PROTECT OUR WINTERS

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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YEARS ENDED DECEMBER 31, 2021 AND 2020

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Protect Our Winters
Boulder, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Protect Our Winters (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 Protect Our Winters as of December 31, 2021 and 2020, and the changes of 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 Protect Our Winters 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 Protect Our Winters's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Board of Directors
Protect Our Winters

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 Protect Our Winters'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 Protect Our Winters'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
August 4, 2022

PROTECT OUR WINTERS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and Cash Equivalents	$ 4,872,664	$ 3,864,665
Investments	1,093	45,604
Accounts Receivable - Merchandise	146	34,102
Contributions Receivable, Net	97,610	3,856
Employee Retention Credit Receivable	210,127	-
Accounts Receivable - Due From POW Action Fund, Net	62,370	111,479
Prepaid Expenses and Other Assets	38,319	34,634
Inventory	61,284	-
Capital Assets	28,669	64,362
Total Assets	$ 5,372,282	$ 4,158,702
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	$ 139,360	$ 77,474
Paycheck Protection Program Loan Payable	-	106,700
Refundable Advance	100,000	-
Accrued Expenses	55,445	20,303
Total Liabilities	294,805	204,477
NET ASSETS		
Without Donor Restrictions	4,839,357	3,791,939
With Donor Restrictions	238,120	162,286
Total Net Assets	5,077,477	3,954,225
Total Liabilities and Net Assets	$ 5,372,282	$ 4,158,702

See accompanying Notes to Financial Statements.

PROTECT OUR WINTERS
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS						
Contributions and Grants	$ 4,143,980	$ 148,210	$ 4,292,190	$ 4,670,752	$ 162,286	$ 4,833,038
Merchandise Sales	177,815	-	177,815	141,890	-	141,890
Less: Cost of Goods Sold	(160,715)	-	(160,715)	(75,837)	-	(75,837)
Net Merchandise Sales	17,100	-	17,100	66,053	-	66,053
Paycheck Protection Program Loan Forgiveness	106,700	-	106,700	-	-	-
Employee Retention Credit Revenue	210,127	-	210,127	-	-	-
Investment Gain, Net	796	-	796	688	-	688
Net Assets Released from Restriction	72,376	(72,376)	-	605,743	(605,743)	-
Total Revenue, Support, and Gains	4,551,079	75,834	4,626,913	5,343,236	(443,457)	4,899,779
EXPENSES AND LOSSES						
Program Services Expense	2,432,958	-	2,432,958	2,884,995	-	2,884,995
Total Program Expenses	2,432,958	-	2,432,958	2,884,995	-	2,884,995
Supporting Services Expenses:						
Management and General	561,254	-	561,254	301,610	-	301,610
Fundraising and Development	509,449	-	509,449	339,502	-	339,502
Total Supporting Services Expenses	1,070,703	-	1,070,703	641,112	-	641,112
Total Expenses and Losses	3,503,661	-	3,503,661	3,526,107	-	3,526,107
CHANGE IN NET ASSETS	1,047,418	75,834	1,123,252	1,817,129	(443,457)	1,373,672
Net Assets - Beginning of Year	3,791,939	162,286	3,954,225	1,974,810	605,743	2,580,553
NET ASSETS - END OF YEAR	$ 4,839,357	$ 238,120	$ 5,077,477	$ 3,791,939	$ 162,286	$ 3,954,225

See accompanying Notes to Financial Statements.

PROTECT OUR WINTERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising and Development	Cost of Goods Sold	Total
Salaries and Wages	$ 730,351	$ 281,156	$ 212,252	$ -	$ 1,223,759
Employee Benefits	91,431	35,197	26,571	-	153,199
Payroll Taxes	83,181	32,021	24,174	-	139,376
Total Payroll Related Costs	904,963	348,374	262,997	-	1,516,334
Grants and Other Assistance	459,337	-	-	-	459,337
Advertising and Promotion	338,362	94	16,572	-	355,028
Professional Services	294,701	134,381	117,138	-	546,220
Events	3,512	-	4,977	-	8,489
Office Expenses	7,782	7,065	31,321	-	46,168
Merchandise Cost of Goods Sold	-	-	-	160,715	160,715
Information Technology	123,757	18,059	42,729	-	184,545
Occupancy	35,001	13,474	10,172	-	58,647
Travel	4,336	16,401	6,394	-	27,131
Conferences, Conventions, and Meetings	202,197	-	-	-	202,197
Depreciation	21,302	8,200	6,191	-	35,693
Insurance	4,154	1,599	1,207	-	6,960
Miscellaneous	33,554	13,607	9,751	-	56,912
Total Expenses by Function	2,432,958	561,254	509,449	160,715	3,664,376
Less: Expenses Included with Revenues on the Statement of Activities:					
Cost of Direct Benefits to Donors	-	-	-	-	-
Cost of Goods Sold	-	-	-	(160,715)	(160,715)
Total Expenses Included in the Expense Section on the Statement of Activities	$ 2,432,958	$ 561,254	$ 509,449	$ -	$ 3,503,661

See accompanying Notes to Financial Statements.

