

COUNTRY DANCE AND SONG SOCIETY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparative totals for the year ended 2022)

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Independent Auditor's Report

To the Board of Directors
of Country Dance and Song Society, Inc.

Opinion

We have audited the accompanying financial statements of Country Dance and Song Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 financial statements referred to above present fairly, in all material respects, the financial position of Country Dance and Song Society, Inc. as of December 31, 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. 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 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 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 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 aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

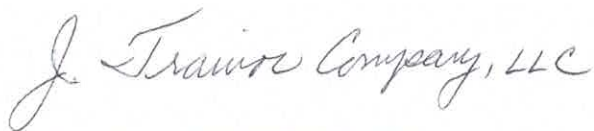
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 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 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 findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Country Dance and Song Society, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 28, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Wakefield, MA
July 2, 2024

COUNTRY DANCE AND SONG SOCIETY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(With Comparative Totals as of December 31, 2022)

ASSETS	2023	2022
CURRENT ASSETS		
Cash	\$ 248,536	\$ 175,978
Accounts receivable	500	198
Grants receivable	4,200	4,300
Pledges receivable	-	43,096
Inventory	43,345	39,376
Prepaid expenses	51,245	57,539
	<u>347,826</u>	<u>320,487</u>
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
Equipment and furniture	34,350	83,192
Operating lease right-of-use asset	43,816	7,214
	<u>78,166</u>	<u>90,406</u>
TOTAL PROPERTY AND EQUIPMENT		
NONCURRENT ASSETS		
Investments	1,105,967	1,021,462
Artwork	8,000	8,000
Deposits	1,308	2,500
	<u>1,115,275</u>	<u>1,031,962</u>
TOTAL NONCURRENT ASSETS		
TOTAL ASSETS		
	<u>\$ 1,541,267</u>	<u>\$ 1,442,855</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of SBA loan	\$ 3,736	\$ 3,645
Operating lease liability	17,378	4,305
Accounts payable	4,101	13,118
Accrued expenses	10,813	7,812
Accrued payroll	9,826	10,837
Accrued vacation	20,075	22,955
Deferred revenue	30,773	27,037
	<u>96,702</u>	<u>89,709</u>
TOTAL CURRENT LIABILITIES		
LONG TERM LIABILITIES		
Operating lease liability	26,438	2,909
SBA loan	141,435	145,186
	<u>167,873</u>	<u>148,095</u>
TOTAL LONG TERM LIABILITIES		
NET ASSETS		
Without donor restrictions	1,231,380	1,106,301
With donor restrictions	45,312	98,750
TOTAL NET ASSETS	<u>1,276,692</u>	<u>1,205,051</u>
TOTAL LIABILITIES & NET ASSETS		
	<u>\$ 1,541,267</u>	<u>\$ 1,442,855</u>

See accompanying notes to financial statements.

COUNTRY DANCE AND SONG SOCIETY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the year ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
OPERATING SUPPORT, REVENUE & RECLASSIFICATIONS				
Contributions	\$ 555,221	\$ 3,000	\$ 558,221	\$ 529,451
Summer programs	778,584	-	778,584	652,970
Grants	96,000	-	96,000	21,500
Membership services	94,073	-	94,073	78,299
Sales	42,809	-	42,809	37,262
Conferences, online program	1,305	-	1,305	5,410
Other	15,102	-	15,102	5,504
Investment return designated for current operations	30,051	-	30,051	35,676
Net assets release from restrictions	56,438	(56,438)	-	-
	<u>1,669,583</u>	<u>(53,438)</u>	<u>1,616,145</u>	<u>1,366,072</u>
Total operating support, revenue & reclassifications				
OPERATING EXPENSES				
Camps	894,432	-	894,432	846,351
Education and outreach	132,828	-	132,828	174,862
Sales and service	174,298	-	174,298	188,158
Development	229,587	-	229,587	257,330
General and administrative	208,652	-	208,652	225,393
Total expenses	<u>1,639,797</u>	<u>-</u>	<u>1,639,797</u>	<u>1,692,094</u>
Change in net assets from operating activities	29,786	(53,438)	(23,652)	(326,022)
NON OPERATING ACTIVITIES				
Investment return	95,293	-	95,293	(179,902)
CHANGE IN NET ASSETS	125,079	(53,438)	71,641	(505,924)
NET ASSETS, beginning of year	1,106,301	98,750	1,205,051	1,710,975
NET ASSETS, end of year	<u>\$ 1,231,380</u>	<u>\$ 45,312</u>	<u>\$ 1,276,692</u>	<u>\$ 1,205,051</u>

See accompanying notes to financial statements.

