairs and maintenance	4,229	-	-	4,229
Cost of goods sold	8,219	-	-	8,219
Vehicle	34,409	-	-	34,409
Trip expenses	13,304	-	-	13,304
Utilities	13,797	-	-	13,797
Meal and travel	1,847	-	64	1,911
Event	-	-	146	146
Donated materials	183,594	-	-	183,594
Depreciation	80,279	-	-	80,279
Miscellaneous	5,212	340	1,266	6,818
Total expenses	$ 729,084	$ 85,645	$ 49,703	$ 864,432

See Notes to Financial Statements.

RE-MEMBER

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020

	2021	2020
OPERATING ACTIVITIES		
Change in net assets	$ 201,601	$ 89,663
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Loss on disposal of assets	210	-
Depreciation expense	80,524	80,279
	282,335	169,942
(Increase) decrease in operating assets		
Capital campaign receivable		
Winter heating receivable	(150)	400
General pledges receivable	2,195	2,365
Prepaid expenses	(5,010)	7,122
Inventory	3,122	(14,177)
Beneficial interest	(1,870)	(1,558)
Increase (decrease) in operating liabilities		
Trip deposits	(1,316)	12,724
Accrued wages and payroll taxes	3,175	1,593
Accounts payable	(3,817)	(20,142)
Credit cards	(1,238)	1,288
Net cash provided by operating activities	277,426	159,557
INVESTING ACTIVITIES		
Purchase of fixed assets	(68,327)	(112,168)
Deposit on fixed asset	(7,073)	-
Net cash used for investing activities	(75,400)	(112,168)
FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	71,825	71,800
Forgiveness of Paycheck Protection Program loan	(143,625)	-
Net cash (used) provided by financing activities	(71,800)	71,800
INCREASE IN CASH AND CASH EQUIVALENTS	130,226	119,189
Cash and cash equivalents at beginning of year	971,795	852,606
Cash and cash equivalents at end of year	$ 1,102,021	$ 971,795

See Notes to Consolidated Financial Statements.

NOTE A—NATURE OF ACTIVITIES

Responding to immediate needs, Re-Member (the "Organization") provides resources that improve the quality of life for members of the Oglala Lakota Nation, and create meaningful opportunities to build understanding for our volunteers. Through site visits and cultural immersion, we continue to develop a growing circle of advocates standing in solidarity with the Oglala Lakota Nation on the Pine Ridge Reservation, South Dakota. The Organization's programs are supported by trip fees and contributions.

NOTE B—SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for nonprofit organizations.

Net assets of the Organization are classified as follows:

> *Net Assets Without Donor Restrictions* – Net assets that are available for use in general operations and not subject to donor restrictions. The governing board has designated certain amounts of these net assets for various purposes. See note K for detail of such purposes and amounts.
>
> *Net Assets With Donor Restrictions* – Net assets that are subject to donor-imposed restrictions. Donor-imposed restrictions on the Organization's net assets are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when a stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on management's analysis and estimates.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE B—SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization follows FASB ASC Topic 820-20 on *"Fair Value Measurements".* The authoritative guidance provides a framework for measuring fair value under accounting principles generally accepted in the United States of America (U.S. GAAP). This standard applies to all financial instruments that are being measured and reported on a fair value basis.

The standard clarifies how organizations are required to use a fair value measure for recognition and disclosure by establishing a common definition of fair value, creating a framework for measuring fair value, and expanding disclosures about fair value measurements. The standard also establishes a three- tier fair value hierarchy, which prioritizes the inputs used in measuring fair value.

These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an organization to develop its own assumptions.

The Organization did not have any financial instruments requiring a fair value measurement within the hierarchy as of December 31, 2021 and 2020.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, cash and cash equivalents consist of short-term highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Accounts Receivable

Accounts receivables are reported at the amount management expects to collect on balances outstanding at year end. Management closely monitors outstanding balances and writes off outstanding balances determined to be uncollectible.

Promises to Give

The Organization held a fund-raising campaign for funds to improve the land referred to as Feather II and build a new facility. Promises to give are restricted to the payment of the costs of this project. The promises to give are expected to be realized over several years ranging from one to five years and are classified as net assets with donor restrictions in the statement of activities. Management has determined that the pledges receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at December 31, 2021 and 2020.

NOTE B—SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

Expenses that are paid in advance of the applicable year are recorded as prepaid expenses and later expensed in the proper year.

Inventory

Inventory is stated at cost and consists of clothing and miscellaneous memorabilia items held for resale on the Pine Ridge Indian Reservation.

