Joshua Tree National Park Association
Financial Statements
For the Year Ended
September 30, 2023

Table of Contents

Page

Independent Auditors' Report....1

Financial Statements:

Statement of Financial Position....3

Statement of Activities....4

Statement of Functional Expenses....5

Statement of Cash Flows....6

Notes to Financial Statements....7

HINTONBURDICK
CPAs & ADVISORS

Independent Auditors' Report

Board of Directors
Joshua Tree National Park Association
Twentynine Palms, California

Opinion
We have audited the financial statements of Joshua Tree National Park Association (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023 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 Joshua Tree National Park Association (the Organization) as of September 30, 2023, and the changes in its net assets 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 Joshua Tree National Park Association 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.

Change in Accounting Principle
As described in Note 1 to the financial statements, during the year ended September 30, 2023, the Organization implemented the provisions of FASB ASC 842-Leases. 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

HintonBurdick, PLLC

St. George, Utah
August 12, 2024

JOSHUA TREE NATIONAL PARK ASSOCIATION
Statement of Financial Position
September 30, 2023

Assets		
Current assets:		
Cash and cash equivalents	$	1,777,462
Restricted cash and cash equivalents		242,384
Accounts receivable		12,488
Prepaid expenses		2,500
Inventories		964,942
Total current assets		2,999,776
Noncurrent assets:		
Capital assets:		
Land		108,104
Buildings and improvements		1,121,164
Vehicles, machinery and equipment		107,959
Accumulated depreciation		(520,434)
Total capital assets, net		816,793
Total assets	$	3,816,569
Liabilities and net assets		
Current liabilities:		
Accounts payable	$	22,326
Sales tax payable		22,205
Accrued expenses		34,639
Deposits and other liabilities		3,400
Compensated absences		89,200
Total current liabilities		171,770
Total liabilities		171,770
Net assets:		
Without donor restrictions		3,402,415
With donor restrictions		242,384
Total net assets		3,644,799
Total liabilities and net assets	$	3,816,569

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

JOSHUA TREE NATIONAL PARK ASSOCIATION
Statement of Activities
For the Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Sales	$ 6,781,321	$ -	$ 6,781,321
Contributions of cash and financial assets	27,979	114,587	142,566
Contributions of nonfinancial assets	26,238	-	26,238
Memberships	21,422	-	21,422
Investment gain/(loss)	12,378	-	12,378
Other income	44,404	-	44,404
Desert Institute	67,785	-	67,785
Net assets released from restrictions	91,172	(91,172)	-
Total revenues, gains and other support	7,072,699	23,415	7,096,114
Expenses:			
Program services-Sales	5,293,405	-	5,293,405
Program services-Desert Institute	176,584	-	176,584
Program services-Aid to Park	140,269	-	140,269
Program services-Other Mission Based Programs	91,172	-	91,172
Fundraising	51,535	-	51,535
Membership	141,289	-	141,289
Management and general	733,488	-	733,488
Total expenses	6,627,742	-	6,627,742
Change in net assets	444,957	23,415	468,372
Net assets at beginning of year	2,957,458	218,969	3,176,427
Net assets at end of year	$ 3,402,415	$ 242,384	$ 3,644,799

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

JOSHUA TREE NATIONAL PARK ASSOCIATION
Statement of Functional Expenses
For the Year Ended September 30, 2023

	Program Services							
Expense category	**Sales**	**Desert Institute**	**Aid to Park**	**Other Mission Based Programs**	**Fundraising**	**Membership**	**Management and General**	**Total**
Advertising	$ -	$ -	$ -	$ -	$ -	$ 514	$ -	$ 514
Auto expense	3,713	3,527	-	-	-	1,355	12,252	20,847
Board expense	-	-	-	-	-	-	1,946	1,946
Bank and credit card fees	155,063	1,983	-	-	-	-	-	157,046
Concession fees	-	-	-	-	-	-	27,534	27,534
Cost of goods sold	3,963,863	-	-	-	-	-	-	3,963,863
Computers and software	766	2,333	-	-	-	6,056	12,906	22,061
Dues and subscriptions	-	-	-	-	-	189	7,004	7,193
Depreciation and amortization	40,082	-	-	-	-	-	-	40,082
Employee benefits	95,075	11,138	-	-	-	13,167	29,667	149,047
Events	-	-	-	-	51,535	-	-	51,535
Grant and aid	-	-	140,269	91,172	-	-	-	231,441
Interest	5,329	-	-	-	-	-	-	5,329
Insurance	4,709	538	-	-	-	395	47,157	52,799
Lecture related expenses	-	25,315	-	-	-	-	-	25,315
Legal and professional	-	1,976	-	-	-	-	74,525	76,501
Meetings and conventions	4,238	3,665	-	-	-	1,933	19,970	29,806
Office	-	-	-	-	-	-	7,050	7,050
Outside services	10,518	-	-	-	-	-	537	11,055
Payroll taxes	91,821	8,984	-	-	-	7,214	35,869	143,888
Rent	6,000	8,195	-	-	-	-	31,470	45,665
Publications and printing	-	9,280	-	-	-	952	1,722	11,954
Repairs and maintenance	31,212	-	-	-	-	-	-	31,212
Telephone	3,612	1,317	-	-	-	475	6,933	12,337
Shipping and postage	8,327	156	-	-	-	735	1,995	11,213
Supplies	64,846	1,343	-	-	-	11,791	30,109	108,089
Uniforms	-	-	-	-	-	-	2,991	2,991
Utilities	24,306	-	-	-	-	-	5,637	29,943
Wages and salaries	779,925	96,834	-	-	-	96,513	376,214	1,349,486
Total	$ 5,293,405	$ 176,584	$ 140,269	$ 91,172	$ 51,535	$ 141,289	$ 733,488	$ 6,627,742

