GREAT RIVER GREENING
AUDITED FINANCIAL STATEMENTS
December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Great River Greening
Saint Paul, Minnesota

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Great River Greening as of December 31, 2022, and the related statements of activities, cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Great River Greening 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; 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.

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 Great River Greening's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

Report on Summarized Comparative Information

We have previously audited Great River Greening's 2021 financial statements, and we have expressed an unmodified audit opinion on those audited financial statements in our report dated June 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harrington Langer & Associates

July 20, 2023

GREAT RIVER GREENING
STATEMENT OF FINANCIAL POSITION
December 31, 2022
(With Comparative Totals for 2021)

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 614,314	$ 401,385
Contributions receivable	448,672	377,902
Prepaid expenses	13,626	9,858
TOTAL CURRENT ASSETS	1,076,612	789,145
PROPERTY AND EQUIPMENT, at cost		
Office equipment	115,328	115,328
Field equipment	89,942	79,312
Vehicles	131,313	131,313
	336,583	325,953
Less: accumulated depreciation	(318,424)	(304,632)
TOTAL PROPERTY AND EQUIPMENT, net	18,159	21,321
OTHER ASSETS		
Operating lease right-of-use assets	412,573	-
TOTAL ASSETS	$ 1,507,344	$ 810,466
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 15,486	$ 23,562
Accrued expenses	43,079	67,203
Operating lease liabilities, current portion	77,247	-
Deferred rent	-	28,694
TOTAL CURRENT LIABILITIES	135,812	119,459
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current portion	361,691	-
TOTAL LIABILITIES	497,503	119,459
NET ASSETS		
Without donor restrictions	691,708	582,247
With donor restrictions	318,133	108,760
TOTAL NET ASSETS	1,009,841	691,007
TOTAL LIABILITIES AND NET ASSETS	$ 1,507,344	$ 810,466

GREAT RIVER GREENING
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022			2021		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
SUPPORT AND REVENUE						
Contributions	$ 511,082	$ 310,081	$ 821,163	$ 408,099	$ 73,579	$ 481,678
Government grants & contributions	1,619,802	-	1,619,802	1,591,488	-	1,591,488
Program service fees	303,725	-	303,725	293,563	-	293,563
Special events, net of expenses of $83,578 and $25,745, respectively	106,867	-	106,867	84,960	-	84,960
Other income	9,373	-	9,373	74	-	74
Net assets released from restrictions	100,708	(100,708)	-	277,196	(277,196)	-
TOTAL SUPPORT AND REVENUE	2,651,557	209,373	2,860,930	2,655,380	(203,617)	2,451,763
EXPENSES						
Program service	2,128,008	-	2,128,008	2,307,832	-	2,307,832
General and administrative	155,612	-	155,612	158,234	-	158,234
Fundraising and development	258,476	-	258,476	208,730	-	208,730
TOTAL EXPENSES	2,542,096	-	2,542,096	2,674,796	-	2,674,796
CHANGE IN NET ASSETS	109,461	209,373	318,834	(19,416)	(203,617)	(223,033)
NET ASSETS, BEGINNING OF YEAR	582,247	108,760	691,007	601,663	312,377	914,040
NET ASSETS, END OF YEAR	$ 691,708	$ 318,133	$ 1,009,841	$ 582,247	$ 108,760	$ 691,007

GREAT RIVER GREENING
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 318,834	$ (223,033)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	13,791	14,397
Deferred excess straight line rent	(28,694)	1,498
PPP loan forgiveness	-	(210,775)
Change in:		
Contributions receivable	(70,770)	189,250
Prepaid expenses	(3,768)	4,592
Operating lease assets and liabilities	26,365	-
Accounts payable	(8,076)	(11,953)
Accrued expenses	(24,124)	7,060
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	223,558	(228,964)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(10,629)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance on PPP loan	-	210,775
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	212,929	(18,189)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	401,385	419,574
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 614,314	$ 401,385
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Interest paid	$ 8,239	$ -

GREAT RIVER GREENING
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022
(With Comparative Totals for 2021)

