
Swallow Hill Music Association

**Financial Report
December 31, 2024**

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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, 2024 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, 2024 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 7, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

May 27, 2025

Swallow Hill Music Association

Statement of Financial Position

December 31, 2024
(with summarized comparative totals for 2023)

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 370,623	\$ 311,422
Accounts receivable	34,757	62,735
Pledges receivable	5,000	200,463
SCFD receivable	201,309	189,096
Other assets	59,124	27,427
Total current assets	670,813	791,143
Investments	2,842,221	3,233,436
Property and Equipment - Net	883,258	766,425
Construction in Progress	334,427	329,927
Beneficial Interest in Assets Held by Others	109,413	105,790
Total noncurrent assets	4,169,319	4,435,578
Total assets	\$ 4,840,132	\$ 5,226,721
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 166,016	\$ 57,113
Deferred concert and class revenue	118,612	143,649
Accrued benefits	102,247	94,660
Current portion of note payable	41,282	39,494
Total current liabilities	428,157	334,916
Note Payable - Net of current portion	23,628	64,330
Total liabilities	451,785	399,246
Net Assets		
Without donor restrictions	3,652,164	4,088,258
With donor restrictions	736,183	739,217
Total net assets	4,388,347	4,827,475
Total liabilities and net assets	\$ 4,840,132	\$ 5,226,721

Swallow Hill Music Association

Statement of Activities

Year Ended December 31, 2024
(with summarized comparative totals for 2023)

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, Gains, and Other Support				
Ticket sales - Net	\$ 2,593,654	\$ -	\$ 2,593,654	\$ 2,329,569
Music class tuition	1,042,192	-	1,042,192	853,442
SCFD support	715,632	-	715,632	688,441
Grants and contributions	686,894	288,800	975,694	675,087
Nonfinancial donations	37,444	-	37,444	13,964
Membership fees	95,950	-	95,950	92,072
Rental income	28,825	-	28,825	26,100
Retail - Net of cost of sales of \$42,746 (2024) and \$54,066 (2023)	55,162	-	55,162	11,225
Other revenue	55,143	-	55,143	16,991
Special event revenue - Net of expenses of \$0 (2024) and \$85,228 (2023)	-	-	-	5,000
Net investment return	314,894	7,360	322,254	356,295
Net assets released from restrictions	299,194	(299,194)	-	-
Total revenue, gains, and other support	5,924,984	(3,034)	5,921,950	5,068,186
Expenses				
Program services	4,988,851	-	4,988,851	4,065,046
Support services:				
Management and general	748,329	-	748,329	935,623
Fundraising	623,898	-	623,898	508,552
Total support services	1,372,227	-	1,372,227	1,444,175
Total expenses	6,361,078	-	6,361,078	5,509,221
Decrease in Net Assets	(436,094)	(3,034)	(439,128)	(441,035)
Net Assets - Beginning of year	4,088,258	739,217	4,827,475	5,268,510
Net Assets - End of year	\$ 3,652,164	\$ 736,183	\$ 4,388,347	\$ 4,827,475

Swallow Hill Music Association

Statement of Functional Expenses

Year Ended December 31, 2024
(with summarized comparative totals for 2023)

