Idaho Youth Ranch, Inc.

Financial Statements
Year Ended June 30, 2022 and 2021

Idaho Youth Ranch, Inc.

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Independent Auditor's Report

Board of Directors
Idaho Youth Ranch, Inc.
Boise, Idaho

Opinion

We have audited the financial statements of Idaho Youth Ranch (the Organization), which comprise the statement of financial position as of June 30, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the results of its operations 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 Auditor's 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 issued or 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 are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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 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.

BDO USA, LLP

November 14, 2022

Idaho Youth Ranch, Inc.

Statements of Financial Position

June 30,	2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	**$ 7,350,710**	$ 9,060,376
Investments	**17,775,276**	18,556,393
Accounts Receivable	**410,186**	359,647
Grant Receivable	**107,959**	24,585
Current Portion of Pledges Receivable	**2,894,526**	2,829,126
Donated Assets Held for Investment	**14,700**	14,700
Prepaid Expenses and Deposits	**742,032**	194,729
Inventory	**2,230,969**	1,566,968
Trust Receivables	**325,091**	411,246
Total Current Assets	**31,851,449**	33,017,770
Noncurrent Assets		
Idaho Youth Land Reserve	**7,295,000**	7,295,000
Investments, Less Current Above	**7,002,827**	6,771,060
Pledges Receivable, Less Current Portion	**2,334,059**	3,739,080
Land, Buildings, and Equipment, Less Accumulated Depreciation of $10,774,475 and $9,706,880, respectively	**27,468,869**	20,462,650
Total Noncurrent Assets	**44,100,755**	38,267,790
Total Assets	**$ 75,952,204**	$ 71,285,560

Continued.

Idaho Youth Ranch, Inc.

Statements of Financial Position

June 30,	2022	2021
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 2,287,445	$ 452,180
Accrued Personnel Costs and Other Expenses	1,772,342	1,627,847
Deferred Revenue	716,839	571,084
Current Maturities of Capital Leases	170,015	163,854
Current Maturities of Long-Term Debt	438,217	427,090
Total Current Liabilities	5,384,858	3,242,055
Noncurrent Liabilities		
Capital Leases, Less Current Maturities	265,727	435,742
Long-Term Debt, Less Current Maturities	4,223,834	4,662,052
Interest in Life Estate	3,154,723	3,237,083
Total Noncurrent Liabilities	7,644,284	8,334,877
Total Liabilities	13,029,142	11,576,932
Commitments and Contingencies		
Net Assets		
Without Donor Restrictions	28,857,481	29,161,635
With Donor Restrictions:		
Restricted for Specified Purpose	27,062,754	23,775,933
Restricted by Donors to be Held in Perpetuity	7,002,827	6,771,060
Total With Donor Restrictions	34,065,581	30,546,993
Total Net Assets	62,923,062	59,708,628
Total Liabilities and Net Assets	$ 75,952,204	$ 71,285,560

The accompanying notes are an integral part of these financial statements.

Idaho Youth Ranch, Inc.

Statement of Activities

Year Ended June 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 3,446,338	$ 4,129,066	$ 7,575,404
Grants	200,000	803,030	1,003,030
Fundraising	484,354	6,916	491,270
Program Fees and Services	412,585	-	412,585
Social Enterprise	21,518,497	-	21,518,497
Contributions of non-financial assets	5,586,792	295,001	5,881,793
Rent	73,697	-	73,697
Interest and Dividends	378,877	122,158	501,035
Gain on Sale of Investments	134,044	26,041	160,085
Unrealized (Loss) Gain on Investments	(2,981,286)	8,330	(2,972,956)
Loss on Sale of Assets	(4,071)	(14,548)	(18,619)
Miscellaneous Income	98,041	740	98,781
Net Assets Released from Restrictions	1,858,146	(1,858,146)	-
Total Support and Revenue	31,206,014	3,518,588	34,724,602
Expenses			
Program Services:			
Residential	2,983,722	-	2,983,722
Community Services	1,155,094	-	1,155,094
Workforce Development	133,589	-	133,589
Social Enterprises	23,163,001	-	23,163,001
Total Program Expenses	27,435,406	-	27,435,406
Supporting Services			
General and Administration	2,189,986	-	2,189,986
Fundraising	1,884,776	-	1,884,776
Total Supporting Services	4,074,762	-	4,074,762
Total Expenses	31,510,168	-	31,510,168
Net (Decrease) Increase in Net Assets	(304,154)	3,518,588	3,214,434
Net Assets - Beginning of Year	29,161,635	30,546,993	59,708,628
Net Assets End of Year	$ 28,857,481	$ 34,065,581	$ 62,923,062

The accompanying notes are an integral part of these financial statements.

Idaho Youth Ranch, Inc.