PROTECT OUR WINTERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising and Development	Cost of Goods Sold	Total
Salaries and Wages	$ 724,170	$ 123,871	$ 104,814	$ -	$ 952,855
Employee Benefits	103,201	17,653	14,937	-	135,791
Payroll Taxes	61,564	10,531	8,911	-	81,006
Total Payroll Related Costs	888,935	152,055	128,662	-	1,169,652
Grants and Other Assistance	325,038	-	-	-	325,038
Advertising and Promotion	950,642	-	-	-	950,642
Professional Services	427,334	67,626	59,506	-	554,466
Events	36,224	-	28,462	-	64,686
Office Expenses	19,634	3,500	2,961	-	26,095
Merchandise Cost of Goods Sold	-	-	-	75,837	75,837
Information Technology	137,311	15,257	101,712	-	254,280
Occupancy	43,447	7,432	6,288	-	57,167
Travel	5,652	3,674	4,804	-	14,130
Conferences, Conventions, and Meetings	12,330	1,541	1,542	-	15,413
Depreciation	27,127	4,640	3,926	-	35,693
Insurance	2,454	420	355	-	3,229
Miscellaneous	8,867	45,465	1,284	-	55,616
Total Expenses by Function	2,884,995	301,610	339,502	75,837	3,601,944
Less: Expenses Included with Revenues on the Statement of Activities:					
Cost of Goods Sold	-	-	-	(75,837)	(75,837)
Total Expenses Included in the Expense Section on the Statement of Activities	$ 2,884,995	$ 301,610	$ 339,502	$ -	$ 3,526,107

See accompanying Notes to Financial Statements.

PROTECT OUR WINTERS
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 1,123,252	$ 1,373,672
Adjustments to Reconcile Change in Net Assets to Net Cash		
Depreciation and Amortization	35,693	35,693
Paycheck Protection Program Loan Forgiveness	(106,700)	-
Employee Retention Credit Revenue	(210,127)	-
Changes in Assets and Liabilities:		
Contributions Receivable, Net	(93,754)	546,887
Accounts Receivable, Net	83,065	(37,201)
Prepaid Expenses and Other Assets	(3,685)	(19,215)
Inventory, Net	(61,284)	-
Accounts Payable	61,886	(23,771)
Accrued Vacation Liability	35,142	9,587
Deferred Revenue	100,000	-
Net Cash Provided by Operating Activities	963,488	1,885,652
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(104,986)	(45,604)
Proceeds from Sales of Investments	149,497	-
Net Cash Provided (Used) by Investing Activities	44,511	(45,604)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program Loan Proceeds	-	106,700
Net Cash Provided by Financing Activities	-	106,700
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,007,999	1,946,748
Cash and Cash Equivalents - Beginning of Year	3,864,665	1,917,917
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,872,664	$ 3,864,665

See accompanying Notes to Financial Statements.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Protect Our Winters (POW or the Organization) is a Colorado nonprofit, tax–exempt corporation formed in 2007. POW was established to turn passionate outdoor people into effective climate advocates. POW leads a community of athletes, thought pioneers and forward-thinking business leaders to affect systemic solutions to climate change.

POW licenses the use of its name and marks to separate international organizations that are established as public charity equivalents it their local jurisdictions. These organizations and POW collaborate and coordinate to inform, educate and raise awareness about climate change in their respective territories. Neither POW nor these organizations have economic interest in their respective net assets, nor can they control each another, and therefore are considered separate stand-alone entities.

Basis of Accounting

The Organization maintains its accounting records on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and highly liquid financial instruments with original maturities of three months or less, which are not a part of an investment portfolio, nor held or restricted by donors for long-term purposes, are considered cash and cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances. Based on historical experience, management has determined that an allowance for doubtful accounts is not necessary.