COUNTRY DANCE AND SONG SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the year ended December 31, 2022)

	Program Services			Supporting Services			2022 Total
	Education & Outreach	Sales & Service	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Payroll	\$ 200,214	\$ 66,939	\$ 337,150	\$ 114,568	\$ 140,021	\$ 254,589	\$ 560,591
Employee benefits	11,969	588	16,273	7,426	6,317	13,743	41,983
Payroll taxes	18,965	5,421	30,055	9,299	11,339	20,638	48,186
Advertising & marketing	3,534	-	3,534	-	-	-	3,147
Bank fees	21,314	-	25,349	4,452	10,525	14,977	36,750
Contracted services	79,358	21,353	114,014	31,816	34,041	65,857	244,842
Cost of sales	6,292	-	21,451	-	-	-	48,699
Depreciation	11,530	7,200	28,960	13,462	8,675	22,137	67,070
Grants & sponsorships	-	8,850	9,150	-	-	-	5,200
Insurance	-	-	41,757	7,368	-	7,368	46,493
Occupancy	475,368	3,531	486,122	2,943	3,332	6,275	470,792
Office expense	6,103	519	7,564	709	1,273	1,982	6,370
Other	4,125	2,332	7,156	9,390	3,040	12,430	14,170
Postage & delivery	3,737	8,423	13,081	692	2,568	3,260	13,060
Printing & reproduction	7,812	7,400	15,212	897	6,312	7,209	33,577
Telecommunications	1,224	272	1,768	157	272	429	4,191
Travel	42,887	-	42,962	5,473	1,872	7,345	46,973
	\$ 894,432	\$ 132,828	\$ 1,201,558	\$ 208,652	\$ 229,587	\$ 438,239	\$ 1,692,094

See accompanying notes to financial statements.

COUNTRY DANCE AND SONG SOCIETY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the year ended December 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 71,641	\$ (505,924)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	51,096	67,070
Net realized and unrealized investment (gain) loss	(90,008)	163,820
(Increase) decrease in assets:		
Pledges receivable	43,096	54,653
Accounts receivable	(302)	-
Inventory	(3,969)	22,023
Prepaid expenses and other current assets	6,294	31,240
Grants and contracts receivable, net	100	16,301
Deposits	1,192	-
Increase (decrease) in liabilities:		
Accounts payable	(9,017)	9,705
Accrued interest	-	(2,378)
Accrued expenses	3,001	6,337
Accrued payroll	(1,011)	963
Accrued vacation	(2,880)	(2,975)
Deferred revenue	3,736	7,316
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	72,969	(131,849)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment and furniture	(2,254)	(3,845)
Sales of investments	40,729	67,001
Purchases of investments	(35,226)	(19,594)
CASH PROVIDED BY INVESTING ACTIVITIES	3,249	43,562
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on SBA Loan	(3,660)	(1,169)
CASH USED FOR FINANCING ACTIVITIES	(3,660)	(1,169)
NET INCREASE (DECREASE) IN CASH	72,558	(89,456)
CASH AT BEGINNING OF YEAR	175,978	265,434
CASH AT END OF YEAR	\$ 248,536	\$ 175,978
CASH PAID FOR:		
Interest	\$ 4,032	\$ 6,523

See accompanying notes to financial statements.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 to steward the living traditions of English country dance, contra and square dance, morris and sword dance, and the music that is an integral part of these 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, 2022, from which the summarized information was derived.

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.

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 - Summary of Significant Accounting Policies– continued

Inventory

Inventory consists of books, recordings, compact discs, and videos relating to English and North American traditional dance music and song. Inventory is stated at the lower of cost 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.

Leases

The Organization leases office space and various pieces of equipment under noncancelable operating leases. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

The operating leases are included in operating lease right-of-use ("ROU") assets, current liabilities and long-term liabilities.

The ROU asset represents our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments. The operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since the lease does not contain an implicit rate, the Organization uses a risk-free rate as the discount rate. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreement contains lease and non-lease components, which are accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices.

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, 2023

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. Payments for insurance that apply to the following year are recorded on the statement of financial position as deferred revenue.

