

COUNTRY DANCE AND SONG SOCIETY, INC.

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2021
(with comparative totals for the year ended 2020)**

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Independent Auditor's Report

To The Officers and Directors
Of Country Dance and Song Society, Inc.

Opinion

We have audited the accompanying financial statements of the Country Dance and Song Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Country Dance and Song Society, Inc. as of December 31, 2021, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Country Dance and Song Society, Inc. 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.

Responsibilities of Management 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, 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 Country Dance and Song Society, Inc.'s 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

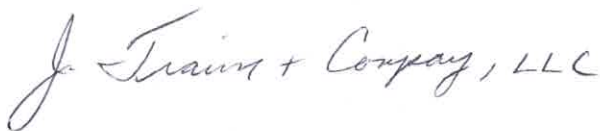
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Country Dance and Song Society, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Country Dance and Song Society, Inc.'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 finding, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Country Dance and Song Society, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Wakefield, MA
July 25, 2022

COUNTRY DANCE AND SONG SOCIETY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(With Comparative Totals as of December 31, 2020)

ASSETS	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 265,434	\$ 557,217
Accounts receivable	-	2,709
Grants receivable	20,800	-
Pledges receivable	49,809	48,550
Inventory	61,399	43,939
Prepaid expenses	<u>88,779</u>	<u>72,002</u>
TOTAL CURRENT ASSETS	<u>486,221</u>	<u>724,417</u>
PROPERTY AND EQUIPMENT		
Equipment and furniture	146,417	217,880
Operating lease right-of-use asset	26,265	57,311
Leasehold improvements	<u>-</u>	<u>891</u>
TOTAL PROPERTY AND EQUIPMENT	<u>172,682</u>	<u>276,082</u>
NONCURRENT ASSETS		
Pledges receivable	47,940	99,812
Investments	1,232,689	986,772
Artwork	8,000	8,000
Deposits	<u>2,500</u>	<u>2,500</u>
TOTAL NONCURRENT ASSETS	<u>1,291,129</u>	<u>1,097,084</u>
TOTAL ASSETS	<u><u>\$ 1,950,032</u></u>	<u><u>\$ 2,097,583</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of SBA loan	\$ 1,169	\$ -
Operating lease liability	23,291	33,027
Accrued interest	2,378	-
Accounts payable	3,414	19,519
Accrued expenses	1,475	1,604
Accrued payroll	9,874	7,580
Accrued vacation	25,930	27,268
Deferred revenue	<u>19,721</u>	<u>76,430</u>
TOTAL CURRENT LIABILITIES	<u>87,252</u>	<u>165,428</u>
LONG TERM LIABILITIES		
Operating lease liability	2,974	24,284
SBA loan	<u>148,831</u>	<u>150,000</u>
TOTAL LONG TERM LIABILITIES	<u>151,805</u>	<u>174,284</u>
NET ASSETS		
Without donor restrictions	1,555,407	1,546,641
With donor restrictions	<u>155,568</u>	<u>211,230</u>
TOTAL NET ASSETS	<u>1,710,975</u>	<u>1,757,871</u>
TOTAL LIABILITIES NET ASSETS	<u><u>\$ 1,950,032</u></u>	<u><u>\$ 2,097,583</u></u>

See accompanying notes to financial statements.

COUNTRY DANCE AND SONG SOCIETY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the year ended December 31, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
OPERATING SUPPORT, REVENUE & RECLASSIFICATIONS				
Contributions	\$ 566,711	\$ -	\$ 566,711	\$ 712,519
Summer programs	241,929	-	241,929	-
Grants	145,582	-	145,582	107,550
Membership services	57,141	-	57,141	67,217
Sales	33,219	-	33,219	20,821
Conferences, online program	7,977	-	7,977	-
Other	3,259	-	3,259	5,095
Investment return designated for current operations	25,142	-	25,142	8,777
Net assets release from restrictions	<u>55,662</u>	<u>(55,662)</u>	<u>-</u>	<u>-</u>
Total operating support, revenue & reclassifications	<u>1,136,622</u>	<u>(55,662)</u>	<u>1,080,960</u>	<u>921,979</u>
OPERATING EXPENSES				
Camps	425,228	-	425,228	195,348
Education and outreach	114,922	-	114,922	84,303
Sales and service	138,058	-	138,058	115,522
Development	263,883	-	263,883	232,530
General and administrative	240,518	-	240,518	312,522
Total expenses	<u>1,182,609</u>	<u>-</u>	<u>1,182,609</u>	<u>940,225</u>
Change in net assets from operating activities	<u>(45,987)</u>	<u>(55,662)</u>	<u>(101,649)</u>	<u>(18,246)</u>
NON OPERATING ACTIVITIES				
Investment return	<u>54,753</u>	<u>-</u>	<u>54,753</u>	<u>56,234</u>
CHANGE IN NET ASSETS	<u>8,766</u>	<u>(55,662)</u>	<u>(46,896)</u>	<u>37,988</u>
NET ASSETS, beginning of year	<u>1,546,641</u>	<u>211,230</u>	<u>1,757,871</u>	<u>1,719,883</u>
NET ASSETS, end of year	<u>\$ 1,555,407</u>	<u>\$ 155,568</u>	<u>\$ 1,710,975</u>	<u>\$ 1,757,871</u>

See accompanying notes to financial statements.