Contributions Receivable

Unconditional contributions that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectible contributions receivable is based on a review of subsequent collections. Contributions receivable are written off when deemed uncollectible. At December 31, 2021 and 2020, the allowance was $-0- and $-0-, respectively.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return or loss is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital asset additions over $3,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The Organization reviews the carrying values of capital assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There was no impairment loss recognized during the years ended December 31, 2021 and 2020.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization does not have any perpetually restricted net assets.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contributions

Grants are accounted for either as exchange transactions or contributions based on the beneficiary of the agreement. Grants received that benefit the funder are considered exchange transactions and revenue is recognized as performance obligations are satisfied in connection with the agreement.

Grants and contributions received that benefit the general public are recorded as support with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Amounts are recognized at fair value when the donor or grantor promises a contribution to the Organization that is, in substance, unconditional. Conditional contributions and grants — that is, those with a measurable performance or other barrier and a right of return or release — are recorded when the conditions upon which they depend have been met. Until that time, they are reported on the statements of financial position as a refundable advance. For grants and contributions whose restrictions are met in the same period in which the corresponding revenue is recognized, the revenue is reported as support without donor restrictions.

Merchandise Revenue

Merchandise revenue is recognized at the point in time when the related goods are shipped to customers, which represents the moment that the Organization satisfies its performance obligation to provide merchandise goods to its customers.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Program activities are those that are conducted in accordance with the Organization’s nature of operations and certain necessary costs. Management and general activities are those that are not identifiable with a single program or fundraising activity, but that are indispensable to the conduct of those activities and to the Organization’s existence. Fundraising activities involve inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. Costs that are directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Certain other costs that benefit multiple functional areas have been allocated across program and supporting services based on time recorded and classified by employees, and management’s best estimate of the functions that benefit from the cost.

NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Protect Our Winters is organized as a Colorado nonprofit corporation. It has also been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in 501(c)(3). As a 501(c)(3) entity, the Organization qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A)(viii), and the IRS has determined that the Organization is not a private foundation under IRC Sections 509(a)(2).

The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS on an annual basis. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Management has determined that the Organization is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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 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, and those differences could be material.

Upcoming Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases.* The ASU is intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets. Lessor accounting remains largely consistent with existing U.S. GAAP. The new standard takes effect for calendar year 2022 for the Organization. Management is currently evaluating the potential impact of this ASU on the Organization's financial statements.

NOTE 2 LIQUIDITY AND AVAILABILITY

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

	2021	2020
Cash and Cash Equivalents	$ 4,872,664	$ 3,864,665
Investments	1,093	45,604
Accounts Receivable - Merchandise	146	34,102
Contributions Receivable, Net	97,610	3,856
Accounts Receivable - Due From POW Action Fund, Net	62,370	111,479
Financial Assets at Year-End	5,033,883	4,059,706
Less: Those Unavailable for General Expenditures Within One Year Due to:		
Net Assets With Donor Restrictions	(238,120)	(162,286)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 4,795,763	$ 3,897,420

As part of the Organization's liquidity management plan, management forecasts cash needs for future periods to ensure that the Organization has sufficient cash to meet operating requirements.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include 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, and market-corroborated inputs.

NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES (CONTINUED)

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to management's assessment of the quality, risk, or liquidity profile of the asset or liability.

All of the Organization's investment assets are classified within Level 1 because they comprise corporate equities with readily determinable fair values based on daily redemption values.

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using net asset value (NAV) per share as a practical expedient as identified in the following, at December 31:

	2021			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	$ 1,093	$ 1,093	$ -	$ -

	2020			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Equities	$ 45,604	$ 45,604	$ -	$ -

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable are estimated to be collected within one year. At December 31, 2021, two donors accounted for 32% of total contributions receivable. At December 31, 2020, two donors accounted for 45% of total contributions receivable. All contributions receivable as of December 31, 2021 and 2020, respectively, are expected to be collected within a year.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

The Organization receives contributions from various corporations, organizations, and individuals. Net assets are restricted for the following purposes or periods as of December 31:

	2021	2020
Subject to Expenditure for Specified Purpose:		
Development Advisor	$ -	$ 10,536
Senior Manager of Campaigns	90,510	150,000
Recruiting, Educating, Inspiring, and Mobilizing Outdoor Enthusiasts	50,000	-
Total	140,510	160,536
Subject to the Passage of Time:		
Contributions Receivable that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	97,610	1,750
Total	97,610	1,750
Total Net Assets with Donor Restrictions	$ 238,120	$ 162,286

Restrictions Released

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

	2021	2020
Expiration of Time Restrictions	$ 1,750	$ 580,743
Satisfaction of Purpose Restrictions	70,626	25,000
Total Net Assets Released from Donor Restrictions	$ 72,376	$ 605,743

NOTE 6 CAPITAL ASSETS

Capital assets consists of the following at December 31:

	2021	2020
Equipment	$ 2,176	$ 2,176
Website Costs	61,900	61,900
Internal-Use Software	43,871	43,871
Subtotal	107,947	107,947
Less: Accumulated Depreciation and Amortization	(79,278)	(43,585)
Total Capital Assets	$ 28,669	$ 64,362

Depreciation and amortization expense totaled $35,693 and $35,693 for the years ended December 31, 2021 and 2020, respectively.

