



H O P A
M O U N T A I N

**Financial Statements
with
Independent Auditors' Report**

For the Years Ended December 31, 2022 and 2021

HOPA MOUNTAIN, INC.
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December 31, 2022 and 2021

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RUDD & COMPANY^{INC.}

INDEPENDENT AUDITORS' REPORT

Board of Directors
Hopa Mountain, Inc.
Bozeman, Montana

Opinion

We have audited the accompanying financial statements of Hopa Mountain, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hopa Mountain, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hopa Mountain, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Hopa Mountain, Inc.'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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Hopa Mountain, Inc.'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 Hopa Mountain, Inc.'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.

Rudd & Company, PLLC

Bozeman, Montana
July 24, 2023

HOPA MOUNTAIN, INC.
Statements of Financial Position
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 638,257	\$ 643,458
Cash held as fiscal sponsor	9,380	10,962
Certificate of deposits	500,424	500,200
Grants receivable	337,938	140,210
Unemployment insurance reserve	174,292	156,640
Total Current Assets	<u>1,660,291</u>	<u>1,451,470</u>
Other Assets		
Investments	582,108	418,517
Total Other Assets	<u>582,108</u>	<u>418,517</u>
Total Assets	<u>\$ 2,242,399</u>	<u>\$ 1,869,987</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 10,989	\$ 26,228
Due to fiscal sponsor	9,380	10,962
Accrued liabilities	24,436	26,293
Total Current Liabilities	<u>44,805</u>	<u>63,483</u>
Total Liabilities	<u>44,805</u>	<u>63,483</u>
Net Assets		
Without donor restrictions	1,117,197	829,477
Without donor restrictions - board designated	187,500	-
With donor restrictions	892,897	977,027
Total Net Assets	<u>2,197,594</u>	<u>1,806,504</u>
Total Liabilities and Net Assets	<u>\$ 2,242,399</u>	<u>\$ 1,869,987</u>

The accompanying notes are an integral part of these statements.

HOPA MOUNTAIN, INC.
Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues			
Grants and contracts	\$ 1,315,093	\$ 270,786	\$ 1,585,879
Contributions	181,751	-	181,751
In-kind support	59,625	-	59,625
Workshop	20,000	-	20,000
Training	415	-	415
Fiscal sponsorship fee	510	-	510
Interest and dividends, net	7,424	-	7,424
Investment loss	(55,956)	-	(55,956)
Total Revenue and Support	<u>1,528,862</u>	<u>270,786</u>	<u>1,799,648</u>
Net assets released from program restrictions (Note 9)	<u>354,916</u>	<u>(354,916)</u>	<u>-</u>
Expenses			
Program services	1,129,601	-	1,129,601
General and administrative	272,712	-	272,712
Fundraising	6,245	-	6,245
Total Expenses	<u>1,408,558</u>	<u>-</u>	<u>1,408,558</u>
Change in Net Assets	<u>475,220</u>	<u>(84,130)</u>	<u>391,090</u>
Net Assets, Beginning of Year	<u>829,477</u>	<u>977,027</u>	<u>1,806,504</u>
Net Assets, End of Year	<u>\$ 1,304,697</u>	<u>\$ 892,897</u>	<u>\$ 2,197,594</u>

The accompanying notes are an integral part of these statements.

HOPA MOUNTAIN, INC.
Statement of Activities
For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues			
Grants and contracts	\$ 859,371	\$ 218,627	\$ 1,077,998
Contributions	196,291	-	196,291
In-kind support	81,832	-	81,832
Workshop	2,750	-	2,750
Interest and dividends, net	10,646	-	10,646
Investment gain	47,228	-	47,228
Other income	9,000	-	9,000
Total Revenue and Support	1,207,118	218,627	1,425,745
Net assets released from program restrictions (Note 9)	465,656	(465,656)	-
Expenses			
Program services	1,138,714	-	1,138,714
General and administrative	54,684	-	54,684
Fundraising	180	-	180
Total Expenses	1,193,578	-	1,193,578
Change in Net Assets	479,196	(247,029)	232,167
Net Assets, Beginning of Year	350,281	1,224,056	1,574,337
Net Assets, End of Year	\$ 829,477	\$ 977,027	\$ 1,806,504

The accompanying notes are an integral part of these statements.