COUNTRY DANCE AND SONG SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the year ended December 31, 2020)

	Program Services				Supporting Services			2020 Total
	Education & Outreach	Sales & Service	Program Services	Total	Management and General	Fundraising	Supporting Services	
Payroll	\$ 177,259	\$ 51,970	\$ 53,292	\$ 282,521	\$ 118,916	\$ 139,019	\$ 257,935	\$ 466,395
Employee benefits	14,001	1,589	386	15,976	19,960	13,332	33,292	33,623
Payroll taxes	15,679	4,512	4,034	24,225	12,833	12,163	24,996	42,217
Advertising & marketing	1,849	19	20	1,888	-	25	25	1,290
Interest expense	-	-	-	-	3,240	-	3,240	-
Bank fees	4,819	591	2,342	7,752	2,568	9,642	12,210	13,560
Contracted services	36,816	28,825	7,966	73,607	41,523	32,900	74,423	147,794
Cost of sales	3,438	-	17,796	21,234	-	-	-	25,071
Depreciation	16,577	11,764	14,572	42,913	19,194	12,597	31,791	78,875
Grants & sponsorships	-	10,601	300	10,901	-	-	-	6,620
Insurance	-	-	32,731	32,731	5,546	-	5,546	38,540
Occupancy	140,849	3,064	2,697	146,610	8,637	8,966	17,603	29,870
Office expense	1,503	328	331	2,162	1,746	340	2,086	3,412
Other	1,347	893	678	2,918	4,413	932	5,345	8,826
Postage & delivery	128	13	-	141	552	9,533	10,085	10,930
Printing & reproduction	558	-	160	718	554	23,681	24,235	28,949
Telecommunications	1,564	753	753	3,070	472	753	1,225	4,179
Travel	8,841	-	-	8,841	364	-	364	74
	\$ 425,228	\$ 114,922	\$ 138,058	\$ 678,208	\$ 240,518	\$ 263,883	\$ 504,401	\$ 940,225

See accompanying notes to financial statements.

COUNTRY DANCE AND SONG SOCIETY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals for the year ended December 31, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (46,896)	\$ 37,988
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	74,704	78,875
Net realized and unrealized investment gain	(63,259)	(53,233)
(Increase) decrease in assets:		
Pledges receivable	50,613	247,495
Accounts receivable	2,709	(2,438)
Inventory	(17,460)	2,946
Prepaid expenses and other current assets	(16,777)	(16,885)
Grants and contracts receivable, net	(20,800)	3,880
Increase (decrease) in liabilities:		
Accounts payable	(16,105)	(6,978)
Accrued interest	2,378	(7,064)
Accrued expenses	(129)	(7,064)
Accrued payroll	2,294	4,012
Accrued vacation	(1,338)	7,739
Deferred revenue	(56,709)	44,513
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(106,775)	333,786
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment and furniture	(2,350)	(57,877)
Purchases of investments	(182,658)	(343,662)
CASH USED FOR INVESTING ACTIVITIES	(185,008)	(401,539)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from EIDL	-	150,000
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	-	150,000
NET INCREASE (DECREASE) IN CASH	(291,783)	82,247
CASH AT BEGINNING OF YEAR	557,217	467,906
CASH AT END OF YEAR	\$ 265,434	\$ 550,153
CASH PAID FOR:		
Interest	\$ 1,923	\$ -

See accompanying notes to financial statements.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

The Country Dance and Song Society, Inc. (the "Organization") was founded in 1915 and is a Massachusetts not-for-profit corporation. The purpose of the Organization is the preservation and promotion of historical and contemporary English and Anglo-American dance, folk song, and instrumental music traditions. This mission is carried out through the implementation of three programs: camps, education and outreach, and sales and service.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

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 Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 - Summary of Significant Accounting Policies– continued

New Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842, for reporting leases, which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term of greater than 12 months. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard will be effective for annual reporting periods beginning after January 1, 2021, with early adoption permitted. The Organization has early adopted this standard beginning January 1, 2020 using the cumulative catch up method.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Pledges Receivable and Allowance for Uncollectible Accounts

Pledge receivables are reported at the original pledged amount less an allowance for doubtful accounts and less a present value discount for long term pledges. The Organization utilizes the current yield rate on U.S. Treasury bonds in calculating the discount.