Statement of Activities

Year Ended June 30, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	$ 2,619,293	$ 18,472,793	$ 21,092,086
Grants	100,000	3,852,167	3,952,167
Fundraising	167,159	80,442	247,601
Program Fees and Services	673,382	-	673,382
Social Enterprise	21,681,698	10,000	21,691,698
Contributions of non-financial assets	5,819,169	193,629	6,012,798
Rent	75,845	-	75,845
Interest and Dividends	263,032	78,385	341,417
Gain on Sale of Investments	150,490	38,502	188,992
Gain on Sale of Assets	2,198,930	845,231	3,044,161
Unrealized (Loss) Gain on Investments	(2,684)	7,993	5,309
Miscellaneous Income	173,648	6,641	180,289
Net Assets Released from Restrictions	2,626,246	(2,626,246)	-
Total Support and Revenue	36,546,208	20,959,537	57,505,745
Expenses			
Program Services:			
Residential	2,758,838	-	2,758,838
Community Services	1,370,113	-	1,370,113
Workforce Development	170,244	-	170,244
Social Enterprises	23,087,709	-	23,087,709
Total Program Expenses	27,386,904	-	27,386,904
Supporting Services			
General and Administration	2,061,617	-	2,061,617
Fundraising	1,808,545	-	1,808,545
Total Supporting Services	3,870,162	-	3,870,162
Total Expenses	31,257,066	-	31,257,066
Net Increase in Net Assets	5,289,142	20,959,537	26,248,679
Net Assets - Beginning of Year, as presented	22,580,228	9,587,456	32,167,684
Restatement for Inventory (Note 3)	1,292,265	-	1,292,265
Net Assets End of Year	$ 29,161,635	$ 30,546,993	$ 59,708,628

The accompanying notes are an integral part of these financial statements.

Idaho Youth Ranch, Inc.

Statement of Functional Expenses

	Program Services				Supporting Services		
Year Ended June 30, 2022	Residential	Community Services	Workforce Development	Social Enterprise	General and Administration	Fundraising	Total
Salaries and Wages	$ 1,388,278	$ 692,185	$ 75,950	$ 8,516,775	$ 1,352,058	$ 753,229	$ 12,778,475
Temporary Labor	23,819	11,505	1,616	373,610	14,482	-	425,032
Payroll Taxes and Insurance	154,925	71,403	7,887	784,494	113,865	57,853	1,190,427
Employee Benefits	141,093	86,958	10,965	1,146,960	134,545	61,717	1,582,238
Employee Job Related	56,847	24,436	2,607	47,075	25,466	9,641	166,072
Employee Recruitment	6,294	2,368	-	824	3,821	31,722	45,029
Business Travel and Meals	30,617	20,049	669	35,825	12,820	15,195	115,175
Client Health	3,890	29	-	-	-	-	3,919
Animal Therapy	28,614	-	-	-	-	-	28,614
Other Client Therapy	117	824	-	-	-	-	941
Client Necessities	34,245	5,950	698	-	-	3	40,896
Scholarships	-	9,000	-	-	-	-	9,000
Trainee Stipends	-	-	11,950	-	-	-	11,950
Occupancy	12,782	323	8	1,169,704	219	8	1,183,044
Utilities	101,563	24,623	1,588	678,410	25,389	4,456	836,029
Repairs and Maintenance	56,082	29,736	1,313	676,550	21,926	4,231	789,838
Equipment Rent	4,970	2,867	60	534,612	712	4,713	547,934
Depreciation and Amortization	445,287	24,527	1,828	688,922	43,268	6,957	1,210,789
Professional Services	142,240	44,567	4,924	102,479	230,797	119,512	644,519
Advertising and Promotions	146,803	7,343	294	34,462	19,920	127,914	336,736
Special events	-	-	-	-	-	469,036	469,036
Transportation Expense	22,041	2,445	60	258,129	6,212	136	289,023
General Supplies	107,621	39,686	7,945	823,211	72,520	99,692	1,150,675
Insurance	63,397	33,517	2,915	182,374	45,730	2,260	330,193
Credit Card and Bank Fees	1,368	1,235	70	323,761	4,184	56,645	387,263
Interest	644	90	13	97,574	52,558	2,866	153,745
Miscellaneous	10,185	19,428	229	20,341	9,494	56,990	116,667
Cost of Goods Sold - Purchased	-	-	-	1,196,418	-	-	1,196,418
Cost of Goods Sold - Donated Merchandise	-	-	-	4,875,058	-	-	4,875,058
Cost of Goods Sold - Other	-	-	-	595,433	-	-	595,433
Total	$ 2,983,722	$ 1,155,094	$ 133,589	$ 23,163,001	$ 2,189,986	$ 1,884,776	$ 31,510,168

The accompanying notes are an integral part of these financial statements.

Idaho Youth Ranch, Inc.