HOPA MOUNTAIN, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	Program	General and Administrative	Fundraising	Totals
Bank processing fees	\$ 11	\$ 1,168	\$ -	\$ 1,179
Communications	-	3,448	-	3,448
Computer/software	14,719	2,295	-	17,014
Contract services	154,278	6,154	-	160,432
Dues and subscriptions	10	339	-	349
Evaluation	17,134	-	-	17,134
Fundraising	-	-	4,707	4,707
Insurance	-	10,059	-	10,059
Occupancy	200	13,250	-	13,450
Participant support	108,665	908	-	109,573
Payroll and related expenses	280,254	69,122	-	349,376
Postage and delivery	47,685	1,298	1,538	50,521
Printing	13,719	1,089	-	14,808
Professional fees	17,561	28,713	-	46,274
Program	-	21	-	21
Subawards	270,661	65,618	-	336,279
Supplies	179,997	5,947	-	185,944
Training	300	54,694	-	54,994
Travel, meetings, and meals	24,407	8,589	-	32,996
Total	<u>\$ 1,129,601</u>	<u>\$ 272,712</u>	<u>\$ 6,245</u>	<u>\$ 1,408,558</u>

The accompanying notes are an integral part of these statements.

HOPA MOUNTAIN, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2021

	Program	General and Administrative	Fundraising	Totals
Bank processing fees	\$ -	\$ 1,011	\$ -	\$ 1,011
Communications	328	2,929	-	3,257
Computer/software	8,514	3	-	8,517
Contract services	76,783	3,697	-	80,480
Dues and subscriptions	-	542	-	542
Evaluation	7,500	-	-	7,500
Fundraising	1,019	-	180	1,199
Insurance	6,917	894	-	7,811
Miscellaneous	925	2,653	-	3,578
Occupancy	-	8,400	-	8,400
Participant support	43,671	-	-	43,671
Payroll and related expenses	259,077	9,400	-	268,477
Postage and delivery	74,012	-	-	74,012
Printing	13,871	-	-	13,871
Professional fees	13,913	14,833	-	28,746
Subawards	266,767	5,000	-	271,767
Supplies	364,031	1,536	-	365,567
Training	818	345	-	1,163
Travel, meetings, and meals	568	3,441	-	4,009
Total	<u>\$ 1,138,714</u>	<u>\$ 54,684</u>	<u>\$ 180</u>	<u>\$ 1,193,578</u>

The accompanying notes are an integral part of these statements.

HOPA MOUNTAIN, INC.
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 391,090	\$ 232,167
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities		
Donation of corporate stock	(86,878)	(101,560)
Unrealized and realized loss (gain) on investments	55,956	(47,228)
Interest received on certificate of deposits	(224)	(200)
(Increase) decrease in current assets:		
Grants receivable	(197,728)	234,766
Other receivables	-	886
Unemployment insurance reserve	(17,652)	(7,446)
Inventory	-	1,956
Increase (decrease) in current liabilities		
Accounts payable	(15,239)	1,459
Due to fiscal sponsor	(1,582)	(9,067)
Accrued liabilities	(1,857)	(6,205)
Net Cash Provided by Operating Activities	<u>125,886</u>	<u>299,528</u>
Cash Flows from Investing Activities		
Purchase of investments and certificates of deposit	(284,002)	(8,745)
Proceeds from sale of investments	151,333	28,994
Net Cash (Used) Provided by Investing Activities	<u>(132,669)</u>	<u>20,249</u>
Net (decrease) increase in cash and cash equivalents	(6,783)	319,777
Cash and cash equivalents, Beginning of Year	<u>654,420</u>	<u>334,643</u>
Cash and cash equivalents, End of Year	<u>\$ 647,637</u>	<u>\$ 654,420</u>
Supplemental Disclosure of Cash Flow Information		
Cash is comprised of the following:		
Cash and cash equivalents	\$ 638,257	\$ 643,458
Cash held as fiscal sponsor	9,380	10,962
	<u>\$ 647,637</u>	<u>\$ 654,420</u>
Supplemental Disclosure of Non-Cash Information		
Non-cash donations of stock	\$ 86,878	\$ 101,560

The accompanying notes are an integral part of these statements.

