



ONE HEARTLAND, INC.
(A NOT-FOR-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

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Carpenter, Evert & Associates

Certified Public Accountants
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Independent Auditor's Report

Board of Directors
One Heartland, Inc.
Minneapolis, Minnesota

We have audited the accompanying financial statements of One Heartland, Inc. which comprise the statement of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expense, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One Heartland, Inc. as of September 30, 2021 and 2020, 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.

Carpenter, Evert & Associates, Ltd.
Certified Public Accountants

Minneapolis, Minnesota
July 6, 2022

ONE HEARTLAND, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30,	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,514	\$ 33,985
Pledges receivable, net	-	37,000
Other receivables	64,932	-
Prepaid expenses	2,500	-
<i>Total current assets</i>	69,946	70,985
UNEMPLOYMENT RESERVES	26,101	19,670
PROPERTY AND EQUIPMENT, net	1,272,792	1,391,341
<i>Total assets</i>	\$ 1,368,839	\$ 1,481,996
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 57,643	\$ 62,586
Checks written in excess of cash balance	8,636	-
Accounts payable	226,405	224,771
Line of credit	-	-
Accrued expenses and withholdings	30,072	21,351
Deferred income	-	17,723
Refundable advance (Paycheck Protection Program loan)	137,962	104,300
<i>Total current liabilities</i>	460,718	430,731
LONG-TERM DEBT, net, less current portion	568,958	599,336
<i>Total liabilities</i>	1,029,676	1,030,067
NET ASSETS		
Without donor restrictions	339,163	400,429
With donor restrictions	-	51,500
<i>Total net assets</i>	339,163	451,929
<i>Total liabilities and net assets</i>	\$ 1,368,839	\$ 1,481,996

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2021

	Without donor restrictions	With donor restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 294,566	\$ -	\$ 294,566
Contributions in-kind	14,099	-	14,099
Students/Friends for Camp Heartland	10,143	-	10,143
Special event revenue, including in-kind donations of \$26,913	179,372	-	179,372
Less direct benefit to donor expenses, including in-kind donations of \$26,913	(47,813)	-	(47,813)
Program income	126,675	-	126,675
Rental income	20,364	-	20,364
Other revenues	227,828	-	227,828
	825,234	-	825,234
Net assets released from restrictions	51,500	(51,500)	-
<i>Total revenue and support</i>	876,734	(51,500)	825,234
EXPENSES			
Program related	829,786	-	829,786
General and administrative	50,111	-	50,111
Fundraising	58,103	-	58,103
<i>Total expenses</i>	938,000	-	938,000
<i>Change in net assets</i>	(61,266)	(51,500)	(112,766)
Net Assets, beginning of year	400,429	51,500	451,929
<i>Net assets, end of year</i>	\$ 339,163	\$ -	\$ 339,163

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2020

	Without donor restrictions	With donor restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 418,361	\$ 37,500	\$ 455,861
Contributions in-kind	2,129	-	2,129
Students/Friends for Camp Heartland	10,700	-	10,700
Special event revenue, including in-kind donations of \$24,423	216,337	-	216,337
Less direct benefit to donor expenses, including in-kind donations of \$24,423	(60,958)	-	(60,958)
Program income	48,479	-	48,479
Rental income	14,920	-	14,920
Other revenues	15,983	-	15,983
	665,951	37,500	703,451
Net assets released from restrictions	82,100	(82,100)	-
<i>Total revenue and support</i>	748,051	(44,600)	703,451
EXPENSES			
Program related	672,667	-	672,667
General and administrative	35,168	-	35,168
Fundraising	160,189	-	160,189
<i>Total expenses</i>	868,024	-	868,024
<i>Change in net assets</i>	(119,973)	(44,600)	(164,573)
Net Assets, beginning of year	520,402	96,100	616,502
<i>Net assets, end of year</i>	\$ 400,429	\$ 51,500	\$ 451,929

