Report of Independent Auditors
and Financial Statements

Evergreen Treatment Services

December 31, 2022

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Report of Independent Auditors

The Board of Directors
Evergreen Treatment Services

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Evergreen Treatment Services, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 Evergreen Treatment Services as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Evergreen Treatment Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 3 to the financial statements, in 2022, Evergreen Treatment Services adopted new Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The adoption of this standard resulted in additional footnote disclosures and had a significant impact on the statement of financial position through the recognition of right-of-use assets and lease liabilities. Our opinion is not modified with respect to this matter.

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 Evergreen Treatment Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Moss Adams LLP

Everett, Washington
April 25, 2023

Financial Statements

Evergreen Treatment Services
Statement of Financial Position
December 31, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 518,456
Contract funds receivable, net	2,842,364
Accounts receivable, net	2,350,047
Prepaid expenses and other assets	96,229
Total current assets	5,807,096
PROPERTY AND EQUIPMENT	
Land	4,143,807
Building	5,356,193
Office furniture, fixtures, and equipment	4,149,038
Leasehold improvements	3,859,151
	17,508,189
Less accumulated depreciation and amortization	(4,909,333)
Total property and equipment, net	12,598,856
OPERATING LEASE RIGHT-OF-USE ASSETS, net	2,631,245
DEPOSITS	31,131
	$ 21,068,328

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 639,495
Accrued vacation	953,446
Accrued expenses	1,450,205
Long-term debt, current portion	123,704
Lease liabilities, current portion	644,833
Deferred revenue	74,748
Total current liabilities	3,886,431
LONG-TERM DEBT, net of current portion	5,196,440
LEASE LIABILITIES, net of current portion	2,248,081
Total liabilities	11,330,952
NET ASSETS WITHOUT DONOR RESTRICTIONS	9,737,376
Total liabilities and net assets	$ 21,068,328

See accompanying notes.

Evergreen Treatment Services
Statement of Activities
Year Ended December 31, 2022

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	
Contract revenue - government	$ 29,353,140
Client fees	1,346,883
Contributions	595,409
Other revenue	1,029,659
Total revenues and support without donor restrictions	32,325,091
EXPENSES	
Program services	
Clinic services	15,419,514
REACH	14,009,676
Total program services	29,429,190
Management and general	5,352,721
Fundraising	325,398
Total expenses	35,107,309
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(2,782,218)
CUMULATIVE IMPACT OF ADOPTING NEW ACCOUNTING STANDARD	(249,829)
NET ASSETS, beginning of year	12,769,423
NET ASSETS, end of year	$ 9,737,376

See accompanying notes.

Evergreen Treatment Services
Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services		Supporting Activities		
	Clinic Services	REACH	Development	Management and General	Total Expenses
EXPENSES					
Salaries and wages	$ 9,447,922	$ 8,900,204	$ 151,585	$ 3,173,283	$ 21,672,994
Taxes and benefits	1,955,447	2,156,117	31,710	634,888	4,778,162
Contract services	445,081	72,434	6,123	35,534	559,172
Professional services	673,341	60,576	36,360	914,242	1,684,519
Supplies - general	80,886	160,296	633	78,069	319,884
Supplies - medical services	692,054	21,914	-	1,101	715,069
Liability insurance	161,794	163,646	2,532	50,815	378,787
Travel	32,597	14,194	28	19,793	66,612
Client assistance	35,298	1,639,618	1,678	1,412	1,678,006
Training	13,816	201,113	308	9,220	224,457
Occupancy	634,366	249,441	7,883	169,318	1,061,008
Internet and communication	58,756	151,111	859	32,581	243,307
Building repair and maintenance	142,163	18,024	-	16,838	177,025
Equipment lease and maintenance	46,742	2,765	-	4,126	53,633
Vehicles	17,337	63,619	-	2,751	83,707
Fundraising events	194	-	58,995	5,540	64,729
Depreciation	599,589	100,235	588	38,440	738,852
Interest	252,175	-	-	17,123	269,298
Other	129,956	34,369	26,116	147,647	338,088
Total expenses	$ 15,419,514	$ 14,009,676	$ 325,398	$ 5,352,721	$ 35,107,309

See accompanying notes.

Evergreen Treatment Services
Statement of Cash Flows
Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (2,782,218)
Adjustments to reconcile changes in net assets to net cash from operating activities	
Depreciation	738,852
Change in assets and liabilities	
Operating lease right of use assets, net	403,610
Operating lease liabilities	(391,770)
Grants and accounts receivable	1,804,833
Prepaid expenses and other assets	336,698
Accounts payable	302,145
Accrued liabilities	447,582
Net cash from operating activities	859,732
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(806,785)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	(117,683)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(64,736)
CASH AND CASH EQUIVALENTS, beginning of year	583,192
CASH AND CASH EQUIVALENTS, end of year	$ 518,456

See accompanying notes.