HOPA MOUNTAIN, INC.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

1. Summary of Significant Accounting Policies

Organization and Nature of Operations

Hopa Mountain, Inc. (the Organization), a Montana not-for-profit Organization, was formed in May of 2004. The Organization's mission is to invest in community leaders, youth and adults, that are working to improve education, ecological health and economic development. The Organization is supported primarily through grants and donor contributions.

The Organization's programs guide community leaders to further develop their skills to deliver strength-based programs, services, and organizational efforts that meet needs expressed in their individual communities. The Organization also works to expand and enhance community-based opportunities for youth and adults. The majority of these efforts are informal (out-of-school) training for community leaders, with an emphasis on rural education, program development, non-profit organization, marketing, communication, facilitation, and planning.

The Organization is organized exclusively for charitable or educational purposes with the meaning of Section 501(c)(3) of the Internal Revenue Code and has been ruled not to be a private foundation.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Contributions are recorded when received, unless susceptible to accrual, and expenses are recognized when incurred. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions - Net assets that are not subject to donor imposed stipulations. The Board of Directors has voluntarily designated \$187,500 of net assets without donor restriction to an operating reserve fund.

Net assets with donor restrictions - Net assets subject to donor imposed restrictions that either expire by the passage of time or can be fulfilled by actions of the Organization pursuant to the donor's stipulations. Restricted contributions whose restrictions are met in the same reporting period are reflected as contributions without restrictions by the Organization.

This net asset classification also includes net assets subject to donor imposed stipulations that require they be maintained permanently by the Organization. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes.

HOPA MOUNTAIN, INC.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

1. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all unrestricted cash and other highly liquid investments with an original maturity of less than three months as cash equivalents.

The Organization maintains its cash balances and certificate of deposits in financial institutions. Balances at December 31, 2022 and 2021 were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Deposits at December 31, 2022 and 2021, exceeded the FDIC limit by \$441,855 and \$423,980, respectively.

Grants Receivable

Grants receivable are stated at face value and, based on previous experience, are all deemed to be collectible. Therefore, the Organization has not established a reserve for uncollectible receivables.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value in the statement of financial position with the annual change in fair value being recorded as unrealized gains (losses) in the change in net assets without donor restrictions.

Property and Equipment

The Organization capitalizes property and equipment over \$5,000, and with a useful life in excess of one year. Lesser amounts are expensed. Property and equipment is stated at cost or, if donated, at the estimated fair market value at the date of donation. Depreciation of property is computed using the straight-line method over the estimated useful lives of the assets, which range from five to seven years. Normal repair and maintenance costs are expensed as incurred. All assets are fully depreciated.

Compensated Absences

Employees of the Organization are entitled to paid time off benefits. The value of accumulated paid time off for employees is estimated at \$20,799 and \$21,237 as of December 31, 2022 and 2021, respectively, and included in accrued liabilities on the statement of financial position.

Functional Allocation of Expenses

Most expenses are charged directly to the program, to fundraising, or to the general and administrative function based on specific identification; however, payroll and related expenses are based directly on time and effort.

HOPA MOUNTAIN, INC.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

1. Summary of Significant Accounting Policies (continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3), and classified by the Internal Revenue Service as other than a private foundation. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, are open for examination by taxing authorities, generally, for three years after they are filed.

Use of Estimates

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

Advertising

The Organization expenses advertising costs as they are incurred.

Subsequent Events

Management has evaluated subsequent events through July 24, 2023, the date on which the financial statements were available to be issued.

Adoption of New Accounting Standard

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The Organization adopted this standard, as amended, retrospectively for the fiscal year ended December 31, 2022. The standard did not have a material impact on the financial statements. The Organization has updated disclosures as necessary. See Note 11.

2. Contingencies

The Organization operates programs funded by federal contracts and grants that are renewed annually depending on the availability of funds and the Organization's compliance with the requirements of the contracts and grants. Therefore, annual funding is not guaranteed.

HOPA MOUNTAIN, INC.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

3. Fair Value Measurements

Hopa Mountain, Inc. has determined the fair value of their investments through the application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification for financial instruments measured at fair value on a recurring basis.

The standard defines the fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The framework establishes a three-tier fair value hierarchy that prioritizes the inputs in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). These tiers are as follows:

Level 1 - observable inputs that are based upon quoted market prices for identical assets or liabilities within active markets the Organization has the ability to access.