	Program Services	Management and General	Fundraising	Total	2023
Salaries	\$ 1,948,877	\$ 417,617	\$ 417,617	\$ 2,784,111	\$ 2,411,442
Payroll taxes and benefits	299,264	64,128	64,128	427,520	366,209
Total salaries and related expenses	2,248,141	481,745	481,745	3,211,631	2,777,651
Contract - Performers	982,925	-	-	982,925	791,192
Facility rental	409,836	-	-	409,836	506,227
Software	379,529	-	94,882	474,411	219,552
Professional services	248,104	62,026	-	310,130	277,284
Contract - Other	160,316	-	-	160,316	206,815
Advertising	-	123,479	-	123,479	106,412
Cost of sales	42,746	-	-	42,746	54,066
Merchant and bank fees	165,071	-	-	165,071	123,186
Depreciation	68,408	21,764	13,473	103,645	87,193
Printing	32,913	-	3,657	36,570	22,997
Insurance	45,248	14,397	8,912	68,557	94,984
Repairs and maintenance	25,413	8,086	5,006	38,505	39,131
Supplies	27,416	8,724	5,399	41,539	44,070
Other expenses	14,619	4,732	2,929	22,280	32,641
Utilities	19,209	6,111	3,784	29,104	30,166
Dues and licenses	110,605	-	-	110,605	107,997
Small instruments	23,990	-	-	23,990	7,610
Telephone	5,092	1,620	1,003	7,715	7,556
Interest	2,515	800	495	3,810	5,469
Postage	8,055	2,563	1,586	12,204	5,815
Travel	6,606	742	74	7,422	6,264
Meals and entertainment	4,840	1,540	953	7,333	4,009
Credit losses	-	10,000	-	10,000	5,000
Special event expenses	-	-	-	-	85,228
Total functional expenses	\$ 5,031,597	\$ 748,329	\$ 623,898	\$ 6,403,824	\$ 5,648,515

Statement of Cash Flows

Year Ended December 31, 2024
(with summarized comparative totals for 2023)

	2024	2023
Cash Flows from Operating Activities		
Decrease in net assets	\$ (439,128)	\$ (441,035)
Adjustments to reconcile decrease in net assets to net cash and cash equivalents from operating activities:		
Depreciation	103,645	87,193
Net realized and unrealized gains on investments	(238,014)	(348,581)
Net change in beneficial interest in assets held by others	(3,623)	(53,836)
Credit loss expense	10,000	5,000
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts and pledges receivable	213,441	(165,941)
SCFD receivable	(12,213)	100,556
Other assets	(31,697)	(16,223)
Accounts payable and accrued benefits	116,490	7,861
Deferred concert and class revenue	(25,037)	41,326
Net cash and cash equivalents used in operating activities	(306,136)	(783,680)
Cash Flows from Investing Activities		
Purchase of property and equipment and additions to CIP	(224,978)	(55,809)
Purchases of investments	(770,771)	(3,705,553)
Sales of investments	1,400,000	1,511,094
Net cash and cash equivalents provided by (used in) investing activities	404,251	(2,250,268)
Cash Flows Used in Financing Activities - Payments on notes payable	(38,914)	(40,312)
Net Increase (Decrease) in Cash and Cash Equivalents	59,201	(3,074,260)
Cash and Cash Equivalents - Beginning of year	311,422	3,385,682
Cash and Cash Equivalents - End of year	\$ 370,623	\$ 311,422
Supplemental Cash Flow Information - Cash paid for interest	\$ 3,810	\$ 5,469

December 31, 2024

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, 2023 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 2023 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, 2024 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 SCFD. The tax was first implemented in 1989, and the proceeds are distributed by the District to three tiers of Colorado cultural arts organizations. Swallow Hill Music Association qualifies as a Tier II organization. The amount distributed to Tier II organizations (including the Organization) is based on the revenue and paid attendance of each eligible organization. SCFD support is recognized as unrestricted grant revenue when received. During the year ended December 31, 2024, the Organization received Tier II funds of \$715,632.

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.

	<u>Depreciable Life - Years</u>
Building and building improvements	10 to 40
Furniture and equipment	3 to 7

December 31, 2024

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.

Grants and 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.

Grant revenue is considered a nonexchange transaction and is recognized as conditions on the grants have been met. Grant funds received in advance of conditions being met are recorded as deferred revenue.

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, 2024, no allowance was deemed necessary.

December 31, 2024

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, 2024 was \$37,444.

Advertising Expense

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2024 was \$123,479.

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.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including May 27, 2025, which is the date the financial statements were available to be issued.