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2021

	Program Related Expenses	General and Administrative Expenses	Fundraising Expenses	Total
Salaries	\$ 317,886	\$ 29,919	\$ 26,178	\$ 373,983
Payroll taxes	23,321	2,195	1,921	27,437
Fringe benefits	21,898	2,061	1,803	25,762
Professional fees and consultants	22,594	2,126	1,861	26,581
Postage	919	919	1,838	3,676
Public relations, printing and marketing	10,344	690	2,758	13,792
Office supplies	522	90	84	696
Food and kitchen supplies	50,757	-	-	50,757
Telephone and internet	31,993	5,545	5,119	42,657
Utilities	24,223	-	-	24,223
Insurance	32,892	4,112	4,112	41,116
Equipment expense	51,666	104	96	51,866
Dues and subscription	2,396	-	266	2,662
Travel	29,487	1,058	926	31,471
Camp fees and related expense	15,694	-	-	15,694
Bank fees	4,276	-	-	4,276
Fundraising events	-	-	11,141	11,141
In-kind contributions	11,099	-	-	11,099
Cost of direct benefit to donors	-	-	47,813	47,813
Depreciation expense	138,910	-	-	138,910
Interest expense	38,820	1,292	-	40,112
Miscellaneous expense	89	-	-	89
Total expenses	829,786	50,111	105,916	985,813
Less expenses included with revenue and support				
Cost of direct benefit to donors	-	-	(47,813)	(47,813)
Total expenses included in the expense section on the statement of activities	\$ 829,786	\$ 50,111	\$ 58,103	\$ 938,000

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2020

	Program Related Expenses	General and Administrative Expenses	Fundraising Expenses	Total
Salaries	\$ 288,097	\$ 21,487	\$ 50,136	\$ 359,720
Payroll taxes	21,347	1,601	3,636	26,584
Fringe benefits	16,497	1,343	3,193	21,033
Professional fees and consultants	21,386	101	20,272	41,759
Postage	-	-	5,605	5,605
Public relations, printing and marketing	354	-	6,725	7,079
Office supplies	-	105	1,333	1,438
Food and kitchen supplies	265	-	118	383
Telephone and internet	21,070	1,491	21,748	44,309
Utilities	26,390	-	-	26,390
Insurance	28,881	427	18,003	47,311
Rent	13,760	1,032	2,408	17,200
Equipment expense	26,167	288	2,321	28,776
Repairs and maintenance	2,511	-	-	2,511
Dues and subscription	1,258	-	641	1,899
Training	-	-	541	541
Travel	6,658	-	2,408	9,066
Camp fees and related expense	4,723	-	551	5,274
Bank fees	237	7,108	7,918	15,263
Fundraising events	-	-	9,347	9,347
In-kind contributions	300	-	1,300	1,600
Cost of direct benefit to donors	-	-	60,958	60,958
Depreciation expense	145,405	-	-	145,405
Interest expense	47,361	-	-	47,361
Miscellaneous expense	-	185	1,985	2,170
Total expenses	672,667	35,168	221,147	928,982
Less expenses included with revenue and support				
Cost of direct benefit to donors	-	-	(60,958)	(60,958)
Total expenses included in the expense section on the statement of activities	\$ 672,667	\$ 35,168	\$ 160,189	\$ 868,024

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

STATEMENTS OF CASH FLOWS

YEAR ENDED SEPTEMBER 30,	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (112,766)	\$ (164,573)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	138,910	145,405
Amortization of debt issuance costs	1,292	1,292
Donated property and equipment	(3,000)	-
Net change in assets and liabilities:		
Pledges receivable	37,000	45,100
Other receivables	(64,932)	-
Prepaid expenses	(2,500)	1,651
Unemployment reserves	(6,431)	7,193
Checks written in excess of cash balance	8,636	(28,609)
Accounts payable	1,634	(44,752)
Accrued expenses and withholding	8,721	913
Deferred income	(17,723)	2,488
Refundable advance	33,662	104,300
	22,503	70,408
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(17,361)	-
	(17,361)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on line of credit	-	(249,827)
Proceeds from long term debt	-	250,000
Principal payments on long term debt	(36,613)	(36,738)
	(36,613)	(36,565)
	(31,471)	33,843
Cash and cash equivalents, beginning of year	33,985	142
	\$ 2,514	\$ 33,985
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest paid	\$ 36,116	\$ 47,361

The Notes to Financial Statements are an integral part of these statements.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

One Heartland, Inc. (the Organization) strives to improve the lives of children, youth, and families facing significant health challenges or social isolation. The Organization is incorporated in Wisconsin and its headquarters and camp facility are located in Minnesota. The Organization's main source of revenue is donations.