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

JOSHUA TREE NATIONAL PARK ASSOCIATION
Statement of Cash Flows
For the Year Ended September 30, 2023

Cash flows from operating activities:	
Cash received from sale of goods	$ 6,781,321
Cash received from fees, membership, contributions and other income	263,689
Payments for inventory and other selling expenses	(5,465,405)
Payments for Aid to Park	(140,269)
Payments for Desert Institute	(176,584)
Payments for Fundraising	(25,297)
Payments for miscellaneous programs	(91,172)
Payments for membership	(141,289)
Payments for management and general expenses	(668,178)
Net cash flows from operating activities	336,816
Cash flows from investing activities:	
Interest income	12,378
Net cash flows from investing activities	12,378
Net change in cash and cash equivalents	349,194
Cash,cash equivalents, and restricted cash, beginning of year	1,670,652
Cash, cash equivalents, and restricted cash, end of year	$ 2,019,846
Reconciliation of change in net assets to net cash used by operating activities:	
Change in net assets	$ 468,372
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	40,082
Interest income	(12,378)
Changes in operating assets and liabilities:	
Decrease/(Increase) in accounts receivable	(12,488)
Decrease/(Increase) in inventories	(160,336)
Increase/(Decrease) in accounts payable	22,326
Increase/(Decrease) in sales tax payable	(11,664)
Increase/(Decrease) in accrued liabilities	(23,328)
Increase/(Decrease) in compensated absences	26,230
Net cash flows from operating activities	$ 336,816
Supplemental disclosures:	
Cash paid for interest	5,329

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

NOTE 1. Significant Accounting Policies

Organization and Nature of Activities

Joshua Tree National Park Association (the Association), a nonprofit association incorporated in 1962, is the primary nonprofit partner for Joshua Tree National Park. Its mission is to support the park in its education, interpretation, scientific, and historic research and activities through financial and in-kind contributions. It sells products and provides services to park visitors, association members, and other interested parties, under the terms of a Concessions Contract and Cooperating Association Agreement with the United States National Park Service (NPS). In the fiscal year ending September 30, 2006, the Association purchased the Joshua Tree Visitor Center and operates it for the NPS as an official Visitor Center near the west entrance to the park. It operates and assists with staffing three other Visitor Centers located in Park Service facilities, operates a website, and wholesales selected merchandise to retailers in the community as appropriate. The Association may also publish park-specific books, print park visitor publications, and purchase supplies, books, equipment, and training materials for the NPS as requested, within the guidelines of governing Department of the Interior Director's Orders. It additionally operates the Desert Institute, which provides educational classes in the park and surrounding public lands. These classes are taught by experts across a wide array of fields, from natural sciences to liberal arts to historical and cultural interests. The Desert Institute further offers lectures on related, relevant topics, held in a variety of venues across communities surrounding the park.

Basis of Accounting

The financial statements of the Joshua Tree National Park Association have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Association presents its financial statements in accordance with U.S. generally accepted accounting principles (GAAP) and the standards in the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC).

The Association reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

NOTE 1. Significant Accounting Policies (Continued)

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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Association cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Accounts Receivable and Other Receivables

Accounts receivable consist of balances due for services performed or product provided and are reported at net realizable value. Management considers all receivables to be collectible. Therefore, an allowance is not considered necessary.

Inventory

Inventories consist of goods held for sale. Inventories are valued at cost using the first-in, first out method.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated amortization and depreciation. Depreciation and amortization of property and equipment is provided over the estimated useful lives of 5 to 40 years for the respective assets on a straight-line basis. The Association's capitalization policy is to capitalize any fixed asset expenditures costing more than $1,000 and expense normal repairs and maintenance as incurred. The Association's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

There are no restrictions or limitations on the use of the Association's capitalized property and equipment.