Level 2 - inputs other than quoted market prices in active markets that are directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in market that are not active.

Level 3 - inputs that are unobservable for the particular asset or liability due to little or no market activity and are significant to the fair value of the asset or liability. These inputs reflect assumptions that market participants would use when valuing the particular asset or liability.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. All investments are considered to be Level 1 assets.

HOPA MOUNTAIN, INC.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

3. Fair Value Measurements (continued)

Cost and fair values of investments at December 31, 2022 and 2021, are as follows:

	Cost	Fair Value (Level 1)	Total Investments
Marketable equity securities	\$ 211,990	\$ 244,041	\$ 244,041
Fully insured bank deposits	-	-	338,067
	<u>\$ 211,990</u>	<u>\$ 244,041</u>	<u>\$ 582,108</u>

	Cost	Fair Value (Level 1)	Total Investments
Marketable equity securities	\$ 182,001	\$ 270,008	\$ 270,008
Fully insured bank deposits	-	-	148,509
	<u>\$ 182,001</u>	<u>\$ 270,008</u>	<u>\$ 418,517</u>

Investment income for the years ended December 31, 2022 and 2021 includes the following:

	<u>2022</u>	<u>2021</u>
Dividend and capital gains income	\$ 6,035	\$ 11,775
Unrealized and realized gain (loss)	(55,956)	47,228
Investment fees	-	(3,030)
Total investment income (loss), net	<u>\$ (49,921)</u>	<u>\$ 55,973</u>

4. Grants and Contracts

Most government grants and contracts are made on a cost reimbursement basis and revenues are recognized as the expenses are incurred. For the years ended December 31, 2022 and 2021 the Organization's total revenue were as follows:

	<u>2022</u>	<u>2021</u>
Federal grants	\$ 437,387	\$ 491,875
All other non-federal income and investment sources	1,362,261	933,870
Total revenue	<u>\$ 1,799,648</u>	<u>\$ 1,425,745</u>

HOPA MOUNTAIN, INC.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

5. Lease

The Organization has a month-to-month operating lease for the office space it occupies with a monthly lease payment of \$625. The lessor donated a rent deduction of \$4,500 and \$900 for the years ended December 31, 2022 and 2021, respectively. The rent deductions are recognized as in-kind support on the statements of activities. Management has determined that the lease and future lease commitments are not material to the overall financial statements, thus they are not recorded in accordance with Accounting Standards Update No. 2016-02, *Leases (Topic 842)*.

6. Retirement Plan

The Organization sponsors a defined contribution plan under Section 403(b) of the Internal Revenue Code. The plan covers all employees who meet the eligibility requirements. The Organization contributes 2% of each participating employee's wages and makes a matching contribution of up to 3% of the participating employee wages. Total expenses, including administrative fees related to the plan, for the years ended December 31, 2022 and 2021, were approximately \$5,076 and \$6,357, respectively.

7. Unemployment Insurance Reserve

In 2003, the Organization elected reimbursable status for unemployment benefit payments in lieu of paying contributions under the normal tax provisions of Montana state law. As a reimbursable employer, the Organization is responsible for reimbursing the state for valid claims paid to former employees, dollar for dollar.

In September of 2008, the Organization established and began making deposits into an unemployment reserve account with First Nonprofit Companies. Any future unemployment benefit claims will be paid from this reserve account. At December 31, 2022 and 2021, the reserve account balances were \$174,292 and \$156,640, respectively.

Management is aware of reported unemployment claims against the Organization and has estimated an unemployment insurance liability of \$4,103 and \$5,490 at December 31, 2022 and 2021, respectively. The liability balance is included in accrued liabilities on the statement of financial position.

8. Endowment Funds Held By Others

As of December 31, 2022 and 2021, endowment funds of \$60,537 and \$32,848, respectively, were held by the Montana Community Foundation on behalf of Hopa Mountain, Inc. These amounts do not qualify to be recorded on the Organization's statement of financial position, but may provide an income stream in perpetuity.