Statement of Functional Expenses

	Program Services				Supporting Services		
Year Ended June 30, 2021	**Residential**	**Community Services**	**Workforce Development**	**Social Enterprise**	**General and Administration**	**Fundraising**	**Total**
Salaries and Wages	$ 1,375,415	$ 836,827	$ 104,162	$ 7,540,556	$ 1,288,622	$ 880,816	$ 12,026,398
Temporary Labor	-	-	-	446,261	13,783	-	460,044
Payroll Taxes and Insurance	156,430	84,213	10,862	711,702	115,938	68,310	1,147,455
Employee Benefits	135,347	86,272	15,024	1,160,684	105,272	68,682	1,571,281
Employee Job Related	59,379	22,173	3,077	51,664	25,269	11,086	172,648
Employee Recruitment	227	4,375	1	11,385	1,767	2,462	20,217
Business Travel and Meals	8,777	3,201	137	40,172	8,871	7,929	69,087
Client Health	3,760	-	-	-	-	-	3,760
Animal Therapy	28,911	-	-	-	-	-	28,911
Other Client Therapy	1,080	783	450	-	-	-	2,313
Client Necessities	45,536	16,890	1,895	-	-	-	64,321
Scholarships	3,728	1,944	238	-	-	-	5,910
Trainee Stipends	-	-	16,010	-	-	-	16,010
Occupancy	13,779	321	8	1,121,125	207	165	1,135,605
Utilities	95,251	27,526	1,611	750,219	29,212	4,719	908,538
Repairs and Maintenance	60,456	41,491	3,771	659,129	12,576	6,848	784,271
Equipment Rent	4,096	2,261	-	559,617	1,115	4,776	571,865
Depreciation and Amortization	437,401	19,689	1,616	718,108	36,926	40,502	1,254,242
Professional Services	115,161	47,443	5,747	126,858	178,740	94,581	568,530
Advertising and Promotions	48,966	108,748	632	34,432	7,316	112,357	312,451
Special events	-	-	-	-	-	283,971	283,971
Transportation Expense	18,241	1,730	1	219,958	8,769	103	248,802
General Supplies	79,767	26,887	3,107	752,631	94,402	99,521	1,056,315
Insurance	47,945	19,045	1,475	190,909	32,270	2,328	293,972
Credit Card and Bank Fees	2,387	1,521	106	336,156	36,797	29,580	406,547
Interest	946	140	17	142,493	59,767	4,239	207,602
Miscellaneous	15,842	16,633	297	20,637	3,958	85,570	142,937
Cost of Goods Sold - Purchased	-	-	-	913,709	-	-	913,709
Cost of Goods Sold - Donated Merchandise	-	-	-	5,858,551	-	-	5,858,551
Cost of Goods Sold - Other	10	-	-	720,753	40	-	720,803
Total	$ 2,758,838	$ 1,370,113	$ 170,244	$ 23,087,709	$ 2,061,617	$ 1,808,545	$ 31,257,066

The accompanying notes are an integral part of these financial statements.

Idaho Youth Ranch, Inc.

Statements of Cash Flows

Year Ended June 30,	2022	2021
Cash Flows from Operating Activities		
Net Increase in Net Assets	**$ 3,214,434**	$ 26,248,679
Adjustments to Reconcile Net Increase in		
Net Assets to Net Cash Flows from Operating Activities:		
Depreciation and Amortization	**1,210,789**	1,254,242
Gain on Sale of Investments	**(160,085)**	(188,992)
(Gain) Loss on Sale of Assets	**18,619**	(5,309)
Unrealized Loss (Gain) on Investments	**2,972,956**	(3,044,161)
Change in Liability for Interest in Life Estate	**(82,360)**	(81,631)
Noncash Contribution of Investments	**(268,451)**	(3,473,048)
Noncash Contribution of Property and Equipment	**-**	(27,964)
Contributions Restricted for Long- Term Purposes	**-**	(20,587,776)
(Increase) Decrease in Assets:		
Accounts Receivable	**(50,539)**	(114,710)
Grants Receivable	**(83,374)**	30,816
Pledges Receivable	**1,339,621**	(5,157,970)
Prepaid Expenses	**(547,303)**	54,257
Inventory	**(664,001)**	(58,118)
Trust Receiveables, Net	**11,299**	(71,607)
Increae (Decrease) in Liabilities:		
Accounts Payable	**181,698**	58,340
Accrued Personnel Costs and Other Expenses	**144,495**	(208,565)
Deferred Reveneue	**145,755**	(77,825)
Net Cash Provided (Used) By Operating Activities	**7,383,553**	(5,451,342)
Cash Flows from Investing Activities		
Purchase of Property and Equipment	**(6,582,060)**	(1,649,314)
Proceeds from Sale of Property and Equipment	**-**	11,040
Purchase of Investments	**(5,599,826)**	(9,717,396)
Proceeds from Sale of Investments	**3,679,612**	3,571,672
Net Cash Used By Financing Activities	**(8,502,274)**	(7,783,998)
Cash Flows from Financing Activities		
Net (Decrease) Increase of Line of Credit	**-**	-
Principal Payments of Capitial Leases	**(163,854)**	-
Principal Payments on Long-Term Debt	**(427,091)**	(436,555)
Proceeds from Contributions Restricted for Long-Term Purposes	**-**	20,587,776
Net Cash (Used) Provided By Financing Activities	**(590,945)**	20,151,221
Net Change In Cash and Cash Equivalents	**(1,709,666)**	6,915,881
Cash and Cash Equivalents - Beginning of Year	**9,060,376**	2,144,495
Cash and Cash Equivalents - End of Year	**$ 7,350,710**	$ 9,060,376

The accompanying notes are an integral part of these financial statements.

Idaho Youth Ranch, Inc.