Note 1 – Description of Organization and Summary of Significant Accounting Policies

Nature of organization – Evergreen Treatment Services (the Organization) is a nonprofit provider of outpatient medication assisted treatment (MAT) and research agency, which was founded in 1973. Since its founding, the Organization treats persons suffering with Opioid Use Disorder (OUD) and has expanded over time to three fixed-site licensed treatment facilities in Washington State. The main clinic location contains two distinct dispensaries and is located in Seattle, and the other two are in Thurston County and South King County of the Greater Puget Sound area. In addition, the Organization also operates one mobile dispensary clinic that provides services in the King County area. The Organization has been awarded a total of five licenses to operate Opioid Treatment Programs (OTPs).

In addition to OTPs, Evergreen participates in several drug treatment research programs that span from testing new drug treatment methods to conducting AIDS education and other related treatments for drug use disorders. Research contracts have primarily been funded by the National Institute of Drug Abuse (NIDA), passed through the University of Washington.

Evergreen also operates an intensive street-based outreach, referral, and case management program for homeless adults, many of whom suffer with OUD, substance use disorders (SUD), and mental health conditions known as REACH. Funding for REACH's services come from many different individual contracts with the King County Department of Community and Human Services, Seattle-King County Department of Public Health, and other governmental related entities. Although each REACH program may have unique objectives and funders, they share a dedication to locating, serving, referring to needed services, and housing to the homeless community in the greater Seattle area.

In 2014, the State of Washington Legislature passed Senate Bill 6312, which directed the State of Washington, Department of Community and Health Services to integrate funding and oversight for behavioral health (mental health and substance use) treatment services. Effective January 1, 2020, the full integration of the Washington Behavioral Health system was finalized. The last step took the form of transitioning Medicaid oversight and payment from the Behavioral Health Organizations (BHOs) to the Managed Care Organizations (MCO). In Washington, several insurance companies elected to become or started MCOs, and the Organization secured direct contracts with them all in the service areas where it provides services. However, in King County, their BHO chose to evolve to become an Accountable Care Organization (ACO) and as such, they placed themselves between local Behavioral Health providers, such as the Organization, and the MCOs for patients living in King County. Thus, across the Organization's service area, it has contracts with each of the MCOs that operate in those locations, and in King County, the Organization has a contract with the newly renamed King County Integrated Care Network (KC ICN).

Basis of accounting and presentation – The Organization presents its financial statements in accordance with accounting principles generally accepted in the United States of America. The full accrual basis of accounting is used to record revenues and expenses. Accordingly, all revenues and expenses are recognized when earned and incurred.

Financial statement presentation – The Organization reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor restrictions, as well as voluntary reserves such as separate components of board-designated net assets.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations. At December 31, 2022, there were no net assets with donor-imposed restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets are reported as transfers between the applicable classes of net assets.

Cash and cash equivalents – The Organization defines cash and cash equivalents to include demand deposits, savings accounts, and investments with an original maturity of three months or less, excluding assets whose use is limited or included in its investment portfolio. The Organization maintains its cash and cash equivalent accounts at financial institutions in amounts, which at times, may exceed federally insured limits.

Accounts and contract funds receivable – The Organization extends unsecured credit to insurance companies and individuals who privately pay for adult opiate use disorders. The Organization does not accrue interest on past due accounts and accounts that are written off are noted in the patient file because patients often return to the Organization after an absence. Management's periodic evaluation of the adequacy of the estimated price concessions is based upon the Organization's evaluation of Medicaid and insurance re-billing rules, past experience, the patient's ability to pay, and current economic conditions. Accounts are written off in the period in which the receivable is determined to be uncollectible.

During 2022, due to deteriorations in collections related to their revenue system receivables, the Organization changed its allowance for implicit price concessions for those receivables, primarily based on historical experience of write-offs. While that change in estimate related to 2021, it resulted in an increase to implicit price concessions of approximately $649,000 as of and for the year ended December 31, 2022.

Leases – The Organization recognizes operating and finance lease liabilities and right-of-use (ROU) assets for all leases, including operating leases with an expected term greater than 12 months, on its statements of financial position. Operating lease ROU assets and liabilities are recognized on the statements of financial position at commencement date, which is the date that the Organization gains access to the property or underlying asset. The lease liability is determined based on the present value of the minimum rental payments using a risk-free incremental borrowing rate in effect at the time of the lease commencement. The ROU asset is determined based on the lease liability adjusted for lease incentives received. Operating lease cost is recognized over a straight-line basis over the lease term. Certain optional renewal periods were not included in the determination of the lease liability and ROU asset if management determined it was not reasonably certain that the lease would be extended.

