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International Wolf Center

Financial Statements

December 31, 2023 and 2022

Independent Auditors' Report

To the Board of Directors of
International Wolf Center

Opinion

We have audited the financial statements of International Wolf Center (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 the Organization as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 auditors' 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 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 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 the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Baker Tilly US, LLP

Minneapolis, Minnesota
June 6, 2024

International Wolf Center

Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash	$ 1,882,914	$ 2,811,483
Accounts receivable	1,853	1,595
Inventory	153,289	114,564
Prepaid expenses	50,783	41,218
Total current assets	2,088,839	2,968,860
Investments	2,527,791	1,004,311
Property and Equipment, Net	1,640,716	1,693,334
Other Assets		
Right-of-use asset	180,492	76,250
Security deposits	3,617	3,617
Total assets	$ 6,441,455	$ 5,746,372
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 52,828	$ 78,050
Accrued payroll and payroll taxes	113,243	103,864
Accrued retirement contribution	2,727	2,736
Deferred revenue	16,290	16,481
Lease liability, current portion	92,634	25,952
Total current liabilities	277,722	227,083
Long-Term Liabilities		
Lease liability, long-term portion	93,677	51,396
Total long-term liabilities	93,677	51,396
Net Assets		
Without donor restrictions:		
Undesignated	1,790,476	1,081,281
Investment in property and equipment	1,640,716	1,693,334
Designated	2,620,740	2,670,355
Total net assets without donor restrictions	6,051,932	5,444,970
With donor restrictions	18,124	22,923
Total net assets	6,070,056	5,467,893
Total liabilities and net assets	$ 6,441,455	$ 5,746,372

See notes to financial statements

International Wolf Center

Statements of Activities

Years Ended December 31, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Other Revenue						
Public support contributions	$ 2,228,893	$ 7,726	$ 2,236,619	$ 1,463,941	$ 18,698	$ 1,482,639
Program income	100,288	-	100,288	100,337	-	100,337
Exhibit fees	369,442	-	369,442	371,723	-	371,723
Book and souvenir sales, net of direct costs of $226,431 in 2023 and $191,634 in 2022	170,036	-	170,036	166,939	-	166,939
Investment income	75,668	-	75,668	11,758	-	11,758
Contributions of nonfinancial assets	79,243	-	79,243	70,928	-	70,928
Other income	3,206	-	3,206	-	-	-
Symposium revenue	-		-	224,319	-	224,319
Net assets released from restrictions	12,525	(12,525)	-	84,158	(84,158)	-
Total public support and other revenue	3,039,301	(4,799)	3,034,502	2,494,103	(65,460)	2,428,643
Expenses						
Program	1,808,640	-	1,808,640	1,702,652	-	1,702,652
Management and general	311,459	-	311,459	293,081	-	293,081
Fundraising	312,240	-	312,240	320,970	-	320,970
Total expenses	2,432,339	-	2,432,339	2,316,703	-	2,316,703
Change in net assets	606,962	(4,799)	602,163	177,400	(65,460)	111,940
Net Assets, Beginning	5,444,970	22,923	5,467,893	5,280,948	88,383	5,369,331
Cumulative effect of adoption of new standard	-	-	-	(13,378)	-	(13,378)
Net Assets, Ending	$ 6,051,932	$ 18,124	$ 6,070,056	$ 5,444,970	$ 22,923	$ 5,467,893

See notes to financial statements

International Wolf Center

Statements of Functional Expenses

Years Ended December 31, 2023 and 2022

	2023				2022			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries	$721,625	$194,154	$140,461	$1,056,240	$ 635,031	$ 176,851	$ 169,709	$ 981,591
Payroll taxes and benefits	159,134	33,910	24,423	217,467	147,786	33,499	27,961	209,246
Professional services	7,735	23,897	9,420	41,052	9,574	19,180	21,336	50,090
Program costs	363,498	-	-	363,498	240,236	-	-	240,236
Symposium expenses	-	-	-	-	208,808	-	-	208,808
Membership and development	83,958	-	97,131	181,089	45,794	-	70,578	116,372
Occupancy and operating costs	288,421	47,374	40,805	376,600	238,724	56,427	31,386	326,537
Depreciation	154,127	3,134	-	157,261	161,490	3,242	-	164,732
Technology	30,142	8,990	-	39,132	15,209	3,882	-	19,091
Total expenses	$ 1,808,640	$311,459	$312,240	$ 2,432,339	$ 1,702,652	$ 293,081	$ 320,970	$ 2,316,703
Percentage of total expenses	74%	13%	13%	100%	73%	13%	14%	100%

