
Swallow Hill Music Association

Financial Report
December 31, 2023

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Independent Auditor's Report

To the Board of Directors
Swallow Hill Music Association

Opinion

We have audited the financial statements of Swallow Hill Music Association (the "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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2023 and the changes in its net assets, functional expenses, and 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 the Organization and to meet our 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or 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.

To the Board of Directors
Swallow Hill Music Association

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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 5, 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.

Plante & Moran, PLLC

June 7, 2024

Swallow Hill Music Association

Statement of Financial Position

December 31, 2023
(with summarized comparative totals for 2022)

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 311,422	\$ 3,385,682
Accounts receivable	62,735	29,385
Pledges receivable	200,463	72,872
SCFD receivable	189,096	289,652
Other assets	27,427	11,204
Total current assets	791,143	3,788,795
Investments	3,233,436	690,396
Property and Equipment - Net	766,425	799,924
Construction in Progress	329,927	327,812
Beneficial Interest in Assets Held by Others	105,790	51,954
Total noncurrent assets	4,435,578	1,870,086
Total assets	<u><u>\$ 5,226,721</u></u>	<u><u>\$ 5,658,881</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 57,113	\$ 74,396
Deferred concert and class revenue	143,649	102,323
Accrued benefits	94,660	69,516
Current portion of note payable	39,494	40,842
Total current liabilities	334,916	287,077
Note Payable - Net of current portion	64,330	103,294
Total liabilities	399,246	390,371
Net Assets		
Without donor restrictions	4,088,258	4,695,200
With donor restrictions	739,217	573,310
Total net assets	4,827,475	5,268,510
Total liabilities and net assets	<u><u>\$ 5,226,721</u></u>	<u><u>\$ 5,658,881</u></u>

Swallow Hill Music Association

Statement of Activities

Year Ended December 31, 2023
(with summarized comparative totals for 2022)

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, Gains, and Other Support				
Ticket sales - Net	\$ 2,329,569	\$ -	\$ 2,329,569	\$ 1,607,776
Music class tuition	853,442	-	853,442	677,847
SCFD support	688,441	-	688,441	1,036,875
Grants and contributions	294,369	380,718	675,087	360,707
Nonfinancial donations	13,964	-	13,964	29,897
Membership fees	92,072	-	92,072	86,197
Rental income	26,100	-	26,100	50,008
Retail - Net of cost of sales of \$54,066 (2023) and \$62,365 (2022)	11,225	-	11,225	9,076
Other revenue	16,991	-	16,991	9,979
Special event revenue - Net of expenses of \$85,228 (2023) and \$74,762 (2022)	5,000	-	5,000	7,845
Net investment return	348,581	7,714	356,295	(107,150)
Net assets released from restrictions	222,525	(222,525)	-	-
Total revenue, gains, and other support	4,902,279	165,907	5,068,186	3,769,057
Expenses				
Program services	4,065,046	-	4,065,046	3,126,755
Support services:				
Management and general	935,623	-	935,623	739,932
Fundraising	508,552	-	508,552	393,627
Total support services	1,444,175	-	1,444,175	1,133,559
Total expenses	5,509,221	-	5,509,221	4,260,314
(Decrease) Increase in Net Assets	(606,942)	165,907	(441,035)	(491,257)
Net Assets - Beginning of year	4,695,200	573,310	5,268,510	5,759,767
Net Assets - End of year	\$ 4,088,258	\$ 739,217	\$ 4,827,475	\$ 5,268,510

Swallow Hill Music Association

Statement of Functional Expenses

Year Ended December 31, 2023
(with summarized comparative totals for 2022)