Statements of Cash Flows

Year Ended June 30,		2022		2021
Supplemental Disclosures of Cash Flows Information				
Cash Paid for Interest	**$**	**154,226**	$	217,269
Noncash Contributions of Property and Equipment	**$**	**-**	$	27,964
Noncash Contributions of Inventory and Other Items	**$**	**25,512,551**	$	24,023,538
Non-cash investing activities:				
Property and equipment purchases accrued in accounts payable	**$**	**1,653,567**	$	-

The accompanying notes are an integral part of these financial statements.

1. Organization

Nature of Operations

Idaho Youth Ranch, Inc. (IYR or the Organization) is a private, nonprofit organization incorporated in the state of Idaho on April 7, 1953. The Organization, which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), maintains its headquarters in Boise, Idaho, and has operating facilities at several locations primarily within the state.

Programs and Services

The Organization operates the following facilities/activities, all fully licensed by the state of Idaho.

<u>Residential</u>
IYR operates a residential facility that houses youth between the ages of 8 and 18 who are at-risk due to abuse, neglect, family conflict and/or abandonment; or youth who are struggling with dangerous behavior or conflicts at school or home. Services are tailored to meet each child's unique situation and may include animal assisted therapy, behavioral therapy, service learning, educational recovery, and life skill development. Reintegration services and ongoing access to therapy are a key part of finishing the job as youth are brought back into their homes.

<u>Community Services</u>
IYR provides youth and family therapy in both North Idaho and in Southwest Idaho and telehealth mental health services statewide. Idaho Youth Ranch's therapy is targeted at Idaho's most vulnerable youth and uses leading therapeutic practices to provide them the healing & hope they need. Blending proven evidence-based therapies; Trauma Focused – Cognitive Behavioral Therapy, Dialectical Behavior Therapy, Eye Movement Desensitization and Reprocessing Therapy, and Equine Assisted Therapy, Idaho Youth Ranch provides a treatment model unlike others, proven to heal youth who struggle with acute, chronic, and complex trauma.

IYR's adoption services program in Northern Idaho offers a full range of services including placement of infants, special-needs adoption, home studies and post-placement supervision, international and interstate adoption, and non-agency adoption. Since 1983, IYR has practiced an "open adoption" philosophy, helping facilitate collaboration and cooperation between birth parents and adoptive parents over the child's lifetime, to the greatest extent possible.

<u>Workforce Development</u>
Launched in March 2013, Youthworks! is a comprehensive job training and job placement program created to help disadvantaged youth ages 16-22 develop the skills they need to find and keep meaningful employment. This program includes classroom instruction, job placement, one-on-one mentoring, and oversight.

Social Enterprise

IYR owns and operates 24 thrift stores, online book and collectible divisions, and a vehicle sales lot. These locations sell and/or recycle clothing, vehicles and other non-cash goods donated by the public to fund therapeutic programs for vulnerable Idaho youth and their families. These locations provide jobs, benefits, and career paths for over 400 employees. Stores serve as job training sites for IYR's Youthworks! program. Stores include a Ranch Readers program, which provides free books and incentives for reading them to Idaho children. IYR Social Enterprise recycles donated goods that cannot be sold, helping reduce the volume of waste entering public landfills in Idaho's communities. Social enterprise also collaborates with multiple other agencies (WCA, Interfaith Sanctuary, CATCH, Jesse Tree, Agency for New Americans, etc.) to provide employment opportunities and training for many adults in need of work.

Administration and Fundraising

The corporate, administrative, and fundraising offices are located in Boise, Idaho.

2. Summary of Significant Accounting Policies

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Organization follows financial statement presentation requirements issued by the Financial Accounting Standards Board (FASB) for nonprofit entities. Under these provisions, net assets, revenues, gains, and losses are classified based on donor-imposed restrictions.

Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Resources that are free of donor-imposed restrictions. All revenues, expenses, gains, and losses that are not changes in donor restricted net assets are considered without donor restriction. Any limitations on these funds are determined by the board of directors.

Net Assets With Donor Restrictions

The donor restrictions are restrictions that will be met either by the passage of time or by satisfying the purpose of the restriction, or resources which the donor has specified must be maintained in perpetuity. The income related to resources held in perpetuity are considered donor restricted resources that are temporary in nature based on the donor’s instructions. When a donor restriction expires, that is, when a stipulated time restriction ends or the 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.

Cash and Cash Equivalents

For the purpose of the financial statements, the Organization considers all highly liquid investments available for current use with initial maturity of three months or less to be cash equivalents. The Organization does not consider assets or other resources to be cash equivalents that would otherwise qualify if those resources are subject to temporary or permanent restrictions imposed by the donor (such as investments held to provide long-term operating support).

The Organization maintains its cash deposits at various financial institutions which at times may exceed federally insured limits. At June 30, 2022, the Organization had cash balances in excess of federally insured limits of approximately $6,485,000. At June 30, 2021, the Organization had cash balances in excess of federally insured limits of approximately $8,753,000.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through writing them off in the period in which they are determined to be uncollectible. Management determines whether accounts will be collected by regularly evaluating individual receivables. Recoveries of receivables previously written-off are recorded when received. Management determined that an allowance for doubtful accounts was not necessary as of June 30, 2022 and 2021.

Pledges Receivable

Unconditional promises to give are recorded at net realizable value if expected to be collected within one year and at present value of future cash flows if expected to be collected over more than one year. The discounts on those amounts expected to be collect over more than one year are computed using the three month treasury rate at the date in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are recorded when conditions are met as stipulated by the donor.