See notes to financial statements

International Wolf Center

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ 602,163	$ 111,940
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	157,261	164,732
Unrealized gains on investments	(2,874)	-
Noncash lease expense	4,721	1,098
Change in assets and liabilities:		
Accounts receivable	(258)	447
Inventory	(38,725)	(17,504)
Prepaid expenses	(9,565)	(12,360)
Accounts payable	(25,222)	53,566
Accrued liabilities	9,370	2,882
Deferred revenue	(191)	(9,470)
Net cash flows from operating activities	696,680	295,331
Cash Flows From Investing Activities		
Purchase of property and equipment	(104,643)	(240,423)
Purchase of investments	(2,250,000)	-
Net cash flows used in investing activities	(2,354,643)	(240,423)
Net change in cash and cash equivalents	(1,657,963)	54,908
Cash and Cash Equivalents, Beginning	3,815,794	3,760,886
Cash and Cash Equivalents, Ending	$ 2,157,831	$ 3,815,794
Noncash Operating and Investing Activities		
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ 134,284	$ 101,760

See notes to financial statements

1. Summary of Significant Accounting Policies

Nature of Activities

The International Wolf Center (the Organization), formerly called the Committee for an International Wolf Center, was organized in 1985. The Organization has developed an ambitious mission and programmatic goal in response to international needs to promote interest and to educate the public about the importance of the wolf.

Principles of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Net Assets

For the purpose of financial reporting, the Organization classifies resources into two net asset categories pursuant to any donor-imposed restrictions. Accordingly, the net assets of the Organization are classified in the accompanying financial statements in the categories that follow:

Without Donor Restrictions - Net assets not subject to donor-imposed stipulations, which may be designated for a specific purpose by the Board of Directors.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by action of the Organization and/or the passage of time. Some net assets with donor restrictions may include stipulations that assets provided be maintained permanently by the Organization. Presently, there are no net assets held in perpetuity.

The Organization's Board of Directors has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid, short-term investments with a maturity of three months or less when purchased to be cash equivalents.

The Organization maintains its cash in a bank deposit which, at times, may exceed FDIC insured limits. The Organization has not experienced any losses on these accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

The following table provides a reconciliation of cash and cash equivalents on the cash flow statements to amounts reported within the balance sheets:

	2023	2022
Cash	$ 1,882,914	$ 2,811,483
Cash equivalents presented in investments	274,917	1,004,311
Total cash and cash equivalents	$ 2,157,831	$ 3,815,794

Investments

Investments are composed of brokered certificates of deposit and other certificates of deposit as of December 31, 2023. See Note 3. Investments as of December 31, 2022 are composed of certificates of deposit having original maturity dates in excess of three months from the date of purchase.

Investments in brokered certificates of deposit are recorded at fair values primarily based on quoted market prices. Other certificates of deposit are carried at cost, which approximates fair value.

Accounts and Grants Receivable

The Organization considers all accounts and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, based on the best determination by management, they will be charged to operations when that determination is made. No interest is charged on past due receivables.

Inventory

Inventory consists of books and souvenirs stated at the average cost, determined by the first-in, first-out method or market.

Property and Equipment

Property and equipment are stated at cost and depreciation is provided on the straight-line method. Property and equipment balances are as follows:

	Depreciable Lives	2023	2022
Leasehold improvements	5-40 yrs.	$ 812,988	$ 749,940
Equipment	5-10 yrs.	146,528	142,552
Computer equipment	3-10 yrs.	172,164	168,381
Exhibit materials	5-40 yrs.	2,113,760	2,088,443
Vehicles	5 yrs.	72,965	64,446
Total property and equipment		3,318,405	3,213,762
Less accumulated depreciation		(1,677,689)	(1,520,428)
Property and equipment, net		$ 1,640,716	$ 1,693,334

Maintenance and repairs of property and equipment are charged to operations and major renewals are capitalized.