Inventory

Inventory consists of books, recordings, compact discs, and videos relating to English and North American traditional dance music and song. It is stated at the average cost method or net realizable value.

Property and Equipment

Property and equipment purchased by the Organization with a cost of more than \$750 are capitalized at cost. Donated assets in excess of \$750 are capitalized at their fair market value at the time of the donation. Depreciation is computed using the straight-line method over the asset's useful life. Depreciable lives of the Organization's equipment, furniture, and software is 5 to 10 years and depreciable lives of the leasehold improvements is 10 years.

Investments

Investments with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 - Summary of Significant Accounting Policies– continued

Revenue Recognition

The Organization recognizes revenue from several different types of contractual relationships. Revenue from all these contracts is based on a set transaction price.

Summer camp - Revenue from summer camp programs is recognized at the commencement of each camp.

Membership Services-Group insurance - Members can purchase insurance through the Organization under a group policy. Revenue from group insurance is recognized over the course of the underlying policy period.

Membership Services-Group exemption - Member organizations can take advantage of CDSS's tax exempt status by enrolling under the group exemption. Revenue from the group exemption service is recognized upon enrollment.

Sales and Cost of Sales

Sales of inventory are reported net of any returns and discounts. Costs of sales are reported net of purchase discounts and it includes shipping costs.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis on the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted. Such allocations are determined by management on an equitable basis. The expenses that the Organization allocates include payroll and related expenses and they are allocated based on the time and effort put forth in the respective program and supporting services. Other expenses that the Organization allocates based on each program and supporting services' utilization include rent, certain professional services, and office and related expenses.

Income Tax Status

The Organization is exempt from federal income tax under section 501 (c)(3) of the Internal Revenue Code and has been determined not to be a private foundation by the Internal Revenue Service. The Organization is also exempt from Massachusetts income tax.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 - Summary of Significant Accounting Policies– continued

Subsequent Events

Management has reviewed subsequent events through May 17, 2022, the date the financial statements were available to be issued.

Note 2 – Concentration of Credit Risk

From time to time, the Organization has bank account balances in excess of FDIC insured limits. As of December 31, 2021 and 2020, the FDIC insured limit of \$250,000 was exceeded by \$39,498 and \$306,208, respectively.

Note 3 – Pledges Receivable

Pledge receivables are being reported net of a present value discount for long term pledges. An allowance for doubtful pledge receivables was not considered necessary as of December 31, 2021. Pledge receivables at December 31, 2021 and 2020 were as follows:

	2021	2020
Less than one yer	\$ 50,000	\$ 48,550
One to two years	48,288	50,000
Two to three years	-	50,000
Three to four years	-	-
Total pledges receivable	98,288	148,550
Less discounted present value	(539)	(189)
Total pledges receivable, net	<u>\$ 97,749</u>	<u>\$ 148,361</u>
Pledges receivable-current	\$ 49,809	\$ 48,550
Pledges receivable-long term	47,940	99,811
Total pledges receivable, net	<u>\$ 97,749</u>	<u>\$ 148,361</u>

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 4 – Property and Equipment

Property and equipment consisted of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equipment, Furniture and software	\$ 571,535	\$ 600,231
Accumulated Depreciation	<u>(398,853)</u>	<u>(325,040)</u>
	<u>\$ 172,682</u>	<u>\$ 275,191</u>
Leasehold improvements	\$ 17,827	\$ 17,827
Accumulated Amortization	<u>(17,827)</u>	<u>(16,396)</u>
	<u>\$ -</u>	<u>\$ 1,431</u>

Depreciation and amortization expense was \$74,704 and \$78,875 for the years ended December 31, 2021 and 2020, respectively.

Note 5 – Investments

The Organization reports its qualifying assets and liabilities in accordance with the Fair Value Measurements and Disclosures Standards under U.S. GAAP (ASC-820). These standards define fair value, establish a framework for measuring fair value, and expand disclosures about fair value measurements. This policy establishes a fair value framework that prioritizes the inputs and assumptions used to measure fair value.

The three levels of the fair value framework are as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 – Inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 – Inputs that are unobservable.