NOTE 7 RETIREMENT PLAN

The Organization sponsors a retirement plan (the Plan) qualified under IRC Section 403(b) covering substantially all employees. The Plan provides that employees may voluntarily contribute up to 100% of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the board of directors each Plan year. During the years ended December 31, 2021 and 2020, the Organization matched employee voluntary contributions up to 4%, resulting in contributions to the plan of $44,398 and $35,283, respectively.

NOTE 8 LEASES

The Organization leases office space under an operating lease expiring on September 30, 2023.

Future minimum lease payment under the lease is as follows:

Year Ending December 31,	Operating Leases
2022	$ 41,808
2023	31,356
Total Minimum Lease Payments	$ 73,164

Rent expense for the years ended December 31, 2021 and 2020 totaled $58,647 and $57,167, respectively.

NOTE 9 RELATED PARTY

During 2018, a legally separate but related nonprofit organization called Protect Our Winters Action Fund (the Action Fund) was established and began operations. The Action Fund is related to POW as three of the six Action Fund board members are also board members of POW. As POW cannot appointment board members of the Action Fund and does not have an economic interest in the Action Fund's net assets, the activity of the Action Fund is not consolidated nor included in the financial statements.

The Action Fund operates out of POW's offices. In addition, the Action Fund does not have employees, but instead pays a portion of POW's employees' salaries for time spent on Action Fund activities. For the years ended December 31, 2021 and 2020, POW charged the Action Fund $31,686 and $65,100, respectively, for employees' salaries and benefits for time spent on Action Fund activities and $16,060 and $48,484, respectively, for expenses paid by POW on behalf of the Action Fund.

During 2021 and 2020, the Action Fund reimbursed POW $96,855 and $89,571, respectively, for expenses paid by POW on behalf of the Action Fund. As of December 31, 2021 and 2020, POW has a receivable from the Action Fund for $62,370 and $111,479 for unreimbursed salaries cost and expenses paid by POW on behalf of the Action Fund.

During the years ended December 31, 2021 and 2020, POW incurred approximately $36,000 and $22,000, respectively, of expenses related to services provided by board members.

NOTE 10 PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In 2020, the Organization received a loan in the amount of $106,700 to fund payroll, rent and utilities through the federal Paycheck Protection Program. This loan had stipulations that allowed the amounts owed to be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program administered by the U.S. Small Business Administration. The loan originated on April 23, 2020, at a 1% fixed interest rate. If terms for complete forgiveness are not met, payments are deferred for the first 12 months and then 48 monthly payments are required until paid in full on April 23, 2023. On May 10, 2021, the Organization was notified that the SBA approved full forgiveness for the entire amount of its PPP Loan. Accordingly, the Organization recognized $106,700 of Paycheck Protection Program Loan Forgiveness revenue related to this agreement during the year ended December 31, 2021, which represents the entire amount of the PPP loan as management believes that all the related performance barriers have been met.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 11 EMPLOYEE RETENTION CREDIT

During the year ended December 31, 2021, the Organization claimed the 2021 Employee Retention Credit (ERC). The ERC is a refundable payroll tax credit, provided under the CARES Act of 2020, and amended by the Relief Act of 2021, the American Rescue Plan Act of 2021, and the Infrastructure Investment and Jobs Act. The purpose of the ERC is to encourage employers to keep employees on their payroll. In order to be eligible for the ERC, the Organization must satisfy certain conditions under the law. Therefore, the Organization has classified this ERC as a conditional contribution for accounting purposes in accordance with ASC 958-605.

The Association has determined that it has satisfied all of the conditions to be eligible for the ERC as of December 31, 2021, and therefore recognized $210,127 of Employee Retention Credit revenue, in the statement of activities. The credit was outstanding as of December 31, 2021 and therefore was also recorded as a receivable (see Note 12).

NOTE 12 SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated the events and transactions for potential recognition or disclosure through August 4, 2022, which is the date the financial statements were available for issuance.

In May 2022, the Organization received payment from the IRS for the refundable portion of its ERC (see Note 11).

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