HOPA MOUNTAIN, INC.
Notes to the Financials Statements
For the Years Ended December 31, 2022 and 2021

9. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2022 and 2021 consisted of the following:

Purpose Restrictions	2022	2021
Covid-19	\$ -	\$ 42,883
Development Director Position	66,080	31,986
Indigenous Scholars of Promise	156,488	201,087
Local Food Program	35,853	-
National Parks	235,962	205,123
Strengthening the Circle (adult leadership)	215,014	459,948
Stengthening the Circle or Indigenous Scholars of Promise	170,000	-
StoryMakers	13,500	20,000
Various Other Programs	-	15,000
Youth Leadership Programs	-	1,000
Total	\$ 892,897	\$ 977,027

10. Board Designated Net Assets

The net assets without donor restrictions of the Organization are to be used to fund the general operations of the Organization, as well as to supplement the funding of its major programs. In addition, the Organization’s Board of Directors has set aside, or designated, certain net assets without donor restrictions as an operating reserve which can be used under the direction and approval of the Board.

Total board designated net assets as of December 31, 2022 and 2021, were \$187,500 and \$0, respectively, which consists of the operating reserve fund. The primary objective of the operating reserve fund is to ensure the stability of the mission, programs, employment, and ongoing operations of the Organization. The target for the operating reserve is six months of general operating expenses for core services. The Board of Directors approves use of the operating reserves and evaluates the target reserve and adjusts the designated assets as necessary.

11. In-Kind Support

The Organization’s policy related to in-kind support is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

HOPA MOUNTAIN, INC.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

11. In-Kind Support (continued)

Donations of supplies and other nonfinancial assets are recorded as contributions without donor restrictions at their estimated fair value based upon current market rates for similar items at the time of receipt.

In 2021, the Organization received and distributed \$72,000 of face masks and \$6,685 of items related to COVID-19 which were recorded at a total fair market value of \$78,685 on the date of the gifts.

In 2022, the Organization was provided training for staff which included two and a half days of full-service program support, staffing and lodging, activities, food, and transportation valued at \$54,000.

All in-kind support received by the Organization for the years ended December 31, 2022 and 2021 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

During the years ended December 31, 2022 and 2021, the Organization recorded in-kind support as follows:

	2022		
	Program Services	General and Administrative	Total
Office rent	\$ -	\$ 4,500	\$ 4,500
Printing/Postage	1,125	-	1,125
Training	-	54,000	54,000
	<u>\$ 1,125</u>	<u>\$ 58,500</u>	<u>\$ 59,625</u>
	2021		
	Program Services	General and Administrative	Total
Office rent	\$ -	\$ 900	\$ 900
Printing/Postage	1,572	-	1,572
Teaching services	675	-	675
Goods/Items	78,685	-	78,685
	<u>\$ 80,932</u>	<u>\$ 900</u>	<u>\$ 81,832</u>

HOPA MOUNTAIN, INC.
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

12. Fiscal Sponsorships

The Organization has entered into fiscal sponsorship agreements with Fierce Women Warriors and Apsaalooke Lifeways Group. The Organization has adopted the generally accepted accounting principles on *Transfers of Assets to a Not-for Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. Accordingly, all assets accepted from donors that have been agreed to be transferred to other organizations for fiscal sponsorship arrangements are not considered contribution revenue and expenses, but are presented on the statement of financial position as assets and liabilities.

Obligations to transfer funds held for other organizations are presented in the statement of financial position as the asset cash held as fiscal sponsor and the liability as due to fiscal sponsor. Upon termination of these agreements, the remaining assets in the four sponsored entities restricted accounts will be delivered to the sponsored entities. The balance of the sponsored entities' funds are offset by the due to fiscal sponsor liability.

13. Liquidity and Availability of Resources

Financial assets available for general expenses (without donor or other restrictions limiting their use), within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 638,257	\$ 643,458
Certificate of deposits	500,424	500,200
Grants receivable	337,938	140,210
Investments	582,108	418,517
Less: those unavailable due to donor restrictions	(892,897)	(977,027)
Less: those unavailable due to board designated amounts	<u>(187,500)</u>	<u>-</u>
Total Financial Assets Available	<u>\$ 978,330</u>	<u>\$ 725,358</u>

The Organization is substantially supported by grants and donations. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, certificate of deposits and investments. The Organization strives to maintain three to six months' of operating costs in reserves. This allows the Organization to appropriately respond to emergency or unforeseen situations. Furthermore, reserve funds allow the Organization to maintain needed cash flow throughout the fiscal year.