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, 2023

Note 1 - Summary of Significant Accounting Policies– continued

Subsequent Events

Management has reviewed subsequent events through July 2, 2024, 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, 2023, the FDIC insured limit of \$250,000 was not exceeded.

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, 2022. Pledge receivables at December 31, 2022 were as follows:

	2022
Less than one year	\$ 45,131
One to two years	-
Two to three years	-
Three to four years	-
Total pledges receivable	45,131
Less discounted present value	(2,035)
Total pledges receivable, net	\$ 43,096
Pledges receivable-current	\$ 43,096
Pledges receivable-long term	-
Total pledges receivable, net	\$ 43,096

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 4 – Property and Equipment

Property and equipment consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Equipment, Furniture and software	\$ 419,369	\$ 444,512
Accumulated Depreciation	<u>(385,019)</u>	<u>(361,320)</u>
	<u>\$ 34,350</u>	<u>\$ 83,192</u>
Leasehold improvements	\$ -	\$ 17,827
Accumulated Amortization	<u>-</u>	<u>(17,827)</u>
	<u>\$ -</u>	<u>\$ -</u>

Depreciation and amortization expense was \$51,097 and 67,070 for the years ended December 31, 2023 and 2022, 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, 2023

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, 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 285,810	\$ 288,444
Moderate growth fund	820,157	733,018
	<u>\$ 1,105,967</u>	<u>\$ 1,021,462</u>

Investment return reported on these financial statements consisted of the following for the year ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Investment income	\$ 35,226	\$ 19,594
Realized and unrealized gains (losses)	90,118	(163,820)
	<u>\$ 125,344</u>	<u>\$ (144,226)</u>
Investment return-operating	\$ 30,051	\$ 35,676
Investment return-non-operating	95,293	(179,902)
	<u>\$ 125,344</u>	<u>\$ (144,226)</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, 2023 and 2022 was \$145,171 and \$148,831, respectively.

Maturities of the debt as of December 31, 2023 are as follows:

2024	3,736
2025	3,851
2026	3,958
2027	4,068
2028	4,172
Thereafter	125,386

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 7 – 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, 2023 and 2022.

Note 8 – Lease Activities

The Organization has an operating lease for its office space with a remaining term of 2.25 years which is being discounted at a rate of 3.81%. Operating lease expenses were \$20,411 and \$34,863 for the years ended December 31, 2023 and 2022, respectively, and is included in occupancy expense. Cash paid for amounts included in the measurement of the operating lease liabilities was \$20,411 and 34,863 for the years ended December 31, 2023 and 2022, respectively.

The Organization has operating leases for two postage meters with an average remaining term of 3.30 years which is being discounted at an average rate of 3.92%. Operating lease expenses were \$2,888 and \$4,076 for the years ended December 31, 2023 and 2022, respectively, and is included in equipment rental expense. Cash paid for amounts included in the measurement of the operating lease liabilities was \$2,888 and \$4,076 for the years ended December 31, 2023 and 2022, respectively.

Note 9 – Availability and Liquidity

The following reflects the Organization’s financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	2023	2022
Financial assets at year-end	\$ 1,359,203	\$ 1,245,034
Less those unavailable within one year:		
Net assets with donor restrictions	(45,312)	(98,750)
Funds functioning as endowment	(417,767)	(381,206)
	\$ 896,124	\$ 765,078

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

COUNTRY DANCE AND SONG SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 10 – Net Assets with Donor Restrictions

Net assets with donor restrictions as of December 31, 2023 consisted of \$45,312 of unexpended donor restricted funds for program purposes. Net assets with donor restrictions as of December 31, 2022 of \$98,750 consisted of \$45,131 in multi-year pledges that are time restricted and \$53,619 of unexpended donor restricted funds for program purposes.

Note 11 – Funds Functioning as Endowment

The Organization’s Board of Directors has established a board designated endowment fund. As of December 31, 2023 and 2022, The Organization had the following endowment related activities:

	2023	2022
Endowment net assets, beginning of year	\$ 381,206	\$ 456,559
Contributions	1,050	13,975
Investment return		
Investment income	10,448	7,669
Realized and unrealized gains (losses)	45,522	(80,151)
	55,970	(72,482)
 Appropriation for expenditure	 (20,459)	 (16,846)
 Endowment net assets, end of year	 \$ 417,767	 \$ 381,206

The Organization considers many factors in making a determination on how to appropriate or accumulate the 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 12 – 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, 2023 and 2022 was \$8,706 and \$7,987, respectively.