Inventory

Inventories of supplies and purchased merchandise are valued at the lower of cost or net realizable value. Donated merchandise inventory is initially valued at estimated fair value. The Organization establishes a reserve for slow moving donated inventory to reflect an estimated net realizable value. As of June 30, 2022 and 2021, management determined a reserve was not necessary.

Idaho Youth Land Reserve and Interest in Life Estate

The Idaho Youth Land Reserve represents $7,295,000 of property donated to the Organization during the year ended June 30, 2014. The donation was in return for a cash payment of $1,000,000 and the issuance of long-term debt in the amount of $2,494,266. The property was recorded at fair market value at the time of donation and will be held at carrying value on a subsequent basis. This property is located in Horseshoe Bend, Idaho and is subject to a life interest in real estate, whereby the Organization cannot use the asset until the earlier of its abandonment by the donors, or the death of both donors. During the period of life interest in real estate, the donors are responsible for all costs associated with the property, including real estate taxes.

Associated with the $7,295,000 Idaho Youth Land Reserve, the Organization recorded an interest in life estate in the amount of $3,789,534. This interest in life estate will be recorded into income each year based on the underlying changes in the age of the donors and changes in the interest rate environment. During the year ended June 30, 2022 and 2021, a net decrease of $82,630 and $81,631, respectively, was recorded to the Liability for Interest in Life Estate and resulted in a corresponding decrease in contributions with donor restrictions.

Land, Buildings, and Equipment

Land, buildings, and equipment are recorded at original cost. Donated assets are recorded at fair market value at the date of donation. Generally, according to the Organization's capitalization policy, property and equipment over $5,000, are capitalized; while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed as incurred. Depreciation is provided on a straight-line basis over the following estimated useful lives:

Land	Not Depreciated
Buildings and Improvements	10 to 50 Years
Furniture and Equipment	3 to 20 Years
Vehicles	3 to 10 Years

Depreciation and amortization expense for the year ended June 30, 2022 and 2021 was $1,210,789 and $1,254,242, respectively.

Fair Value Measurements

FASB Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at June 30, 2022 and 2021.

Investment Valuation and Income Recognition

The Organization's investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments in equity securities, including common stocks, preferred stock, options, exchange traded funds, and American depository receipts that are traded on a national securities exchange are stated at the last quoted sales price. Investments in money market and mutual funds are valued at the net asset value of shares held on the valuation date. Investments in the alternative funds are valued using the net asset value of units owned by the Organization, which are based on observable and unobservable market prices for the underlying assets, held by the alternative funds.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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 fair value measurement at the reporting date.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Organization's gains and losses on investments bought and sold as well as held during the year.

Loan Issuance and Asset Acquisition Costs

Loan issuance and asset acquisition costs have been capitalized in the accompanying statement of financial position, and in accordance with GAAP, are presented as a reduction to the corresponding debt liability. Loan issuance costs are being amortized using the straight-line method, which approximates the effective interest method, for the capital lease liability over the term of the borrowing agreements, unless paid in full earlier, in which case the costs are immediately expensed.

Revenue Recognition

To determine revenue recognition for the arrangements that the Organization determines are within the scope of Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (Topic 606), the Organization performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the Organization satisfied a performance obligation.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Restricted contributions are segregated for accounting purposes in order to ensure compliance with the donor’s wishes. The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor restrictions are placed on the donated assets. Cash donations that are specified for the purchase of land, buildings, and equipment are classified as donor restricted until the designated asset has been acquired.

Noncash contributions which have a readily determinable market value or which are intended for internal use by the Organization (such as equipment and supplies) are recorded as revenue based upon their market value at the date of donation. Noncash contributions, which do not have a readily determinable market value are not recorded as revenue until a reliable estimate of fair value is determined or they are converted to cash.

Contributions of a conditional nature with specified terms are recorded to refundable advances when received and revenue is recognized as the funds are expended as instructed by the donor. In the event conditions are not met the unused contribution would be returned to the donor.

The Organization recognizes revenue from social enterprise (thrift store sales) when the customer obtains control of promised goods in an amount that reflects the consideration which the Organization expects to receive in exchange for those goods. Revenue is recognized when control of the goods has transferred to customers.

For the majority of thrift store sales, control transfers to customers at the point in time when the goods have been shipped, purchased in person or picked up as that is generally when legal title, physical possession, and the risk and rewards of the goods transfers to the customer.

Gift cards sold and loyalty points earned are recorded as deferred revenue until used and the revenue is earned. Revenues for ticket sales that are refundable are deferred until the event occurs.

Program fees and services include revenue related to vocational and therapy programs and is recognized at the time the service is provided.