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 5 – Investments-continued

The Organization’s investments are all considered level 1 under the fair value hierarchy. The fair value of the investments as of December 31, 2021 and 2020 was as follows:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 332,688	\$ 339,231
Moderate growth fund	900,001	647,541
	<u>\$ 1,232,689</u>	<u>\$ 986,772</u>

Investment return reported on these financial statements consisted of the following for the year ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Investment income	\$ 16,636	\$ 11,778
Realized and unrealized gains	<u>63,259</u>	<u>53,233</u>
	<u>\$ 79,895</u>	<u>\$ 65,011</u>
Investment return-operating	\$ 25,142	\$ 8,777
Investment return-non-operating	<u>54,753</u>	<u>56,234</u>
	<u>\$ 79,895</u>	<u>\$ 65,011</u>

Note 6 – SBA Loan

On October 26, 2020, the Organization received an Economic Injury Disaster Loan from the U.S. Small Business Administration in the amount of \$150,000. The loan is to be repaid in monthly installments of \$641, including principal and interest, over 30 years from the date of the loan. The loan bears interest at the rate of 2.75%. The balance of the loan as of December 31, 2021 and 2020 was \$150,000.

Maturities of the debt as of December 31, 2021 are as follows:

2022	\$ 1,169
2023	3,645
2024	3,736
2025	3,851
2026	3,958
Thereafter	133,641

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 6 – Line of Credit

The Organization has a line of credit with a bank payable on demand. The maximum amount of the line of credit is \$100,000 and carries an interest rate of the bank’s prime rate. The line of credit can be terminated upon written request of either party and is secured by the assets of the Organization. There was no outstanding balance on the credit line as of December 31, 2021 and 2020.

Note 7 – Leases

The Organization has several leases that are classified as operating leases under the new lease standard. The operating lease cost for the year ended December 31, 2021 was \$31,046. Future minimum rental payments are as follows for years ending December 31:

2022	\$23,291
2023	<u>2,974</u>
	<u>\$26,265</u>

Note 8 – Availability and Liquidity

The following reflects the Organization’s financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	<u>2021</u>	<u>2020</u>
Financial assets at year-end	\$ 1,616,672	\$ 1,695,060
Less those unavailable within one year:		
Net assets with donor restrictions	(155,568)	(211,230)
Funds functioning as endowment	<u>(456,559)</u>	<u>(419,639)</u>
	<u>\$ 1,004,545</u>	<u>\$ 1,064,191</u>

CDSS’ goal is to maintain financial assets to meet 90 days of operating expenses.

Note 9 – Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2021 of \$155,567 consisted of \$98,287 in multi-year pledges that are time restricted and \$57,280 of unexpended donor restricted funds from program purposes. Net assets with donor restrictions as of December 31, 2020 of \$211,230 consist of \$148,550 in multi-year pledges that are time restricted and \$62,680 of unexpended donor restricted funds for program purposes.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 10 – Funds Functioning as Endowment

The Organization’s Board of Directors has established board designated funds that function as an endowment fund. These funds are unrestricted net assets. As of December 31, 2021 and 2020, The Organization had the following endowment related activities:

	2021	2020
Endowment net assets, beginning of year	\$ 419,639	\$ 369,966
Contributions	1,080	6,750
Investment return		
Investment income	2,691	7,388
Realized and unrealized gains (losses)	38,083	37,035
	40,774	44,423
Appropriation for expenditure	(4,934)	(1,500)
Endowment net assets, end of year	\$ 456,559	\$ 419,639

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original board designated amounts. In accordance with SPMIFA, the Organization considers many factors in making a determination on how to appropriate or accumulate board designated endowment funds including: the duration and preservation of the fund, the purpose of the fund, the general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, other resources of the Organization, and the investment policies of the Organization.

The Organization annually approves a spending amount based on the historical investment returns of the board designated endowment fund that will be available for appropriation.

Note 11 – Retirement Plan Costs

The Organization has a defined contribution retirement plan that permits employees to make tax deferred contributions up to the amounts permitted by the Internal Revenue Code. Employees become eligible to participate after two years of service as defined in the Plan. The Organization matches employee contributions in amounts between 1% and 5% of employee compensation, depending on the participant’s years of services. Total retirement plan expense for the years ended December 31, 2021 and 2020 was \$8,783 and \$7,606, respectively.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 12 – COVID-19 Pandemic

During March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, was and continues to be severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management has been carefully monitoring the situation and has evaluated its options during this time. As such, on April 9, 2020, Management secured a Paycheck Protection Program (PPP) Loan in the amount of \$105,300, which was subsequently forgiven in full on December 3, 2020. The amount of \$105,300 is included in grant income without restrictions. On January 28, 2021, the Organization secured a second PPP Loan in the amount of \$105,383 and was subsequently forgiven on June 14, 2021. The amount of \$105,383 is included in grant income without restrictions. In addition to the PPP Loans, on October 26, 2020, CDSS secured an Economic Injury Disaster Loan from the Small Business Association in the amount of \$150,000.