

RE-MEMBER

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2020 and 2019

*Goodlander, Swett & Rybicki
Certified Public Accountants*

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Re-Member

Report on the Financial Statements

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, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Re-Member as of December 31, 2020 and 2019, 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.



Goodlander, Swett & Rybicki
Certified Public Accountants

February 12, 2021

RE-MEMBER

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

ASSETS	2020	2019
Current:		
Cash and cash equivalents	\$ 971,795	\$ 852,606
Winter heating pledge receivable	100	500
General pledges receivable	7,150	9,515
Prepaid expenses	26,297	33,419
Inventory	30,353	16,176
Total current assets	1,035,695	912,216
Non-current:		
Property and equipment		
Land improvements	135,231	135,231
Buildings	785,172	699,911
Equipment	113,326	111,444
Vehicles	292,530	267,505
	1,326,259	1,214,091
Less accumulated depreciation	(593,628)	(513,349)
	732,631	700,742
Land	59,553	59,553
	792,184	760,295
Beneficial interest in assets held by others	14,423	12,865
Total non-current assets	806,607	773,160
TOTAL ASSETS	\$ 1,842,302	\$ 1,685,376
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 3,817	\$ 23,959
Accrued wages and payroll taxes	9,141	7,548
Credit cards	2,437	1,149
Trip deposits	156,753	144,029
Total current liabilities	172,148	176,685
Long-term liabilities:		
PPP loan	71,800	-
TOTAL LIABILITIES	243,948	176,685
NET ASSETS:		
Without donor restrictions		
Undesignated	1,058,439	940,669
Designated by the Board	238,007	250,713
With donor restrictions		
Purpose restrictions	301,908	317,309
TOTAL NET ASSETS	1,598,354	1,508,691
TOTAL LIABILITIES AND NET ASSETS	\$ 1,842,302	\$ 1,685,376

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
Gain (loss) on disposal of assets	-	-	-
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	<u>969,496</u>	<u>(15,401)</u>	<u>954,095</u>
Expenses			
Program	729,084	-	729,084
Management and general	85,645	-	85,645
Fundraising	49,703	-	49,703
Total expenses	<u>864,432</u>	<u>-</u>	<u>864,432</u>
Change in net assets	105,064	(15,401)	89,663
Net assets at beginning of year	<u>1,191,382</u>	<u>317,309</u>	<u>1,508,691</u>
Net assets at end of year	<u>\$ 1,296,446</u>	<u>\$ 301,908</u>	<u>\$ 1,598,354</u>

See Notes to Financial Statements.

RE-MEMBER

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Contributions	\$ 312,462	\$ 205,362	\$ 517,824
Non-cash contributions	168,673	-	168,673
Trip fees	607,575	-	607,575
Merchandise sales	26,279	-	26,279
Interest	14,218	-	14,218
Gain (loss) on disposal of assets	(375)	-	(375)
Miscellaneous	7,380	-	7,380
Net assets released from restrictions	390,476	(390,476)	-
Expiration of purpose restrictions	1,526,688	(185,114)	1,341,574
Total revenues and support			
Expenses			
Program	917,314	-	917,314
Management and general	86,639	-	86,639
Fundraising	70,609	-	70,609
Total expenses	1,074,562	-	1,074,562
Change in net assets	452,126	(185,114)	267,012
Net assets at beginning of year	739,256	502,423	1,241,679
Net assets at end of year	<u>\$ 1,191,382</u>	<u>\$ 317,309</u>	<u>\$ 1,508,691</u>

See Notes to Financial Statements.

RE-MEMBER

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

2020

	Program Expenses	Supporting Services		Total Expenses
		Management and General	Fundraising	
Wages and payroll taxes	\$ 278,215	\$ 44,709	\$ 18,971	\$ 341,895
Employee benefits	4,577	1,278	543	6,398
Contract labor	-	-	-	-
Advertising	-	-	-	-
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

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

2019

	Program Expenses	Supporting Services		Total Expenses
		Management and General	Fundraising	
Wages and payroll taxes	\$ 297,873	\$ 43,869	\$ 27,846	\$ 369,588
Employee benefits	2,802	1,232	704	4,738
Contract labor	20,700	-	-	20,700
Advertising	-	-	-	-
Office supplies and expense	2,869	949	15,886	19,704
Software	4,328	4,258	6,946	15,532
Bank Fees	6,919	190	5,141	12,250
Telephone	8,529	2,314	466	11,309
Professional services	-	7,175	-	7,175
Property tax	-	1,992	-	1,992
Insurance	34,605	16,963	440	52,008
Postage	579	66	2,961	3,606
Storage and land lease	-	6,628	-	6,628
Program expenses	121,732	-	-	121,732
Repairs and maintenance	3,784	-	-	3,784
Cost of goods sold	20,555	-	-	20,555
Vehicle	58,654	-	-	58,654
Trip expenses	59,622	-	-	59,622
Utilities	21,253	-	-	21,253
Meal and travel	12,271	-	357	12,628
Event	-	-	9,145	9,145
Donated materials	157,962	-	-	157,962
Depreciation	65,247	-	-	65,247
Miscellaneous	17,030	1,003	717	18,750
Total expenses	\$ 917,314	\$ 86,639	\$ 70,609	\$ 1,074,562

See Notes to Financial Statements.