NOTE 1. Significant Accounting Policies (Continued)

Classification of Net Assets

Net assets and changes therein are classified according to the existence or absence of time or donor imposed restrictions. Net assets of the Association are reported as follows:

Net assets without donor restrictions:

> Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the board of directors. Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Association and its mission, the environment in which it operates, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions:

> Net assets subject to stipulations or restrictions imposed by donors, and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or for particular purposes or other events specified by the donor. Those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated or restricted the funds or resources be maintained in perpetuity.

Revenue and Revenue Recognition

The Association's primary sources of revenue are derived from park store sales which includes a percentage of the sales of park passes purchased at the visitor centers. Additional revenues are generated from contributions or grants, membership fees and registration and lecture fees for the Desert Institute. Revenue is recognized when earned. Sales revenue is recognized when the sale occurs. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Sales Tax

The Association collects sales tax on taxable transactions and remits it to the State of California as required by law.

NOTE 1. Significant Accounting Policies (Continued)

Contributions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions of property and equipment are reported as net assets with donor restrictions if the donor restricted the use of the property or equipment to a particular program or for a specific time period, as are contributions of cash restricted to the purchase of property and equipment. Otherwise, donor restrictions on contributions of property and equipment or assets restricted for purchase of property and equipment are considered to expire when the assets are placed in service. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Contributions, which may include non-cash assets, unconditional promises to give and beneficial interests in irrevocable trusts or other legally-binding agreements, are recognized as revenue at fair value in the period pledged or received. Contributions receivable are reviewed for collectability and reserves for uncollectible amounts are established when needed.

Contributions and bequests may include donor-imposed restrictions or require the fulfillment of certain conditions as set forth in the gift instrument. Failure to fulfill these conditions could require the return of funds to donors. As the Association only accepts those gifts for which it agrees to the terms and conditions contained in the gift instrument, the Association believes this contingency is remote.

Contributed Services

Contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. No contributed services met the recognition criteria during the period ended September 30, 2023.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Association.

NOTE 1. Significant Accounting Policies (Continued)

Income Taxes

The Association is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). The Association is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a)(1) of the Code.

The Association did not incur any income tax during the year ended September 30, 2023 and did not recognize any tax-related interest and penalties on the statement of activities and statement of financial position for that period. The Association has no unrecognized tax benefits and no uncertain tax positions for the year ended September 30, 2023. Tax years that remain open to examination by the Internal Revenue Service are years ending September 30, 2019 through September 30, 2023.

Geographic Concentration

The Association conducts its operations solely in and around Joshua Tree National Park in California and, therefore, is subject to risks from changes in local economic and tourism conditions. A downturn in the local economy or tourism could cause a decrease in revenue concurrently with an increase in requested assistance from the federal agencies.

Date of Management's Review

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 12, 2024, the date the financial statements were available to be issued.

New Provision

For the year ended September 30, 2023, the Organization implemented the provisions of FASB ASC 842 - Leases. ASC 842 improves accounting and financial reporting for leases and provides important information about the entity's use of lease arrangements in its activities and about the relationship between the Organization's lease liabilities and right-of-use assets. The Statement also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. (See Note 10).

NOTE 2. Cash and Cash Equivalents

The Association maintains cash in various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000. At September 30, 2023, the bank balance of the Association's deposits was $2,039,564. The Association had uninsured balances of $1,446,508 at September 30, 2023.

A reconciliation to cash and cash equivalents on the statement of financial position follows:

Cash on hand	$ 2,785
Cash in bank	2,017,061
Total cash and cash equivalents	$ 2,019,846

The nature and amounts of restriction and/or limitations, including donor-imposed restrictions, on the Association's use of cash and cash equivalents are disclosed in Notes 3 and 8. There are no cash and cash equivalents with donor-imposed restrictions limiting use to long-term purposes.

NOTE 3. Liquidity and Availability of Financial Assets

The following reflects the Association's financial assets available within one year of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at September 30, 2023:	
Cash and cash equivalents	$ 2,019,846
Accounts receivable	12,488
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restrictions (see Note 8 for details)	(242,384)
Financial assets available to meet cash needs for general expenditures within one year	$ 1,789,950

The Association defines general expenditures as any expenditure which does not reduce the balance of net assets with donor restrictions.

NOTE 4. Capital Assets

The following table summarizes the changes to the capital assets during the year ended September 30, 2023.

	Balance at 9/30/2022	Additions	Deletions	Balance at 9/30/2023
Capital assets, not being depreciated:				
Land	$ 108,104	$ -	$ -	$ 108,104
Total capital assets, not being depreciated	108,104	-	-	108,104
Capital assets, being depreciated:				
Buildings and improvements	1,121,164	-	-	1,121,164
Vehicles, machinery and equipment	107,959	-	-	107,959
Total capital assets, being depreciated	1,229,123	-	-	1,229,123
Less: accumulated depreciation	(480,352)	(40,082)	-	(520,434)
Total capital assets, being depreciated, net	748,771	(40,082)	-	708,689
Net capital assets	$ 856,875	$ (40,082)	$ -	$ 816,793

Depreciation and amortization expenses for the fiscal year ended September 30, 2023 was $40,082.