	Program Services	Management and General	Fundraising	Total	2022
Salaries	\$ 1,446,865	\$ 602,861	\$ 361,716	\$ 2,411,442	\$ 1,857,213
Payroll taxes and benefits	219,726	91,552	54,931	366,209	291,173
Total salaries and related expenses	1,666,591	694,413	416,647	2,777,651	2,148,386
Contract - Performers	791,192	-	-	791,192	542,601
Facility rental	506,227	-	-	506,227	389,911
Software	175,642	-	43,910	219,552	160,632
Professional services	221,827	55,457	-	277,284	303,690
Contract - Other	206,815	-	-	206,815	99,292
Advertising	-	106,412	-	106,412	79,354
Cost of sales	54,066	-	-	54,066	62,365
Merchant and bank fees	123,186	-	-	123,186	94,729
Depreciation	57,550	18,309	11,334	87,193	72,798
Printing	20,697	-	2,300	22,997	9,097
Insurance	62,689	19,947	12,348	94,984	67,737
Repairs and maintenance	25,826	8,218	5,087	39,131	42,313
Supplies	29,087	9,255	5,728	44,070	42,684
Other expenses	21,544	6,854	4,243	32,641	20,759
Utilities	19,910	6,334	3,922	30,166	29,053
Dues and licenses	107,997	-	-	107,997	109,639
Small instruments	7,610	-	-	7,610	18,267
Telephone	4,987	1,587	982	7,556	7,639
Interest	3,610	1,148	711	5,469	7,080
Postage	3,838	1,221	756	5,815	1,975
Travel	5,575	626	63	6,264	9,772
Meals and entertainment	2,646	842	521	4,009	2,092
Conferences and workshops	-	-	-	-	814
Credit losses expense	-	5,000	-	5,000	-
Special event expenses	-	-	85,228	85,228	74,762
Total functional expenses	\$ 4,119,112	\$ 935,623	\$ 593,780	\$ 5,648,515	\$ 4,397,441

Statement of Cash Flows

Year Ended December 31, 2023
(with summarized comparative totals for 2022)

	2023	2022
Cash Flows from Operating Activities		
Decrease in net assets	\$ (441,035)	\$ (491,257)
Adjustments to reconcile decrease in net assets to net cash and cash equivalents from operating activities:		
Depreciation	87,193	72,798
Investment (return) loss	(348,581)	96,377
Net change in beneficial interest in assets held by others	(53,836)	14,513
Credit losses expense	5,000	-
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts and pledges receivable	(165,941)	13,351
SCFD receivable	100,556	(16,046)
Other assets	(16,223)	2,705
Accounts payable and accrued benefits	7,861	9,151
Deferred concert and class revenue	41,326	(42,173)
Net cash and cash equivalents used in operating activities	(783,680)	(340,581)
Cash Flows from Investing Activities		
Purchase of property and equipment and additions to CIP	(55,809)	(181,334)
Purchases of investments	(3,705,553)	-
Sales of investments	1,511,094	-
Net cash and cash equivalents used in investing activities	(2,250,268)	(181,334)
Cash Flows Used in Financing Activities - Payments on notes payable	(40,312)	(32,624)
Net Decrease in Cash and Cash Equivalents	(3,074,260)	(554,539)
Cash and Cash Equivalents - Beginning of year	3,385,682	3,940,221
Cash and Cash Equivalents - End of year	\$ 311,422	\$ 3,385,682
Supplemental Cash Flow Information - Cash paid for interest	\$ 5,469	\$ 7,080

December 31, 2023

Note 1 - Nature of Business

Swallow Hill Music Association (the "Organization"), a nonprofit corporation, was incorporated in the state of Colorado in 1979 and is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the "Code"). The Organization serves as a local, regional, and national resource for the teaching, presentation, and preservation of roots, folk, and acoustic music and to make enjoyment of and participation in live performance a vital part of the community's cultural life. The Organization is funded primarily by ticket sales, music class tuition, Scientific and Cultural Facilities District (SCFD or the "District") support, and other grants and contributions.

Note 2 - Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

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. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Summarized Comparative Information

The financial information presented for comparative purposes as of and for the year ended December 31, 2022 is not intended to be a complete financial statement presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's 2022 financial statements, from which the summarized information was derived.

Cash Equivalents

The Organization considers all investments with an original maturity of three months or less when purchased to be cash equivalents unless held for reinvestment as part of the investment portfolio or otherwise encumbered. Periodically throughout the year, the total amount of bank deposits exceeded amounts insured by the Federal Deposit Insurance Corporation (FDIC).

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at invoice amounts. An allowance for credit losses is established on uncollectible amounts over the contractual life of the receivables. The Organization collectively evaluates receivables to determine the allowance for credit losses based on periodic review of past-due amounts on all accounts. The Organization calculates the allowance using expected loss model that considers the Organization's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Organization considers fluctuations in the past-due amounts when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received. Management has reviewed accounts receivable as of December 31, 2023 and determined that an allowance would be insignificant to the financial statements as a whole; therefore, an allowance was not recorded.

SCFD Support and Receivable

Scientific and Cultural Facilities District support and receivable represent the Organization's share of proceeds from a tax assessed by the Scientific and Cultural Facilities District. The tax was first implemented in 1989, and the proceeds are distributed by the District to various Colorado cultural arts organizations. The amount distributed to these tier II organizations (including the Organization) is based on the revenue and paid attendance of each eligible organization. The Organization considers the SCFD receivable to be fully collectible based on past history; accordingly, no allowance for credit losses has been recorded, as any allowance would be insignificant to the financial statements. If amounts become uncollectible, they will be charged to operations when that determination is made.