Property and Equipment

All acquisitions of property and equipment in excess of $1,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation has been computed using the straight-line method over the useful lives determined by management. Depreciation expense for the years ended December 31, 2021 and 2020 was $80,524 and $80,279, respectively.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. 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. There were no such conditional promises to give in existence as of December 31, 2021 and 2020.

The Organization recognizes revenue from merchandise sales at the time of sale.

The Organization recognizes revenue from trips over the length of the trip. Trips typically last a week and are paid for in advance. Trips deposits are recorded as deferred revenue.

The Organization adopted Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, “ASC 606”), which supersedes most existing revenue recognition guidance and outlines a single comprehensive model for recognizing revenue as performance obligations, as defined in a contract with a customer as goods or services transferred to the customer in exchange for consideration, are satisfied. The adoption of ASC 606 did not have a material impact on the financial statements of the Organization upon adoption.

NOTE B—SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

Donated services are recognized at fair value 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. None met this requirement in 2021 and 2020.

Donated Property and Equipment

Donation of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as without donor restrictions support 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 with donor restrictions support. Equipment purchased with grant funds and charged as an expense to the grant are recorded as temporarily restricted contributions when it is probable that the Bureau would retain title to the asset when the grant terminates.

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 as instructed by the donor. The Organization reclassifies with donor restriction net assets to without donor restriction net assets at that time.

Income Tax Status

Re-Member is exempt from income tax under Section 501 (c)(3) of the U.S. Internal Revenue Code. However, income from certain activities if not directly related to the Organization's tax-exempt purpose can be subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section I 70(b)(I)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The Organization is also exempt from Michigan corporate and income tax.

Advertising

The Organization expenses advertising costs as they are incurred. There was no advertising expense for the years ended December 31, 2021 and 2020.

Reclassifications

Certain reclassifications have been made to the prior year amounts to conform with the current presentation. Total net assets and change in net assets are unchanged due to these reclassifications.

NOTE C—LIQUIDITY AND AVAILABILITY

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

Cash and cash equivalents	$ 1,102,021	
Winter heating pledges receivable	250	
General pledges receivable	4,955	
		1,107,226
Less:		
Net assets with donor restrictions	(357,299)	
Current liabilities	(168,952)	
		(526,251)
Net financial assets avialable for general expenditures		$ 580,975

NOTE D—CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts in various financial institutions which are insured by either Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) up to $250,000 per institution. Cash as of December 31, 2021 and 2020 exceeded NCUA insured limits by $605,336 and $472,742, respectively. Management believes the Organization is not exposed to any significant credit risk as a result.

NOTE E—CONTRIBUTED FOOD and SUPPLIES

Contributions of food and supplies are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses. The Organization received contributed foods and supplies during the year ended December 31, 2021 and 2020, with fair value of $82,104 and $183,594 respectively.

NOTE F—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2021, are as follows:

	Due in less than 1 year	Due in 1-5 years	Total
Winter heating pledges receivable	$ 250	$ -	$ 250

The capital campaign started in the fall of 2014 with the goal to raise $2.8 million to build new facilities called Feather II. The capital campaign has raised $1,084,588 as of December 31, 2021. The capital campaign pledges are restricted for the construction of the new facility and of the campaign expenses.

NOTE G—BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

As of December 31, 2015, the Board of Directors created a fund with the Black Hills Area Community Foundation as a general endowment fund to support the charitable, scientific or educational purposes of the Organization. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as unrestricted net assets.

Endowment assets are invested in a well diversified asset mix, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution between 3% - 5%, while growing the fund if possible.

Composition of and changes in endowment net assets for the year ended December 31, 2021 and 2020 were as follows:

	12/31/2021	12/31/2020
Board-designated endowment net assets, beginning of year	$ 14,423	$ 12,865
Contributions	-	-
Investment income (loss), net	2,091	1,736
Fees	(221)	(178)
Board-designated endowment net assets, end of year	$ 16,293	$ 14,423

The Board of Trustees of the Community Foundation have the power to modify and restrict or place conditions on the distribution of endowed funds for a specified charitable purpose or to a specified organization if, in the sole judgement of the Board, such restriction or condition become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The authority to modify restrictions is sometimes referred to as "variance power" and is legal standard imposed on all community foundations.

NOTE H—RELATED PARTY TRANSACTIONS

There were no related party transactions for the years ended December 31, 2021 and 2020.

NOTE I—LEASE AGREEMENT

The Organization leases land in South Dakota upon which its building is located. The lease term commenced on May 1, 2018, and expires on April 30, 2023. The annual lease payment is due May 1st. Total lease expense under this agreement for the years ended December 31, 2021 and 2020 was \$4,800 and \$4,800, respectively. For the next year, the annual lease payment will be \$4,800 per year.