The Organization's contract liabilities consist of:

June 30,		2022		2021		2020
Deferred Revenue:						
Prepaid Gift Cards and Loyalty Program	$	**443,340**	$	459,079	$	472,593
Deferred Event Income		**273,499**		112,005		176,316
Total	$	**716,839**	$	571,084	$	648,909

Functional Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of activities using cost centers. The Organization's policy is to allocate and record expenses to various cost centers based on the direct association of that expense to the particular cost center. Cost centers are segregated into individual programs, overall program administration, general administration, and fundraising. Costs that cannot be directly associated with only one cost center are allocated to cost centers based on defined percentages that differ depending on the type of expense. Allocation methods vary depending on the costs to be allocated and may be based on total expenses, total revenue, square footage, hours worked, or employee counts. Significant attention is focused to assure that only costs directly attributable to programs are allocated to programs. Remaining administrative and fundraising costs are not allocated to programs.

Liquidity

The Organization had financial assets available within one year as follows:

Year Ended June 30,		2022		2021
Cash and Cash Equivalents	$	**7,350,710**	$	9,060,376
Accounts Receivable		**410,186**		359,647
Grants Receivable		**107,959**		24,585
Current Portion of Pledges Receivable		**2,894,526**		2,829,126
Current Investments		**17,775,276**		18,556,393
Less: Donor Imposed Restrictions		**(19,872,956)**		(22,092,691)
Total	$	**8,665,701**	$	8,737,436

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. To help manage unanticipated liquidity needs, the Organization has a revolving line of credit in the amount of $2 million which it could draw upon (see Note 10).

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions at the date of the financial statements. These estimates and assumptions 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.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the IRC and is subject to federal income tax only on net unrelated business income. The Organization currently has no unrelated business income and is not considered a private foundation within the meaning of Section 509(a) of the IRC and all charitable contributions are considered tax deductible.

New Accounting Pronouncement Effective in the Current Accounting Period

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures 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 new standard, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Organization retrospectively adopted the standard during the year ended June 30, 2022. The standard did not have a material impact on the financial statements. The Organization has updated disclosures as necessary (See Note 13).

New Accounting Pronouncement Effective in Future Accounting Periods

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The standard will be effective for the entity for annual periods beginning after December 15, 2021; however, early application is permitted. Management is currently evaluating the impact this guidance will have on its financial statements.

3. Restatement

During the year ended June 30, 2021, management elected to change the method of accounting for donated inventory resulting in an increase in beginning net assets without donor restrictions of $1,292,265. Historically, the method used for determining inventory value resulted in no value being attributable to donated inventory on hand at year end.

4. Trust Receivables

The Organization has been designated as the beneficiary of several estates. Trust receivables represent amounts to be received from those estates. Generally, all the trust receivables either bear interest as part of the agreement or represent an interest in assets that is being managed by the estate’s trustee. Trust receivables are shown net of any associated unrealized gain (loss) of the underlying account balances on the statement of cash flows.

5. Pledges Receivable

Pledges Receivable consisted of the following as of June 30, 2022:

Collection Period	Pledges Receivable	Discount	Net Pledges Receivable
Within One Year	$ 2,898,977	$ (4,451)	$ 2,894,526
Between One to Five Years	2,340,063	(6,004)	2,334,059
Total	$ 5,239,040	$ (10,455)	$ 5,228,585

Pledges receivable from three individual donors represented approximately 41% of the total pledges receivable balance at June 30, 2022, each individually greater than 10%.

No contributions received during the year ended June 30, 2022 represented more than 10% of total contribution revenue during the year.

Pledges Receivable consisted of the following as of June 30, 2021:

Collection Period	Pledges Receivable	Discount	Net Pledges Receivable
Within One Year	$ 2,833,775	$ (4,649)	$ 2,829,126
Between One to Five Years	3,745,430	(6,350)	3,739,080
Total	$ 6,579,205	$ (10,999)	$ 6,568,206

Pledges receivable from five individual donors represented approximately 63% of the total pledges receivable balance at June 30, 2021, each individually greater than 10%.

Contributions received from one organization represented 12% of total contribution revenue during the year ended June 30, 2021.

6. Fair Value of Investments

The following tables set forth by level with the fair value hierarchy, the Organization's assets and liabilities:

As of June 30, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Mutual Funds:				
Domestic Equity	$ 8,126,465	$ -	$ -	$ 8,126,465
Fixed Income	12,321,026	-	-	12,321,026
International Equity	4,330,612	-	-	4,330,612
Total Investments	$ 24,778,103	$ -	$ -	$ 24,778,103

As of June 30, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Mutual Funds:				
Domestic Equity	$ 7,959,247	$ -	$ -	$ 7,959,247
Fixed Income	13,029,300	-	-	13,029,300
International Equity	4,338,906	-	-	4,338,906
Total Investments	$ 25,327,453	$ -	$ -	$ 25,327,453

7. Land, Buildings, and Equipment

Land, buildings, and equipment, at cost used in operations consisted of the following at June 30:

June 30,	2022	2021
Land and Improvements	**$ 8,617,001**	$ 8,175,179
Buildings and Improvements	**15,624,902**	15,297,475
Furniture and Equipment	**3,822,531**	3,757,522
Vehicles	**1,079,312**	1,141,475
Loan Origination and Asset Acquisition Fees	**114,643**	114,643
Total	**29,258,389**	28,486,294
Less: Accumulated Depreciation and Amortization	**(10,774,475)**	(9,706,880)
Total	**18,483,914**	18,779,414
Construction in Progress	**8,984,955**	1,683,236
Total	**$ 27,468,869**	$ 20,462,650

The Organization's construction in progress pertained to various projects, all of which are estimated to be completed in the near term.