This section intentionally left blank

NOTE 5. Long-term Liabilities

The Association has no outstanding long-term liabilities as of September 30, 2023.

NOTE 6. Employee Benefits

The Association provides a 401k plan with a 3% match for participating employees. In addition, the Association offers an Individual Retirement Account (IRA) option to full-time employees. Contributions to these plans were $14,705 during the fiscal year ended September 30, 2023.

The Association provides compensation of up to $6,000 per year per full-time employee for health insurance. Health assist expenses for the year ended September 30, 2023 were $134,343.

The Association pays employees unused accrued vacation time when an employee separates from the Association. The compensated absences balance is estimated based on pay rates in place at the end of the fiscal year. At September 30, 2023 the balance of accrued compensated absences was $89,200.

NOTE 7. Board Designated Reserves

The Association has adopted a policy whereby adequate emergency reserve funds will be maintained to ensure the financial means to continue to provide essential services, programs, and operations as well as consistent/essential visitor center staffing and aid to NPS during a business downturn or to handle unexpected Association expenses, which are required to continue satisfactory Association operations. As of May 26, 2022, the board formally designated $400,000 as an operating reserve.

This section intentionally left blank.

NOTE 8. Restrictions on Net Assets

The Association's net assets with donor restrictions activity during 2023 consisted of the following:

	Beginning Balance	Contributions	Releases	Ending Balance
Aid 2018	$ 411	$ -	$ -	$ 411
AIR program	2,354	1,785	(2,208)	1,931
Artistas Afueras	-	22,500	-	22,500
Bighorn Monitoring	-	11,405	-	11,405
Busses Education	50,795	-	(26,615)	24,180
DI Grant/Donation	4,909	6,520	-	11,429
Earthwatch	319	-	-	319
Edison	2,115	-	-	2,115
Friend Raising	544	-	(1,295)	(751)
Fruge Publishing	61,829	-	(4,824)	57,005
Golden State	4,500	-	(1,000)	3,500
JT Distillery	260	1,219	(100)	1,379
JT Seed Collection	-	7,500	-	7,500
Minerva Grant	221	-	-	221
Minerva Hoyt Intern	-	3,000	(3,000)	-
NPA Science Grants	15,971	-	(14,810)	1,161
NPF Grant Education	43,571	5,000	(361)	48,210
Rose Foundation	2,487	-	-	2,487
Vegetation and Habitat Restoration	24,356	-	-	24,356
Wander	3,201	4,465	-	7,666
Web/Ipod Interpretation	246	-	-	246
Wild Republic	894	-	(532)	362
Other	(14)	51,193	(36,427)	14,752
	$ 218,969	$ 114,587	$ (91,172)	$ 242,384

NOTE 9. Concentrations of Risk

The Association operates in buildings owned by the NPS, as well as the building owned by the Association in Joshua Tree, CA, under its Concessions Contract and Cooperating Association Agreement.

The Cooperating Association Agreement states that the NPS may terminate the agreement at any time when it is determined to be in the best interest of the public, or by default, without any legal process whatsoever, by giving the Association thirty days' notice of termination.

The Association and NPS have entered into a ten-year Concessions Contract enabling the Association to sell convenience items. A 5% fee will be paid, on a quarterly basis, to NPS on the convenience items only.

NOTE 10. Leases

The Association is the lessor in two agreements for space in the Joshua Tree Visitor Center.

The Association entered into a five-year agreement effective August 1, 2019 with the National Park Service (lessee) for 1,110 square feet of space to be used as an exhibit room, auditorium and area for temporary and rotating displays. The agreement calls for monthly rent of $1.25 per square foot ($1,387). Either party can cancel the agreement with sixty days written notice.

The Association entered into a five-year agreement effective May 1, 2020 with Roadrunner Grab+Go, Inc (lessee) for 880 square feet of space to be used as a café. The agreement calls for monthly rent of $1,700 for the initial year with annual increases of $200 per month for each of the subsequent years. The lessee has the option to extend the lease for a second five-year term with 6 months advance written notice. In addition, the lessee has the option to terminate the lease for any reason effective upon one year advance written notice.

Total lease revenue earned during the fiscal year ended September 30, 2023 totaled $42,850. Expected future lease revenues, through the initial lease terms are as follows:

Year ended September 30,	Lease Receipts
2024	$ 42,475
2025	17,500
Total	$ 59,975

The Association has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Rent expense under these short-term leases and rentals totaled $45,665 for the year ended September 30, 2023.