Basis of accounting:

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its *ASC 958*. Under *ASC 958, Financial Statements of Not-for-Profit Organizations*, One Heartland, Inc. is required to report information regarding financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based upon the existence or absence of donor restrictions.

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. Actual results could differ from those estimates.

Recently issued accounting pronouncements:

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. For private companies, the ASU is effective for annual and interim periods beginning after December 15, 2021 with early adoption permitted. It is to be adopted using a modified retrospective approach. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Concentrations:

The Organization maintains certain cash accounts in commercial banks. At times, such cash balances may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Promises to give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Promises to give outstanding are considered restricted due to a time restriction until the monies are received. There were \$0 and \$37,000 promises to give outstanding as of September 30, 2021 and 2020, respectively. As of September 30, 2020, all pledges were due within one year.

Receivables:

Accounts and pledges receivable are recorded net of an allowance for expected losses. The allowance is estimated from historical performance and projection of trends. At September 30, 2021 and 2020, the balance of the allowance was \$0. It is the Organization's policy to charge off uncollectible receivables when management determines that a receivable will not be collected.

Property, equipment and depreciation methods:

Purchased property and equipment are recorded at acquisition cost. Property and equipment donations are recorded at fair market value at the date of receipt. Improvements and betterments exceeding \$2,000 are capitalized, while repairs and maintenance expenditures are expensed in the statements of activities.

Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Land	Indefinite
Land improvements	10 - 30 years
Buildings and improvements	5 - 30 years
Furniture and equipment	3 - 20 years
Vehicles	5 years

Debt issuance costs:

Amortization of debt issuance costs is computed over the terms of the respective mortgages on a straight-line basis. Unamortized debt issuance costs are presented as a reduction of outstanding debt and amortization expense related to those debt issuance costs is presented as interest expense.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Revenue recognition for contributions received and contributions made:

Effective October 1, 2019, the Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*, which is intended to improve the usefulness and understandability of the Organization's financial reporting. The new ASU provides guidance on determining whether a transaction should be accounted for as a contribution or as an exchange transaction. A primary aspect of this guidance is the determination on whether two parties receive and sacrifice commensurate value to distinguish which guidance should be applied. FASB 958-605, Not-for-Profit Entities – Revenue Recognition should be followed for contributions while FASB 606, Revenue from Contracts with Customers should be followed for exchange transactions. The adoption of this new guidance was done using the modified prospective method for contributions received. Guidance for contributions made are applicable for periods beginning after December 15, 2019.

The adoption of this new standard did not result in a material impact to the Organization's financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative effect adjustment to net assets at the date of adoption under the modified prospective method.

Contributions:

Contributions, including unconditional promises to give, are recognized as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Contributions restricted for the purchase of long-lived assets are released from restrictions when the assets are purchased.

Unconditional contribution pledges are recognized as revenues or gains in the period promised and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional contributions are recognized when the conditions on which they depend are substantially met. The Organization considers its Paycheck Protection Program ("PPP") funds as a refundable advance on the statement of financial position and is following the guidelines of a conditional promise to give and therefore cannot recognize a contribution until all conditions are met which management has determined to be upon forgiveness of the loan from the bank. Gifts and bequests are recognized when it has been determined that there is a legal right to the gift or bequest and the actual amount to be received has been determined.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

Revenue recognition for contributions received and contributions made (continued):

Contributions in-kind:

Contributed materials are recorded when received at their fair value. Contributed services are recorded as contributions, at their fair value, when the service creates or enhances a non-financial asset or the service requires specialized skills that would need to be purchased if not provided by donation.

Special events revenue:

The Organization holds events during the year in order to raise funds or promote the Organization's mission. Contributions received and promises to give as a result of the event follow the revenue recognition as noted above in contribution revenue. Ticket sales and sponsorships related to the events are recognized when the event occurs.

Other revenues:

Other revenues are recognized under ASC 958-605 as it consists of contribution income related to the forgiveness of the first PPP loan and Employee Retention Tax Credits recognized during the year ended September 30, 2021.

Revenue from contracts with customers:

Effective October 1, 2020, the Organization adopted Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers (Topic 606)* and all subsequently issued clarifying ASU's which replaced most existing revenue recognition guidance in generally accepted accounting principles in the United States of America (GAAP). The new guidance requires the Organization to recognize revenue to depict the transfer of good or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The new guidance also requires expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this new guidance was done using the modified retrospective method. The Organization applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of October 1, 2020. Results for reporting periods beginning after October 1, 2020 are presented under Topic 606.