RE-MEMBER

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 89,663	\$ 267,012
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
(Gain) loss on disposal of assets	-	375
Depreciation expense	<u>80,279</u>	<u>65,247</u>
	169,942	332,634
(Increase) decrease in operating assets		
Capital campaign receivable		24,600
Winter heating receivable	400	
General pledges receivable	2,365	(1,082)
Prepaid expenses	7,122	(7,410)
Inventory	(14,177)	(7,374)
Beneficial interest	(1,558)	(2,110)
Increase (decrease) in operating liabilities		
Trip deposits	12,724	2,051
Accrued wages and payroll taxes	1,593	1,958
Accounts payable	(20,142)	21,485
Credit cards	<u>1,288</u>	<u>562</u>
Net cash provided by operating activities	<u>159,557</u>	<u>365,314</u>
INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(112,168)</u>	<u>(360,295)</u>
Net cash used for investing activities	<u>(112,168)</u>	<u>(360,295)</u>
FINANCING ACTIVITIES		
Proceeds from PPP loan	<u>71,800</u>	<u>-</u>
Net cash provided by financing activities	<u>71,800</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	119,189	5,019
Cash and cash equivalents at beginning of year	<u>852,606</u>	<u>847,587</u>
Cash and cash equivalents at end of year	<u>\$ 971,795</u>	<u>\$ 852,606</u>

See Notes to Consolidated Financial Statements.

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NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

NOTE A—NATURE OF ACTIVITIES

Guided by the aspirations of the Oglala Lakota Native American communities, Re-Member (the "Organization") seeks to improve the quality of reservation life through relationships, shared resources and volunteer services. Through site visits and cultural immersion, we continue to develop a growing circle of advocates standing in solidarity with Native Americans of Pine Ridge, South Dakota. The Organization's programs are supported mostly 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.

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NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

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, 2020 and 2019.

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, 2020 and 2019.

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NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

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, 2020 and 2019 was \$80,279 and \$65,247, respectively.

Deferred Revenue

The income from trips is recorded as revenue in the period the trip occurs rather than the period in which the funds are received. If a trip is cancelled, the money is refunded to the payer.

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, 2020 and 2019.

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

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 2020 and 2019.

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NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

NOTE B—SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 170(b)(1)(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, 2020 and 2019.

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.

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NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

NOTE C—LIQUIDITY AND AVAILABILITY (CONTINUED)

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	\$ 971,795	
Winter heating pledge receivable	100	
General pledges receivable	<u>7,150</u>	979,045
Less:		
Net assets with donor restrictions	(301,908)	
Current liabilities	<u>(172,148)</u>	<u>(474,056)</u>
Net financial assets available for general expenditures		<u>\$ 504,989</u>

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, 2020 and 2019 exceeded NCUA insured limits by \$472,742 and \$361,228, 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, 2020 and 2019, with fair value of \$183,594 and \$157,962 respectively.

NOTE F—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2020, are as follows:

	<u>Due in less than 1 year</u>	<u>Due in 1-5 years</u>	<u>Total</u>
Winter heating pledge receivable	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 100</u>

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 \$1,038,131 as of December 31, 2020. The capital campaign pledges are restricted for the construction of the new facility and of the campaign expenses.

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NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

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, 2020 and 2019 were as follows:

	<u>12/31/20</u>	<u>12/31/19</u>
Board-designated endowment net assets, beginning of year	\$ 12,865	\$ 10,755
Contributions	-	-
Investment income (loss), net	1,736	2,288
Fees	(178)	(178)
Board-designated endowment net assets, end of year	<u>\$ 14,423</u>	<u>\$ 12,865</u>

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, 2020 and 2019.

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, 2020 and 2019 was \$4,800 and \$4,800, respectively. For the next two years, the annual lease payment will be \$4,800 per year.

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NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

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. They will record forgiveness upon being legally released from the loan obligation. No forgiveness income has been recorded for the year ended 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.

NOTE K—RESTRICTIONS OF NET ASSETS

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

	<u>12/31/20</u>	<u>12/31/19</u>
Feather II construction	\$ 145,423	\$ 179,035
Miscellaneous other:		
Fisher furnaces	33,190	41,490
Pine Ridge Flute Society	3,698	4,718
Garden and Tractor Support	32,271	26,899
White Mouse Family	8,260	8,260
Utilities/propane	48,508	27,909
Food Truck	23,285	23,285
Tractor Fundraiser	-	213
Health Fair	2,273	500
Manderson Garden	5,000	5,000
	<u>\$ 301,908</u>	<u>\$ 317,309</u>

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NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

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:

	<u>12/31/20</u>	<u>12/31/19</u>
Pine Ridge Schools	\$ 4,914	\$ 4,785
Solar panel	4,653	4,653
Vehicle Sinking Fund	55,517	72,660
Operating Reserves	157,415	157,415
Lease Proceeds F2	8,400	1,200
Feather I Maintenance	7,108	10,000
	<u>\$ 238,007</u>	<u>\$ 250,713</u>

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, 2020 and 2019.

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 2017.

NOTE N—SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 12, 2021, 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.

RE-MEMBER

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

NOTE N—SUBSEQUENT EVENTS (CONTINUED)

Subsequent to year end, the Organization applied for forgiveness of their initial Paycheck Protection Program Loan (PPP1) and forgiveness was granted on January 22, 2021. The Organization has also applied for a second draw of PPP funds which is pending approval from the Small Business Administration (SBA).

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.