December 31, 2024**Note 3 - Liquidity and Availability of Resources**

The following reflects the Organization's financial assets as of December 31, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Cash and cash equivalents	\$ 370,623
Accounts receivable	34,757
Pledges receivable	5,000
SCFD receivable	201,309
Investments	<u>2,842,221</u>
Financial assets - At year end	3,453,910
Less those unavailable for general expenditures within one year due to - Contractual or donor-imposed restrictions:	
Donor-restricted nonendowed net assets	626,770
Donor-restricted endowment	<u>109,413</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 2,717,727</u></u>

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet 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, the Organization invests cash in excess of daily requirements in various short-term investments, as disclosed in Note 4.

The Organization also realizes there could be unanticipated liquidity needs.

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.

Notes to Financial Statements

December 31, 2024

Note 4 - Fair Value Measurements (Continued)

The following table presents information about the Organization's assets measured at fair value on a recurring basis at December 31, 2024 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, 2024				
	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, 2024
Assets				
Cash held for investment	\$ 23,990	\$ -	\$ -	\$ 23,990
Mutual funds - U.S. Treasury securities	542,804	-	-	542,804
Index funds	1,737,935	-	-	1,737,935
Corporate debt securities	-	537,492	-	537,492
Beneficial interest in assets held by others	-	-	109,413	109,413
Total assets	\$ 2,304,729	\$ 537,492	\$ 109,413	\$ 2,951,634

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 Community First Foundation (CFF or the "Foundation"), the fair value of which is based upon information determined and reported by CFF and corroborated with CFF's audited financial statements by management. The fair value of investments held at CFF 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.

Net Investment Return

Dividends and interest income	\$ 100,760
Net realized and unrealized gains on investments	238,014
Management fees	(16,520)
Total	\$ 322,254

December 31, 2024

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

Land	\$ 115,192
Building and building improvements	1,304,497
Furniture and equipment	<u>788,745</u>
Total cost	2,208,434
Accumulated depreciation	<u>1,325,176</u>
Net property and equipment	<u><u>\$ 883,258</u></u>

Depreciation expense for the year ended December 31, 2024 was \$103,645.

Construction in progress shown on the statement of financial position relates to renovations to the Organization's headquarters that were set to begin in 2020 but, due to COVID-19, were put on hold. In 2024, the Organization revisited this project and underwent a new capital needs assessment to determine the extent of renovations needed to continue operating at its Yale Avenue facility. In 2025, the staff and board of the Organization will identify a funding strategy and determine a timeline for completion of all necessary renovation projects.

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.

	Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 105,790	\$ 105,790
Investment return:			
Investment income	-	547	547
Net depreciation - Including fees	-	6,813	6,813
Total investment return	-	7,360	7,360
Appropriation of endowment assets for expenditure	-	(3,737)	(3,737)
Endowment net assets - End of year	<u>\$ -</u>	<u>\$ 109,413</u>	<u>\$ 109,413</u>

Note 7 - Note Payable

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, 2024, the outstanding balance on the loan totaled \$64,910. The balance of the above debt matures as follows:

Years Ending	Amount
2025	\$ 41,282
2026	<u>23,628</u>
Total	<u><u>\$ 64,910</u></u>

Interest expense for the year ended December 31, 2024 was \$3,810.

Notes to Financial Statements

December 31, 2024

Note 8 - Net Assets

Net assets with donor restrictions consist of the following as of December 31, 2024:

Net assets with donor restrictions:	
Capital improvements	\$ 485,467
Fidelity	54,280
Outreach	87,023
Endowment	109,413
Total net assets with donor restrictions	\$ 736,183

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.

Contributed nonfinancial assets recognized within the statement of activities consisted of the following for December 31:

	2024	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated instruments	\$ 24,615	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	12,829	Program	None	Estimated fair value on the basis of estimates of value that would be received for providing similar services in the U.S.