Property and equipment – Property and equipment are stated at cost when purchased. Donated property and equipment are recorded as contributions at their estimated fair market values at the date of receipt. Expenditures in excess of $5,000 for additions and major improvements are capitalized; maintenance and repair costs are expensed as incurred. Depreciation is computed using the straight-line method based upon the estimated useful lives of the assets that range from five to 30 years. Leasehold improvements are amortized over the remaining period of the lease or the life of the property, whichever is shorter.

The Organization evaluates property and equipment for impairment when events or changes indicate the carrying amount of an asset may not be recoverable. Accounting standards requires that if the sum of the undiscounted expected future cash flows from a long-lived asset or definite-lived intangible is less than the carrying value of that asset, an asset impairment charge must be recognized. The amount of the impairment charge is calculated as the excess of the asset's carrying value over its fair value, which generally represents the discounted future cash flows from that asset or in the case of assets the Organization expects to sell, at fair value less costs to sell. The Organization determined that there were no events or changes in circumstances that indicated property and equipment were impaired during any periods presented.

Revenue recognition and deferred revenue – Medication assisted treatment services are recognized at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the services. These amounts are due from third party payors (including governmental programs and insurance carriers) and clients and include variable consideration for revenue adjustments. The Organization bills third party payors (weekly or monthly) after the services are performed and revenue is recognized as performance obligations are satisfied.

The Organization determines the transaction price based on standard bundled rate charges for the services provided reduced by contractual adjustments provided by third party payors and discounts provided to uninsured clients. The Organization determines its estimates of price concessions based upon contractual agreements and historical experience.

Under the Medicare and Medicaid programs, the Organization is entitled to reimbursement for billed services at rates determined by federal and state governments.

Governmental and private grant agreements are evaluated and determined whether they are non-reciprocal, meaning the Organization has not received a direct benefit of commensurate value in exchange for the resources provided. Instead, revenue is recognized like a conditional contribution when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met.

For governmental and private grant arrangements that are reciprocal, revenue is recognized as services are provided, which is generally as allowable expenditures are incurred.

Contract funds receivable represent amounts due from funding organizations for reimbursable expenses incurred. Cash received under grants and contracts in advance of incurring the related expenses is reported as deferred revenue.

Contributions – Contributions are available for unrestricted use unless specifically restricted by the donor. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. However, if the restrictions expire in the fiscal year in which the contributions are recognized, they are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions.

Contributed property and equipment are recorded at fair value at date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as increases in net assets with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as increases in net assets without donor restrictions.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, that are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. During the year ended December 31, 2022, the Organization did not recognize revenue from any donated services.

Functional allocation of expenses – The costs incurred in providing program and supporting services have been summarized on the statement of functional expenses and in the statement of activities. These expenses include direct and indirect costs that have been allocated on a consistent basis, among program and support services benefited. Natural expenses are accounted for on a direct cost basis to the program or service upon which the expense in incurred. Indirect expenses require allocation which is done based on relative full-time equivalent headcount, facilities usage, or activities of personnel.

Income taxes – Evergreen Treatment Services is exempt from Federal income tax as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the U.S. government. The Organization has analyzed the tax positions taken and has concluded that as of December 31, 2022, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

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 that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

New accounting pronouncements – In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). ASU 2016-02 requires lessees to recognize a right-of-use asset and lease liability in the statement of financial position for all leases, including operating leases, with terms of more than 12 months. The Organization adopted Topic 842 effective January 1, 2022. As a result, on January 1, 2022, the Organization recognized an operating lease liability of $3,284,684, which represents the present value of the remaining lease payments of $3,901,103, discounted using the Organization's incremental borrowing rate of 5.75% and an operating lease right-of-use asset of $3,034,855. The Organization recognized an adjustment to net assets of $249,829. See Note 3.

Subsequent events – Subsequent events are events or transactions that occur after the date of the statement of financial position but before the financial statements are available to be issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the date of the statement of financial position and before the financial statements are available to be issued.

The Organization has evaluated subsequent events through April 25, 2023, which is the date the financial statements were available to be issued.

Note 2 – Concentrations

Credit risk – Financial instruments that potentially subject the Organization to concentrations of credit risk include cash and cash equivalents. The Organization places its temporary cash deposits with major financial institutions. At times, deposits with any one institution may exceed federally insured limits.

Accounts receivable and contract funds receivable consist primarily of amounts due from patients and local and state government agencies. Approximately 64% of total accounts receivable is due from Managed Care Organizations as of December 31, 2022.

Government agencies – The Organization is partly funded under fee-for-service grants and contracts with various state, county, and city agencies. During fiscal year 2022, grants and contracts from these agencies accounted for approximately 48% of total revenues and support. The receipt of governmental funding is subject to audit by various governmental agencies, the outcome of which is not known until the audits are completed. Management is aware of these risks and has contingency plans available.