The adoption of this new standard did not result in a material impact to the Organization's financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative effect adjustment to net assets at the date of adoption under the modified retrospective method.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. (CONTINUED)

The Organization recognizes revenue for program income and a portion of special events revenue (described above) under the standards for Revenue from Contracts with Customers (Topic 606).

Program income:

Program income represents revenues earned by the Organization for camp fees and various other programs. These revenues are recognized at a point in time when the camp program or other program occurs.

Deferred income:

Revenues received in advance are recorded as deferred income and recognized in the period that the program, rental or event occurs.

Functional allocation of expenses:

The costs of providing the Organization's program and supporting activities have been presented on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited. The management team meets annually to determine the appropriate percentages for each class of expense; they determine what percentages should be modified each year based on changes in programs, staffing changes, and other factors. All expenses, except for in-kind contributions, were allocated based on the pre-approved percentages. In-kind contributions were allocated directly based on the nature of each transaction.

Income taxes:

One Heartland, Inc. is exempt from federal taxation pursuant to the provisions of Section 501(c) (3) of the Internal Revenue Code and Section 290.05 of the Minnesota Statutes and is only subject to federal and state income taxes on net unrelated business income. Since the Organization had no unrelated business taxable income in 2021 or 2020, the accompanying financial statements do not include any provision for federal or state income taxes.

The Organization has not been audited by a tax authority, and accordingly the informational tax returns for the past three years are open to examination. Management has evaluated its tax positions and has concluded that they do not expect anything that would require either recording or disclosure in the financial statements based on the criteria set forth in ASC 740.

Advertising:

The Organization expenses advertising as incurred. Advertising expense was \$13,792 and \$7,079 for the years ended September 30, 2021 and 2020, respectively.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

SEPTEMBER 30,	2021	2020
Land	\$ 255,417	\$ 255,417
Land improvements	136,114	136,114
Camp facility	1,501,271	1,501,271
Camp retreat center	771,798	771,798
Camp improvements	1,228,144	1,210,783
Furniture and equipment	381,802	472,876
Vehicles	63,521	74,761
	<hr/>	<hr/>
	4,338,067	4,423,020
Less accumulated depreciation	3,065,275	3,031,679
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<i>Net property and equipment</i>	\$ 1,272,792	\$ 1,391,341

Depreciation expense was \$138,910 and \$145,405 for the years ended September 30, 2021 and 2020, respectively.

NOTE 3. REFUNDABLE ADVANCE

On April 17, 2020, the Organization received loan proceeds (considered a refundable advance) in the amount of \$104,300 under the Paycheck Protection Program (“PPP”). On February 25, 2021, the Organization received a 2nd draw PPP loan in the amount of \$137,962. The PPP, established as part of Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides loans to qualifying businesses and nonprofits for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business or nonprofit. The loan and accrued interest are forgivable after eight or twenty-four weeks, to be chosen by the borrower, as long as the borrower meets all the requirements of the program.

The Association considers its PPP funds as a refundable advance on the statement of financial position and is following the guidelines of a conditional contribution and therefore cannot recognize a contribution until all conditions are met which management has determined to be upon forgiveness of the loan from the bank. The 1st PPP loan was forgiven on June 25, 2021 and was recognized as a contribution in the year ended September 30, 2021. The 2nd PPP loan was forgiven on January 18, 2022 and will be recognized as a contribution in the year ending September 30, 2022.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. LONG TERM DEBT

The Organization's long term debt consists of the following:

SEPTEMBER 30,	2021	2020
4.25% note payable to Northview Bank, secured by the camp facilities in Willow River, Minnesota, requires interest and principal payments of \$4,072 to be made monthly through October 2031. The note had a change in terms beginning January 2018 resulting in a reduction of principal and interest payment from \$5,235 to \$4,072.	\$ 405,476	\$ 432,980
6.50% note payable to Northview Bank, secured by the camp facilities in Willow River, Minnesota, requires interest and principal payments of \$2,847 to be made monthly through October 2029.	234,049	243,158
<i>Total long term debt</i>	639,525	676,138
Less unamortized debt issuance costs	12,924	14,216
<i>Long term debt, less unamortized debt issuance costs</i>	626,601	661,922
Less current maturities	57,643	62,586
<i>Total long term debt, less current portion</i>	\$ 568,958	\$ 599,336