Donations of property and equipment are recorded as contributions at their estimated fair values. Donations are reported as contributions without donor restrictions unless the donor has restricted the 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 contributions with donor restrictions. Absent donor restrictions regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Revenue Recognition

Revenues from sources other than contributions include dues and memberships, program income, exhibit fees and book and souvenir sales. Such revenues are generally reported as increases in net assets without donor restrictions when the relevant performance obligations under the contract are satisfied. The performance obligations relating to dues occur over time, thus the revenue is recognized throughout the membership period. The performance obligations for exhibit fees, book and souvenir sales and the symposium occur at a point in time. Expenses are reported as decreases in that category. Income earned on donor restricted funds is initially classified as net assets with donor restrictions and is reclassified to net assets without donor restrictions when expenses are incurred for their intended purpose.

Contributions

Unconditional contributions, those that do not include a measurable performance-related or other barrier or are those in which the Organization has limited discretion over how the contribution should be spent, are recognized as revenues in the period received and are reported as increases in the appropriate categories of net assets in accordance with donor restrictions. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Contributions that include a measurable barrier or those for which the Organization has limited discretion over how the contribution should be spent and a right of return or release from future obligations are recorded as conditional contributions. Conditional contributions are not recognized until they become unconditional, that is, when the conditions surrounding the indications of the barrier have been met. No conditional contributions were received for the years ended December 31, 2023 and 2022.

Donated Materials and Services

Donated materials are reflected as contributions of nonfinancial assets in the financial statements at their estimated fair values at the date of receipt. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Donated materials consisted of Google Adwords advertisements, goods for the Wolf Care Auction and medicines for the wolves. These contributions of non-financial assets are valued by the Wolf Care and Development Departments based on average cost-per-click for similar advertising for services and based on comparison of market prices to the Amazon online marketplace for materials. For the year ended December 31, 2023, the value of nonfinancial contributions meeting the requirements for recognition in the financial statements included $52,299 in services and $26,944 in materials. For the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements was $70,928. Contributions of nonfinancial assets for the year ended December 31, 2023 and 2022 were not subject to any donor-imposed restrictions.

Leases

The Organization is obligated under an operating lease for office space, expiring on October 31, 2025 and an operating lease for land and building in Ely, MN, expiring on October 31, 2025. The operating leases are included in right-of-use assets and lease liabilities on the statement of financial position.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term. Upon adoption of the new lease standard, unamortized lease incentives and deferred rent were reclassified against the right of use asset. Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

Tax-Exempt Status

The Organization has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding provisions of State law and, accordingly, is not subject to federal or state income taxes. However, unrelated business income may be subject to taxation.

The Organization follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of December 31, 2023 and 2022. The Organization's tax returns are subject to review and examination by federal and state authorities.

Functional Expense Allocation

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to components of these services based on time and effort spent, as well as activities and costs that are directly related to either program or supporting services.

Advertising

Advertising costs are expensed as incurred. Advertising expense totaled $294,954 and $111,851 for the years ended December 31, 2023 and 2022, respectively, and includes $34,536 and $2,421 of contributions of nonfinancial assets, respectively.

Subsequent Events

In 2024, the Organization signed an agreement with Marriot for event space to host the 2026 Symposium. An amount of $20,200 has been paid to secure the reservation.

The Organization has evaluated subsequent events occurring through June 6, 2024, the date that the financial statements were approved and available to be issued.

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the current year presentation. These classifications had no effect on the change in net assets or net assets as previously reported.

2. Liquidity and Availability of Financial Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2023	2022
Financial assets:		
Cash	$ 1,882,914	$ 2,811,483
Investments	2,527,791	1,004,311
Accounts receivable	1,853	1,595
Financial assets at December 31	4,412,558	3,817,389
Less those unavailable for general expenditures within one year:		
Restricted by donor with time or purpose restriction	(18,124)	(22,923)
Board designated assets	(2,620,740)	(2,670,355)
Financial assets available to meet cash needs for general purposes within one year	$ 1,773,694	$ 1,124,111

The Organization's practice is to structure its financial assets to be available as its general expenses, liabilities and obligations come due and targets a minimum of 90 days of operating expense coverage at any point in time.

The Organization has plans to solicit additional contributions or apply for a line of credit in the event of unanticipated liquidity needs. Additionally, board designated assets may be released if necessary upon action from the Board of Directors.

3. Investments and Fair Value Measurements

Fair Value Hierarchy

Fair value is defined under generally accepted accounting principles as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date.

Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories:

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities, including investments in equity funds and bond funds for which quoted prices are readily available.