	2022				2021			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 732,048	$ 77,849	$ 179,133	$ 989,030	$ 708,152	$ 93,795	$ 136,003	$ 937,950
Payroll taxes	81,992	8,719	20,064	110,775	63,702	8,437	12,234	84,373
Employee benefits	58,721	6,973	17,002	82,696	64,303	7,569	12,350	84,222
Total personnel costs	872,761	93,541	216,199	1,182,501	836,157	109,801	160,587	1,106,545
Contract services	835,378	-	-	835,378	1,163,027	584	279	1,163,890
Restoration materials	213,674	-	-	213,674	136,588	-	-	136,588
Field supplies	63,777	-	-	63,777	32,805	1,050	1,248	35,103
Occupancy	40,775	4,562	10,497	55,834	43,684	5,767	8,362	57,813
Depreciation	9,738	1,228	2,825	13,791	9,987	1,800	2,610	14,397
Telephone	5,898	973	1,328	8,199	6,617	842	1,221	8,680
Printing	1,075	490	591	2,156	1,019	92	4,356	5,467
Postage	76	500	1,079	1,655	212	3,316	444	3,972
Office and computer	16,586	13,932	9,763	40,281	14,374	7,590	13,961	35,925
Professional services	29,265	26,558	44,469	100,292	31,353	21,760	10,109	63,222
Insurance	14,165	1,506	3,467	19,138	14,156	1,875	2,719	18,750
Staff development	-	11,217	442	11,659	176	2,085	725	2,986
Auto and travel	19,027	35	-	19,062	15,484	1,190	1,727	18,401
Special event expenses	-	-	50,038	50,038	-	-	25,745	25,745
Other	5,813	1,070	1,356	8,239	2,193	482	382	3,057
Total expenses by function	2,128,008	155,612	342,054	2,625,674	2,307,832	158,234	234,475	2,700,541
Less expenses included with revenues on the statement of activities	-	-	(83,578)	(83,578)	-	-	(25,745)	(25,745)
Total expenses included on the expense section on the statement of activities	$ 2,128,008	$ 155,612	$ 258,476	$ 2,542,096	$ 2,307,832	$ 158,234	$ 208,730	$ 2,674,796
	84%	6%	10%		86%	6%	8%	

See notes to the financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mission

Great River Greening (the Organization) is a Minnesota nonprofit corporation organized in 1999 and located in Saint Paul, Minnesota.

The Organization leads and promotes community-based restoration of natural areas. The Organization follows the guiding principles of: citizen-based restoration, stewardship and education; ecologically sound implementation and evaluation; collaboration to help advance ecosystem-based management; and long-term stewardship.

The Organization has ecological expertise in natural resource and water quality management, and in community building. The Organization focuses their work in locations and on activities that offer conservation impact, ecosystem services, and community benefits. Great River Greening's projects include:

- Native planting designs for developed and natural areas.
- Restoration and stabilization of shorelands and ravines.
- Ecological inventories and restoration management plans.
- Plantings of native trees, shrubs, wildflowers, and grasses.
- Restoration and management activities, including exotic species removal, prairie seed collection and sowing, and prescribed burns.
- Conservation practices on farmland for water quality.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> **Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
>
> **Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Organization recognizes revenue from exchange transactions, primarily from agreements to provide land restoration services, as the services are provided to the client. These amounts are included in program service fees.

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 substantially met. Government grants and contracts are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. As of December 31, 2022, the Organization had conditional promises to give of approximately $6,724,000, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

Contributions received, grants awarded, and other unconditional promises-to-give are measured at their fair values and are reported as an increase in net assets with donor restrictions if they are received with donor or grantor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor or grantor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. From time to time, the Organization’s balances in its bank accounts exceed Federal Deposit Insurance Corporation limits. The Organization periodically evaluates the risk of exceeding insurance levels and may transfer funds as it deems appropriate. The Organization has not experienced any losses with regards to balances in excess of insured limits or as the result of other concentrations of credit risk.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions Receivable

Bad debts are recorded on the allowance method based on historical experience and management's evaluation of outstanding accounts receivable. At December 31, 2022, management considered all outstanding amounts to be fully collectible. Accordingly, there was no allowance for doubtful accounts.

Property and Equipment

All expenditures of $1,000 or more for equipment and leasehold improvements and fair value of donated assets are capitalized. It is the Organization's policy to provide depreciation based on the estimated useful lives of 3-5 years for furniture, equipment, vehicles and leasehold improvements using the straight-line method.

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 the reported amounts and disclosures in these financial statements. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, descriptions of programs or activities in which the assets were used, and if monetized, a policy about monetizing rather than utilizing the asset(s). The Organization has implemented Topic 958 and have adjusted the presentation in these financial statements accordingly.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. The Organization adopted FASB ASC 842, with a date of initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, Leases (Topic 842): Targeted Improvements. The Organization did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022, was necessary for the impact of adoption of FASB ASC 842. The most significant effects of adopting FASB ASC 842 was the recognition of approximately $465,000 and $492,000 of operating lease right-of-use (ROU) assets and total current and long-term lease liabilities, respectively, on the statement of financial position as of January 1, 2022. No cumulative effect adjustment to net assets as of January 1, 2022, was necessary. FASB ASC 842 did not have a significant effect on the results of operations or cash flows for the year ended December 31, 2022.

As part of the transition, the Organization implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients.

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases.

Other practical expedients:

- Election whereby the lease and nonlease components will not be separated for leases of equipment.
- Election not to record ROU assets and corresponding lease liabilities for short-term leases with a lease term of 12 months or less, but greater than one month. Leases of one month or less are not included in short-term lease costs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Organization accounts for leases in accordance with FASB ASC 842. The Organization is a lessee in several noncancellable operating leases for office and storage space. Leases for other equipment are evaluated using the criteria outlined in FASB ASC 842 to determine whether they will be classified as operating or finance leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Organization determines if an arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Organization recognizes a lease liability and ROU asset at the commencement date of the lease.