8. Gift Annuities

During prior years, the Organization was the beneficiary of charitable gift annuities. Under the terms of the split-interest agreement, the Organization agrees to pay a stated dollar amount to the donor until the donor's death. At the time of the donor's death, the remaining assets are available without restrictions for the use of the Organization. Based on donor life expectancy, there were no future benefits expected to be paid by the Organization for the year ended June 30, 2022.

The Organization made payments to annuitants and recorded related expenses in the amount of $15,417 and $15,617 for the year ended June 30, 2022 and 2021, respectively.

9. Notes Payable

Long-term debt consists of the following as of June 30:

June 30,	2022	2021
Idaho Central Credit Union; Monthly payments of $31,769, including interest at 2.75% ; maturing March 2031; collateralized by real property and buildings	**$ 2,961,663**	$ 3,257,018
Private party; annual payments of $160,000, including interest at 2.50% ; maturing May 2034; collateralized by Idaho Youth Land Reserve	**1,641,242**	1,757,310
Private party; monthly payments of $1,306, noninterest bearing; maturing February 2026; collateralized by real property and buildings	**59,146**	74,814
Total	**4,662,051**	5,089,142
Less: Current Maturities	**438,217**	427,090
Long- Term Debt, Less Current Maturities	**$ 4,223,834**	$ 4,662,052

The borrowing under the Idaho Central Credit Union loan are subject to certain financial covenants; the Organization is not aware of any noncompliance with these covenants.

Scheduled principal payments on long-term debt are as following as of June 30, 2022:

Year Ended June 30,	Amount
2023	$ 438,217
2024	449,549
2025	461,472
2026	469,916
2027	470,156
Thereafter	2,372,741
Total	$ 4,662,051

10. Line of Credit

The Organization entered into a revolving line of credit with Wells Fargo on April 15, 2022, with a maximum available amount of $2,000,000. The line of credit accrues interest based upon a variable rate of interest equal to the prime rate and is due on a monthly basis. The line of credit expires on April 30, 2023, with all unpaid sums due at that time. The line of credit is secured by inventory, accounts receivable, and equipment of the Organization. The outstanding balance as of June 30, 2022 and 2021 was $0.

Prior to entering into the line of credit agreement above, the Organization had a revolving line of credit which was executed on March 21, 2021 and expired on February 28, 2022. The maximum available amount to borrow was $2,000,000. The line of credit accrued interest based upon a variable rate of interest equal to the prime rate and was due on a monthly basis. The line of credit was secured by inventory, accounts receivable, and equipment of the Organization. The outstanding balance as of June 30, 2021 was $0.

11. Capital Leases

The Organization has financed equipment through capital leases. At June 30, assets acquired under capital leases are as follows:

June 30,	**2022**	**2021**
Equipment	**$ 1,121,498**	$ 1,121,498
Less: Accumulated Depreciation	**720,955**	560,625
Total	**$ 400,543**	$ 560,873

Future minimum payments under these capital leases as of June 30, 2022 are as follows:

Year Ending June 30,	**Amount**
2023	$ 186,684
2024	186,684
2025	88,784
Total:	462,152
Less: Amount Representing Interest	26,410
Present Value of Minimum Lease Payments	435,742
Less: Current Portion of Capital Lease Obligations	170,015
Total Noncurrent Portion	$ 265,727

12. Funds with Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30:

June 30,	2022	2021
Subject to Expenditure for Specified Purpose:		
Restricted for Scholarships	$ 524,662	$ 673,062
Restricted for Life Estate	646,011	563,651
Restricted for Capital Campaign	25,842,952	22,486,220
Restricted for Specific Programs	49,129	53,000
Total	27,062,754	23,775,933
Restricted by Donors to be Held in Perpetuity:		
Restricted for General Endowment	4,180,700	3,965,808
Restricted for Scholarships	919,376	919,376
Restricted for Specific Programs	1,902,751	1,885,876
Total	7,002,827	6,771,060
Total Net Assets with Donor Restrictions	$ 34,065,581	$ 30,546,993

The investment income earned by the restricted categories for a specified purpose above is restricted for the same purpose as the underlying balances.

The investment income earned by the general endowment funds is restricted for specified purposes and may be used according to the board of director's discretion. The investment income earned by the scholarship funds is restricted to providing youth scholarships. The investment income earned by program specific funds is restricted to provide for those programs.

Net assets for specified purposes that were released from restrictions are listed below for the year ended June 30:

Year Ended June 30,	2022	2021
Satisfaction of Purpose Restrictions:		
Restricted for Scholarships	$ 9,000	$ 5,410
Restricted for Capital Campaign	627,626	195,811
Restricted for Specific Programs	1,221,520	2,425,025
Total	$ 1,858,146	$ 2,626,246

13. Non-financial Contributed Assets

The Organization receives various forms of non-financial contributed assets or gifts-in-kind (GIK) including books and publications, clothing and household goods, cars and other vehicles, and collectibles. All GIKs are recorded as inventory and are valued at fair value or net realizable value, whichever is lower.