The Organization provides services to many of its patients under contractual arrangements with the Medicaid program, for which the Organization receives payments at predetermined fixed rates. Revenues recognized in fiscal year 2022 for services rendered to Medicaid patients, net of explicit price concessions, amounted to $13,258,523, or 42%, of total support and revenue. The revenue is included in the contract revenue - government line within the statement of activities and changes in net assets. Laws and regulations governing the Medicaid program are extremely complex and subject to interpretation. As a result, there is a reasonable possibility that recorded estimates will change by a material amount in the near term.

Note 3 – Commitments and Contingencies

At December 31, 2022, the Organization had a number of noncancelable operating leases which expire through 2032. Rental expenses for these leases totaled $784,632 for the year ended December 31, 2022.

Future minimum lease payments under these leases are as follows:

2023	$ 644,833
2024	711,562
2025	636,381
2026	456,510
2027	446,217
Thereafter	361,616
	3,257,119
Less amounts representing imputed interest	(364,205)
	$ 2,892,914

The weighted average remaining lease term for operating leases is 3.88 years as of December 31, 2022. The weighted average incremental borrowing rate for operating leases is 5.75% as of December 31, 2022.

Note 4 – Line of Credit

The Organization maintains a line of credit with a bank for borrowings up to $1,500,000, which expires in August 2023. Interest is charged at prime rate plus 1.00% (8.50% at December 31, 2022) and is payable monthly. There was no outstanding balance as of December 31, 2022. The line of credit is secured by the assets of the Organization.

Note 5 – Long-Term Debt

Long-term debt consisted of the following at December 31, 2022:

Note payable to Craft3, payable in monthly installments of $32,152, for 59 months with a balloon payment in month 60, including interest at 5%, secured by land and building, due May 2026.	$ 5,320,144
Less current portion of long-term debt	123,704
	$ 5,196,440

Principal maturities of long-term debt are as follows:

2023	$	123,704
2024		129,972
2025		136,726
2026		4,929,742
	$	5,320,144

At December 31, 2022, the Organization was out of compliance with the covenant related to the debt service coverage ratio, required by the note payable. The Organization has received a waiver agreement from Craft3.

Note 6 – Liquidity and Availability

The Organization has approximately $5,710,000 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of $518,000 and receivables of 5,192,000 at December 31, 2022. 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 statement of financial position date. The receivables are expected to be collected within one year.

Note 7 – Retirement Plan

The Organization sponsors a retirement plan that is available to substantially all employees. Under the plan, employees may elect to defer a portion of their salary subject to annual limits under Section 403(b) of the Internal Revenue Code.

The retirement plan contains provisions whereby the Organization may match a percentage of employee contributions. The Organization matched contributions up to 6% of the employee contribution. Total employer contributions for 2022 was $365,786.

Note 8 – Purchase of 1700 Airport Way Property

On December 3, 2018, the Organization and King County Department of Community and Human Services Behavioral Health and Recovery Division formally entered into an amendment to their Substance Use Disorder Treatment Services contract (the Contract) that was agreed to in March 2018. The amendment added $900,000 of County funds to the Organization for the anticipated purchase of a facility (1700 Airport Way) for the purpose of providing behavioral health services, including medication assisted treatment and substance use disorder outpatient treatment. Upon purchasing the facility, the Organization was required to execute and record a covenant (among other documents) that requires behavioral health services specified in the Contract to be provided at the site for no less than twenty years. In the event of default of the Contract that is not cured in a timeframe agreed to by the County, the County will be entitled to a Recovery Amount that equals the Amount of Funds advanced to the Organization less the cumulative principal reductions awarded prior to the time of the breach. The Organization believes all significant conditions have been met in the grant agreement that will expire during 2031.

In February 2021, the Organization entered into a purchase and sale agreement for the purchase of the 1700 Airport Way property for $9.5 million. On May 5, 2021, the purchase of the property was finalized and the Organization entered into a lease termination agreement with the landlord effective on that same date.

The purchase of the property was financed as follows:

Note payable - Craft 3	$ 5,500,000
State of Washington - Department of Commerce	2,950,000
City of Seattle	1,000,000
Earnest money	50,000
	$ 9,500,000

The cost of acquiring the 1700 Airport Way property was partially financed from the City of Seattle for $1,000,000 and the State of Washington for $2,950,000. The funding is collateralized by a deed of trust on the property, which remains in effect until the year 2041 for the City of Seattle, and the year 2031 for the State of Washington. In the event the property is sold, the loan is subject to additional contingent interest representing the lenders' pro rata interest in the appreciated value of the property. Under the terms of the agreement, as long as the property is not sold or used for an unauthorized purpose, the deed of trust will be forgiven upon maturity. The Organization recorded these agreements as contributions within revenues and support in fiscal year 2021 instead of as a liability, because the Organization has no plans to sell the property before the final agreement matures in 2041 and does not anticipate that plans will change.

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