Investments

Investment securities are classified based on the Organization's intent with respect to holding securities. Investments are recorded at fair value in the statement of financial position and are composed of mutual funds, index funds, and beneficial interest in assets held by others. Gains and losses are reported as increases or decreases in net assets and are reflected as changes in net assets with donor restrictions and net assets without donor restrictions, as appropriate. The Organization's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of the investments will occur in the near term and could materially affect the amounts reported in the financial statements. The Organization places its investments with high-quality institutions and, accordingly, limits its credit exposure.

Property and Equipment

Property and equipment are recorded at cost. Donated fixed assets are capitalized at fair value at the date of the donation. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Construction in progress is not depreciated until construction is complete and the assets are placed in service. Costs of maintenance and repairs are charged to expense when incurred.

	Depreciable Life - Years
Building and building improvements	10 to 40
Furniture and equipment	3 to 7

December 31, 2023

Note 2 - Significant Accounting Policies (Continued)

Deferred Concert and Class Revenue

Revenue from ticket sales and tuition receipts is deferred and recognized as income over the period when the services are provided or when the event occurs and the related expenses are incurred. Ticket sales are recorded net of any seat and sales tax.

Revenue Recognition

The Organization's revenue from contracts with customers primarily consists of membership fees, ticket sales, class tuition, and retail sales. These revenue contracts generally have single or multiple performance obligations. Revenue is reported net of variable consideration and consideration payable to customers, including applicable discounts, returns, unsalable product, and other costs. Amounts billed and due from customers are classified as receivables and require payment on a short-term basis; therefore, the Organization does not have any significant financing components.

Membership Fees

This revenue represents annual membership fees to join the Organization. Members receive access to discounts for class tuition and concerts over a defined annual membership period. Revenue is deferred at payment and is recognized over the membership term, and the discounts are recognized at a point in time as the member uses the discount.

Ticket Sales

This revenue represents tickets to concerts and events sponsored by the Organization. Revenue is deferred at payment and is recognized in the month of the concert or event.

Class Tuition

This revenue represents course registration to classes sponsored by the Organization. Revenue is deferred at payment and is recognized over the course term or the single-day class or workshop.

Retail

This revenue represents merchandise and food and beverage sales at concerts and events sponsored by the Organization. Revenue is recognized at the point of sale.

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value on the date the promise is received. The gifts are reported as either contributions without restrictions or contributions with restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions that have restrictions met in the year in which the contributions are received are reported as without donor contributions in the accompanying financial statements.

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. As of December 31, 2023, no allowance was deemed necessary.

December 31, 2023

Note 2 - Significant Accounting Policies (Continued)

Nonfinancial Donations

Donated services that create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation are reflected in the financial statements. The value of those services is determined based on their estimated fair value. Other donated services are not reflected in the financial statements because the services are not recordable under accounting principles generally accepted in the United States of America. Donated assets are reflected in the financial statements at their estimated fair values.

As described in Note 9, the amount of donated services and assets recognized as nonfinancial donations and support in the statement of activities during the year ended December 31, 2023 was \$13,964.

Advertising Expense

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2023 was \$106,412.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of activities. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs have been allocated between the program and support services on several bases and estimates. Certain wages and benefits have been allocated based on time and effort. Certain supplies, postage, shipping, and insurance expenses have been allocated based on usage. Maintenance and facility expenses have been allocated based on square footage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Organization is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

As of January 1, 2023, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses*, which changed how entities account for credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. This guidance requires entities to consider reasonable and supportable forecasts of future economic conditions in the estimate of expected credit losses. The standard was adopted retrospectively as of January 1, 2023, and there was no change to beginning net assets.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including June 7, 2024, which is the date the financial statements were available to be issued.

December 31, 2023

Note 3 - Liquidity and Availability of Resources

The Organization has \$763,716 of financial assets available within one year of December 31, 2023 to meet cash needs for general expenditure, consisting of cash and cash equivalents of \$311,422, accounts receivable of \$62,735, pledges receivable of \$200,463, and SCFD receivable of \$189,096. 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 Organization has a goal to maintain financial assets, which consist of cash and receivables, on hand to meet 30 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury instruments.