The Organization's GIK consist of:

Year Ended June 30,		2022		2021
Clothing and household goods	$	**4,438,253**	$	4,208,338
Books and publications		**692,386**		1,036,963
Vehicles		**321,051**		409,232
Collectables		**288,337**		285,163
Other		**141,766**		73,102
Total	$	**5,881,793**	$	6,012,798

14. Endowments

The Organization receives certain gift assets restricted for endowment purposes. The gift assets are generally donor directed for a variety of purposes. Restriction requirements for principal preservation are addressed by Idaho statute and are applicable in the absence of further guidance from the donor. As required by accounting principles generally accepted in the United States of America, net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The state of Idaho enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and the Organization has determined that the majority of the Organization's net assets do not meet the definition of endowment under UPMIFA. The endowment subject to UPMIFA, and other investment assets, are managed per the Investment Policy and most contributions are subject to the terms of the Gift Acceptance Policy. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Organization. The Organization has interpreted UPMIFA as requiring preservation of the fair value of the original gift, as of the gift date, for donations permanently restricted to the endowment by the donor, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated with permanent restrictions, (b) the original value of subsequent gifts with permanent restrictions, and (c) accumulations to the permanent accounts made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowments:

(1) The duration and preservation of the fund.

(2) The purposes of the Organization and the donor-restricted endowment.

(3) General economic conditions.

(4) The possible effect of inflation and deflation.

(5) The expected total return from income and the appreciation of investments.

(6) Other resources of the Organization.

(7) The investment policies of the Organization.

Following are the changes in endowment net assets for the fiscal year ended June 30:

Year Ended June 30, 2022	Board Designated	Donor Restricted for Specified Purpose	Restricted by Donors to be Held in Perpetuity	Total
Beginning of Year Balance	$ -	$ 673,062	$ 6,771,060	$ 7,444,122
Contributions	-	2,000	231,767	233,767
Investment Income	-	(143,400)	-	(143,400)
Appropriated for Expenditures	-	(7,000)	-	(7,000)
End of Year Balance	$ -	$ 524,662	$ 7,002,827	$ 7,527,489

Year Ended June 30, 2021	Board Designated	Donor Restricted for Specified Purpose	Restricted by Donors to be Held in Perpetuity	Total
Beginning of Year Balance	$ -	$ 376,948	$ 6,706,337	$ 7,083,285
Contributions	-	1,000	64,723	65,723
Investment Income	-	300,524	-	300,524
Appropriated for Expenditures	-	(5,410)	-	(5,410)
End of Year Balance	$ -	$ 673,062	$ 6,771,060	$ 7,444,122

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets without donor restrictions. There were no such deficiencies as of June 30, 2022 or 2021.

Investment and Spending Policies

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the endowment assets are invested in a manner as to provide for safety of principal through diversification of investments while growing the corpus in real, inflation-adjusted terms after spending and expenses. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

The Organization has a policy of financial status review to determine an appropriate annual distribution to be expended for the purposes in which the endowment was established. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

15. Retirement Plan

The Organization sponsors the Idaho Youth Ranch 401(k) Plan (the Plan). Employees were eligible to participate in the salary reduction arrangement in the Plan if employees are 18 years old through December 31, 2021. Effective January 1, 2022, there was no age requirement to participate. Employees are eligible to participate in Organization matching contributions of one:one, up to 3% after completion of one year of service. The Organization made matching contributions of $189,237 and $224,754 for the year ended June 30, 2022 and 2021, respectively.

16. Operating Leases - Lessee

The Organization has entered into 18 operating leases for thrift store, warehouse, and program services space. The leases require monthly rental payments and have various commencement and expiration dates through December 2029.

Minimum future rental payments under the long-term operating leases as of June 30, 2022 are as follows:

Year Ending June 30,	Amount
2023	$ 1,172,899
2024	1,205,316
2025	1,021,303
2026	866,225
2027	576,468
Thereafter	363,119
Total	$ 5,205,330

The Organization also rents property and equipment on an as-needed, month-to-month basis.

Total rent expense under operating leases was $1,183,045 for the year ended June 30, 2022.

17. Operating Lease - Lessor

The Organization leases facility building and arena space to another nonprofit under a noncancelable operating lease with a term of 15 years. The following is a schedule by years of future minimum rental payments under the lease at June 30, 2022:

Year Ending June 30,		Amount
2023	$	49,041
2024		50,337
2025		51,655
2026		54,193
2027		68,555
Thereafter		268,508
Total	$	542,289

18. Related Party Transactions

During the year ended June 30, 2022 and 2021, the Organization received contributions of $205,052 and $299,390, respectively, from board members.

19. Subsequent Events

The Organization has evaluated subsequent events through November 14, 2022, which is the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements, other than those described below.

On July 18, 2022, the Organization had a fire at the main headquarters in Boise, Idaho. The fire resulted in a total loss of inventory held at the warehouse and damage to the warehouse. Inventory losses were made up of $191,018 of purchased inventory at cost and approximately $2,318,000 of donated inventory. Due to the fire, the Organization temporarily stopped taking donations which resulted in a decline in revenues due to insufficient inventory. Management believes at this time that all losses will be covered by our business loss insurance. To date, insurance has paid $1,355,000 million for clean-up costs.