NOTE J—PAYCHECK PROTECTION PROGRAM LOAN

On April 20, 2020, the Organization received loan proceeds in the amount of \$71,800 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES" Act"), the PPP provides for loans to qualifying organizations and businesses in amounts up to 2.5 times their average monthly payroll expenses.

PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with deferral of payments for 10 months after the end of the covered period.

The Organization has recorded a note payable of \$71,800 as of December 31, 2020. The Organization used their PPP loan proceeds for purposes consistent with the PPP loan program and applied for forgiveness within 10 months of the end of the covered period. The Organization was granted forgiveness of their PPP loan on January 22, 2021, and the amount is included in income during the December 31, 2021, year end.

The Organization received a second PPP loan on January 26, 2021, in the amount of \$71,825. The Organization used their PPP loan proceeds for the purposes consistent with the PPP loan program and applied for forgiveness within 10 months of the end of the covered period. The Organization was granted forgiveness of their second PPP loan on September 13, 2021, and the amount is included in income during the December 31, 2021, year end.

NOTE K—RESTRICTIONS OF NET ASSETS

Net assets with donor restrictions are available for the following purposes or periods:

	12/31/2021	12/31/2020
Feather II construction	$ 191,880	$ 145,423
Miscellaneous other:		
Fisher furnaces	33,190	33,190
Pine Ridge Flute Society	4,181	3,698
Garden and Tractor Support	36,012	32,271
White Mouse Family	8,260	8,260
Utilities/propane	53,118	48,508
Food Truck	23,285	23,285
Health Fair	2,373	2,273
Manderson Garden	5,000	5,000
	$ 357,299	$ 301,908

NOTE L—DESIGNATION OF NET ASSETS WITHOUT DONOR RESTRICTIONS

Board designated funds are established by the Board of Directors and represent unrestricted funds which are to be used for future purposes. Board designated net assets consist of the following:

	12/31/2021	12/31/2020
Pine Ridge Schools	$ 6,124	$ 4,914
Solar panel	4,653	4,653
Vehicle Sinking Fund	14,483	55,517
Operating Reserves	157,415	157,415
Lease Proceeds F2	10,111	8,400
Feather I Maintenance	7,108	7,108
	$ 199,894	$ 238,007

NOTE M—ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The accounting standard on accounting for uncertainty in income taxes addresses the determination whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

The Organization participates in sales of merchandise items for a profit which may be subject to tax as unrelated business income. The Organization believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements. There were no unrecognized tax benefits identified or recorded for fiscal years ended December 31, 2021 and 2020.

The Organization files its forms 990 annually in the appropriate Internal Revenue Service (IRS) service center. The Organization is generally no longer subject to examination by the IRS for years before 2018.

NOTE N—SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 28, 2022, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

The pandemic related to COVID-19 that began in the first calendar quarter of 2020 has significantly impacted most major industries across the country through the date the financial statements were available to be issued. It is unclear how significant the pandemic's economic impact will be across all industries, due to the continuously changing number of confirmed cases of the disease, Tribal, Federal and State governmental orders imposed in response to the pandemic, and several other factors related to the pandemic.

Management has indicated that an estimate of the financial statement effect of the pandemic cannot be made, due to the factors previously listed. Management has also indicated that the financial impact of the pandemic is not expected to affect the Organization's ability to continue as a going concern within one year after the date the financial statements were available to be issued.

NOTE O—UPCOMING ACCOUNTING PRONOUNCEMENTS

ASU 2016-02, *Leases,* takes effect for nonprofits and other nonpublic companies for fiscal years beginning after December 15, 2020. The update will significantly change the way nonprofits account for leases on everything from vehicles to office equipment to real estate. Currently, operating leases are considered not required to be disclosed on the statement of financial position. Moving forward, those leases will need to be recognized on the face of the statement of financial position.

On September 17, 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07 on Topic 958, Presentation and disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Under the new standard's requirements, gifts-in-kind are to be presented as a separate line item, instead of remaining grouped among contributions of cash or other financial assets, on the statement of activities. Additionally, gifts-in-kind are to be disaggregated into categories based on the type of gift received, with the following disclosures made for each category:

i. Qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period

ii. The NFP's policy (if any about monetizing rather than utilizing contributed nonfinancial assets

iii. A description of any donor-imposed restrictions associated with the contributed

iv. A description of the valuation techniques and inputs used to arrive at fair value measurement, in accordance with the requirements in Topic 820, Fair Value Measurement, at initial recognition.

v. The principal market (or most advantageous market) used to arrive at a fair value measure if it is a market in which the recipient NFP is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets.

The FASB ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual reporting periods beginning after June 15, 2021, and interim periods with annual reporting periods beginning after June 15, 2022.