The future scheduled maturities of long term debt are as follows:

YEARS ENDING SEPTEMBER 30,		
2022	\$	57,643
2023		56,892
2024		59,745
2025		62,845
2026		66,112
Thereafter		336,288
<i>Total long term debt</i>	\$	639,525

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. NET ASSETS WITH DONOR RESTRICTIONS

The nature of restrictions on net assets with donor restrictions are as follows:

SEPTEMBER 30,	2021	2020
Time restrictions	\$ -	\$ 37,000
Camp Heartland	-	14,000
Low ropes equipment	-	500
<i>Total net assets with donor restrictions</i>	\$ -	\$ 51,500

NOTE 6. IN-KIND DONATIONS

The Organization received in-kind donations as follows:

YEAR ENDED SEPTEMBER 30,	2021	2020
Camp related and other program expenses	\$ 11,099	\$ 300
General fundraising and event expenses	26,913	24,423
Advertising	-	1,300
Forgiven accounts payable balance	-	529
Vehicle	3,000	-
<i>Total in-kind donations</i>	\$ 41,012	\$ 26,552

NOTE 7. EMPLOYEE RETIREMENT PLAN

The Organization sponsors a SIMPLE IRA Retirement Plan for all eligible employees. Total employer contributions made for the years ended September 30, 2021 and 2020 totaled \$5,343 and \$5,295, respectively.

NOTE 8. UNEMPLOYMENT RESERVES

The Organization self-insures for Minnesota unemployment via the Unemployment Services Trust. The Minnesota unemployment trust balance per contract would be fully refunded to the Organization upon payment of all outstanding unemployment claims. The recorded balance of the Minnesota unemployment trust is based on the balance of the trust net of an estimate of claims payable. The recorded balance at September 30, 2021 and 2020 was \$26,101 and \$19,670, respectively.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. LEASE COMMITMENTS

The Organization had leases for its office facilities and office equipment, which are treated as operating leases.

The Organization leased office space located at 2101 Hennepin Avenue, Minneapolis, Minnesota. The lease expired in January 2020 and became month-to-month through May 2020. Minimum monthly lease payments were \$2,600.

Total rent and lease payments paid, for the years ended September 30, 2021 and 2020 totaled \$1,470 and \$25,184, respectively. There are no future lease payments as of September 30, 2021.

NOTE 10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 6, 2022, the date which the financial statements were available to be issued.

NOTE 11. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year of the balance sheet date, comprise the following:

SEPTEMBER 30,	2021	2020
Financial assets *	\$ 67,446	\$ 70,985
Less checks written in excess of cash balance	(8,636)	-
<i>Financial assets available to meet cash needs for general expenditures within one year</i>	\$ 58,810	\$ 70,985

* Total assets, less nonfinancial assets (prepaid expenses, unemployment reserves, and property and equipment)

The Organization considers donations received with both purpose and time restrictions to be available for general expenditures within one year if they are expected to be released within the next fiscal year. As part of its liquidity management, the Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. At September 30, the Organization concludes the condensed summer camp season and anticipates a lower volume of expenditures at the beginning of the fiscal year. Donors contribute to the Organization throughout the year and management does not anticipate liquidity issues during fiscal year 2022.

ONE HEARTLAND, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. UNCERTAINTY & MANAGEMENT'S PLANS

There is unprecedented uncertainty surrounding the duration of the COVID-19 global pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Organization as of July 6, 2022, management believes that a material impact on the Organization's financial position and results of future operations is reasonably possible.

As a result of the COVID-19 pandemic, the Organization has seen a large reduction in revenues and had to halt operations in 2020. Management made the decision to cancel any summer 2020 fundraising events, all 2020 summer camps, have laid off most employees and cut any unnecessary expenses. Because the Organization was running with minimal expenditures, they were able to keep running through the pandemic and re-open summer camps in 2021. In addition, the Organization received relief in the form of 2 Paycheck Protection Program loans (see Note 3) and \$119,702 of Employee Retention Tax Credits that were recognized as other revenues during the year ended September 30, 2021. Although part of this was received during the year ended September 30, 2021, there was a balance outstanding at year-end of \$64,932, which is included in other receivables. Management of the Organization is committed to ensuring the Organization continues to run with minimal expenses and continues to evaluate the risks surrounding the pandemic.