Level 2 - Inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy, within which the fair value measurement in its entirety falls, has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset.

While the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of December 31, 2023 based upon the three-tier hierarchy:

	2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets:				
Brokered certificates of deposit	$ -	$ 2,252,874	$ -	$ 2,252,874
Total	$ -	$ 2,252,874	$ -	$ 2,252,874

Investments on the statements of financial position as of December 31, 2023 also include $274,917 in cash equivalents not included in the above table.

Investments on the statements of financial position as of December 31, 2022 also includes $1,004,311 in cash equivalents not included in the fair value hierarchy.

Investment income for the year ended December 31, 2023 includes interest of $72,794 and unrealized gains of $2,874. Investment income for the year ended December 31, 2022 includes interest of $11,758.

Investments, in general, are subject to various risks, including credit, interest and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the financial statements.

4. Employee Benefit Plan

The Organization provides a defined contribution 403(b) plan for the benefit of all full-time employees who are at least 21 years old. The plan allows participants to defer up to $22,500, or $30,000 if over age 50, and $20,500, or $27,000 of over age 50, for the years ended December 31, 2023 and 2022, respectively.

The Organization matches 100% of employee contributions to the plan up to a maximum of 5% of the employee's salary for the years ended December 31, 2023 and 2022. Employer contributions totaled $30,055 and $32,035 for the years ended December 31, 2023 and 2022, respectively.

5. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	2023	2022
Dave Mech Fellowship	16,099	18,605
Scholarship Fund	2,025	4,318
Total	$ 18,124	$ 22,923

6. Operating Leases

The International Wolf Center in Ely, Minnesota is a state-owned structure made possible by a $1.2 million grant from the State Legislature. Those funds were dedicated exclusively for the construction of the Wolf Center with the understanding the Organization would occupy the structure in perpetuity. While for administrative purposes the Organization's tenancy in the structure is defined by a lease, the fundamental relationship is determined by the legislative intent to provide an enduring home for the Organization into the future for research and educational purposes. The lease calls for maintenance costs payment to be adjusted every 2 years and the lease can be terminated by the State of Minnesota with a 3-month written notice. The lease with the State of Minnesota had expired on March 31, 2022, and was subsequently extended to December 31, 2022. At November 1, 2023, a new lease was signed, extending the term to December 31, 2025. Long-term renewal discussions are currently in process.

At December 31, 2023 and 2022, the Organization was obligated under the above lease as well as another noncancelable operating lease for office space, expiring on October 31, 2025. In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization elected to use a risk-free rate of 3% based on U.S. Treasury notes or bond rates for a similar term. As of December 31, 2023, the weighted average remaining lease term was 1.8 years. Total lease cost for the years ended December 31, 2023 and 2022 was $186,311 and $115,769, respectively, which includes rent and the Organization’s portion of maintenance and operating costs.

The table below summarizes the Organization’s scheduled future minimum lease payments for years ending after December 31, 2023:

Years ending December 31:	
2024	$ 92,634
2025	96,407
Total lease payments	189,041
Less present value discount	(2,730)
Total lease liabilities	186,311
Less current portion	(92,634)
Long-term lease liabilities	$ 93,677

7. Commitments and Contingencies

The Organization has been in discussions with the Minnesota Department of National Resources (DNR) regarding the upkeep and repair needs for the Organization's building in Ely, Minnesota. As part of this discussion, the DNR agreed to allow the Organization to repair the building's HVAC system using funds previously restricted for the Wolf Care Fund. As such, during 2022, the remaining amount of $84,158 in the Wolf Care Fund was released from with donor restriction and is reflected in the statement of activities as without restriction during the year ended December 31, 2022.

During 2023, the Organization entered into an agreement to replace the roof on the building in Ely with plans for repairs to be completed in 2024. The final amount of the contract is to be determined.

Paycheck Protection Program

In 2020 and 2021, the Organization received loan proceeds in the amount of $192,300 and $176,332 under the Paycheck Protection Program (PPP) and Second Draw PPP, respectively, which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The Organization met the PPP's loan forgiveness requirements and recognized the associated revenue in 2021 for both loans, having received legal release from the SBA for both loans.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

8. Related-Party Transactions

Contributions from board members totaled $70,147 and $93,997 for the years ended December 31, 2023 and 2022, respectively.