Beginning January 1, 2022, operating lease ROU assets and related current and long-term portions of operating lease liabilities have been presented in the statement of financial position.

Lease Liabilities

A lease liability is measured on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable The implicit rates of the Organization's leases are not readily determinable; accordingly, the Organization has made the election to use a risk-free rate in lieu of its incremental borrowing rate using a period comparable with that of the individual lease term based on the information available at the commencement date for each lease.

Accounting Policy Election for Short-term Leases

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ROU Assets

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost for lease payments is recognized on a straight-line basis over the term of the lease. Finance lease ROU assets are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements from the year ended December 31, 2022, from which the summarized information was derived.

Donated Services and In-Kind Contributions

The Organization receives volunteer services that do not qualify for recognition under GAAP. Accordingly, no value has been reflected in the financial statements for such donated services; however, these services are integral to the Organization's programs.

In-kind contributions are recognized for donated services that require specialized skills or items that improve or enhance property and equipment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Exempt Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05. It has been classified as an organization that is not a private foundation under Section 509(a)(3) of the Internal Revenue Code and charitable contributions by donors are tax deductible.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) for any uncertain position that more likely than not would not be sustained upon examination by the applicable tax authorities. Federal and state tax authorities generally have the right to examine the current and three previous years of income tax returns. The Organization is not currently under examination by any taxing jurisdiction.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 20, 2023, the date the financial statements were available to be issued. We noted no subsequent events except as disclosed herein.

NOTE 2. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditure within one year of December 31, 2022:

	Amount
Financial Assets at Year-End	
Cash and cash equivalents	$ 614,314
Accounts receivable	448,672
Total financial assets	1,062,986
Amounts not available to be used within one year	
Less net assets with donor restrictions	(318,133)
Net assets with restrictions to be met in less than one year	318,133
Financial assets available to meet general expenditures within one year	$ 1,062,986

The Organization's goal is generally to maintain financial assets to meet 75 days of operating expenses.

NOTE 3. LINE OF CREDIT

The Organization has a $200,000 demand line of credit agreement with Old National Bank. Interest was payable monthly on the unpaid principal balance at an annual rate equal to the prime rate plus 1.25% (effective rate of 8.75% at December 31, 2022). The agreement expires February 10, 2024. The line of credit is secured by all business assets.

NOTE 4. CONCENTRATIONS

The Organization received $1,287,397 in 2022 under government grant contracts with the state of Minnesota Department of Natural Resources (DNR). Receivables from the DNR were $54,154 on December 31, 2022. Approximately 11% of the contract partner services expenses in 2022 were incurred with one vendor.

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2022, net assets with restrictions consisted of the following:

	Amount
Purpose restricted	
Program services	$ 188,133
Equipment	130,000
	$ 318,133

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2022:

	Amount
Satisfaction of purpose restriction	
Program service	$ 96,412
Cloud based server	4,296
	$ 100,708

NOTE 6. RETIREMENT PLAN

The Organization's employees who meet certain age and service requirements are eligible to participate in the Organization's 401(k) retirement plan. The Organization contributes up to 2.5% of a qualified employee's salary to the plan.

For the year ended December 31, 2022, the Organization contributed $17,038 to the plan.

NOTE 7. LEASES

The Organization leases office and garage space under various long-term non-cancelable operating lease arrangements that expire through March 2028. Most leases include renewal options which can extend the lease term. The exercise of these renewal options is at the sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

The components of lease costs and statement of functional expenses category that includes the costs for the year ended December 31, 2022, are as follows:

Operating lease expense (occupancy)	$ 57,901
Short-term lease expense (office supplies)	1,435
	$ 59,336

Supplemental cash flow information for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 58,021
ROU assets obtained in exchange for new operating lease liabilities	$ 371,813

Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted average remaining lease term in years for operating leases	5.25
Weighted average discount rate for operating leases	1.55%

NOTE 8. EMPLOYEE RETENTION CREDIT

The CARES Act provided an employee retention credit ("CARES Employee Retention credit"), which is a refundable tax credit against certain employment taxes. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through September 31, 2021. Based on these additional provisions, the tax credit became equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee was increased to $10,000 of qualified wages per quarter. The Organization qualified for the tax credit under the CARES Act and recorded $189,928 as government grants for the year ended December 31, 2022.

NOTE 9. IN-KIND CONTRIBUTIONS

The Organization received donated services and supplies for fundraising purposes. Donated services are recorded when there is an objective basis to measure the value of such services and the service involves specialized skills that would be purchased, if not provided by donation. During the year ended December 31, 2022, the Organization received the following in-kinds:

	Amount
Marketing services (professional services)	$ 33,540
Gala supplies (special event expenses)	11,302
	$ 44,842

All gifts-in-kind received by the Organization for the year ended December 31, 2022 were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management.