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following table presents information about the Organization's assets measured at fair value on a recurring basis at December 31, 2023 and the valuation techniques used by the Organization to determine those fair values:

Assets Measured at Fair Value on a Recurring Basis at December 31, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2023
Assets				
Cash held for investment	\$ 20,367	\$ -	\$ -	\$ 20,367
Mutual funds	527,619	-	-	527,619
Index funds	1,680,901	-	-	1,680,901
Corporate debt securities	-	1,004,549	-	1,004,549
Beneficial interest in assets held by others	-	-	105,790	105,790
Total assets	\$ 2,228,887	\$ 1,004,549	\$ 105,790	\$ 3,339,226

December 31, 2023

Note 4 - Fair Value Measurements (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds and Index Funds

These are valued at the closing price reported on the active market on which the mutual funds or individual securities are traded.

Corporate Debt Securities

The primary inputs to the valuation include quoted prices for identical or similar assets in markets that are not active, contractual cash flows, benchmark yields, and credit spreads.

Beneficial Interest in Assets Held by Others

The carrying amounts of financial assets required to be measured at fair value on a recurring basis include investments held by the Colorado Gives Foundation (CGF or the "Foundation"), the fair value of which is based upon information determined and reported by CGF and corroborated with CGF's audited financial statements by management. During 2022, the Colorado Gives Foundation changed its name from Community First Foundation. The fair value of investments held at CGF include Level 1, 2, and 3 classifications; however, the Organization's pro rata share of the pooled investments does not have an active market and is, therefore, classified under Level 3 in the fair value hierarchy.

There were no changes in the valuation methodologies during the year.

Investment Return

Investment return in the statement of activities consists of the following:

Dividends and interest income	\$ 110,196
Net realized and unrealized gains on investments	250,929
Management fees	(4,830)
Total	<u>\$ 356,295</u>

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

Land	\$ 115,192
Building and building improvements	1,264,573
Furniture and equipment	<u>608,191</u>
Total cost	1,987,956
Accumulated depreciation	<u>1,221,531</u>
Net property and equipment	<u>\$ 766,425</u>

Depreciation expense for the year ended December 31, 2023 was \$87,193.

Construction in progress relating to renovations to the Organization's headquarters includes any small projects relating to required upgrades. The overall headquarters renovation is currently on hold, and there is no set financial commitment or expected date of completion.

Note 6 - Beneficial Interest in Assets Held by Others

The Organization's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Notes to Financial Statements

December 31, 2023

Note 6 - Beneficial Interest in Assets Held by Others (Continued)

	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 51,954	\$ 51,954
Investment return:			
Investment income	-	8,919	8,919
Net depreciation - Including fees	-	(1,205)	(1,205)
Total investment return	-	7,714	7,714
Contributions	-	49,158	49,158
Appropriation of endowment assets for expenditure	-	(3,036)	(3,036)
Endowment net assets - End of year	<u>\$ -</u>	<u>\$ 105,790</u>	<u>\$ 105,790</u>

Note 7 - Long-term Debt

The Organization has a note payable with a bank, which accrues interest at 4.35 percent annually. Payments of principal are due monthly through the maturity date in March 2026. The note is secured by a deed of trust on the Organization's real property. At December 31, 2023, the outstanding balance on the loan totaled \$103,824. The balance of the above debt matures as follows:

Years Ending	Amount
2024	\$ 39,494
2025	41,282
2026	23,048
Total	<u>\$ 103,824</u>

Interest expense for the year ended December 31, 2023 was \$5,469.

Note 8 - Net Assets

Net assets with donor restrictions consist of the following as of December 31, 2023:

Net assets with donor restrictions:	
Capital improvements	\$ 415,985
Fidelity	179,024
Outreach	35,254
Endowment	105,790
Other	3,164
Total net assets with donor restrictions	<u>\$ 739,217</u>

Note 9 - Contributed Nonfinancial Assets

The Organization receives volunteer services that are not recordable under generally accepted accounting principles. The value of the volunteer services is not disclosed since no objective basis is available to measure the value of such services.

Notes to Financial Statements

December 31, 2023

Contributed nonfinancial assets recognized within the statement of activities and changes in net assets consisted of the following for December 31:

	2023	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated instruments	\$ 5,680	Program	None	Estimated fair value on the basis of estimates of value that would be received for selling similar products in the U.S.
Professional services	3,993	Program	None	Estimated fair value on the basis of estimates of value that would be received for selling similar services in the U.S.
Supplies	4,191	Fundraising	None	Estimated fair value on the basis of estimates of value that would be received for selling similar products in the U.S.
Food and beverage	100	Fundraising	None	Estimated fair value on the basis of estimates of value that would be received for selling similar products in the U.S.