Swallow Hill Music Association

Financial Report

December 31, 2025

Swallow Hill Music Association

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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, 2025 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, 2025 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.

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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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 27, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

June 1, 2026

Swallow Hill Music Association

Statement of Financial Position

December 31, 2025
(With Summarized Comparative Totals for 2024)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 427,886	$ 370,623
Accounts receivable	97,692	34,757
Pledges receivable	39,203	5,000
SCFD receivable	229,703	201,309
Other assets	87,089	59,124
Total current assets	881,573	670,813
Investments	2,501,361	2,842,221
Property and Equipment - Net	818,554	883,258
Construction in Progress	-	334,427
Beneficial Interest in Assets Held by Others	118,796	109,413
Total noncurrent assets	3,438,711	4,169,319
Total assets	**$ 4,320,284**	**$ 4,840,132**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 138,580	$ 166,016
Deferred concert and class revenue	270,424	118,612
Accrued benefits	112,998	102,247
Current portion of note payable	24,213	41,282
Total current liabilities	546,215	428,157
Note Payable - Net of current portion	-	23,628
Total liabilities	546,215	451,785
Net Assets		
Without donor restrictions	2,636,242	3,652,164
With donor restrictions	1,137,827	736,183
Total net assets	3,774,069	4,388,347
Total liabilities and net assets	**$ 4,320,284**	**$ 4,840,132**

See notes to financial statements.

Swallow Hill Music Association

Statement of Activities

Year Ended December 31, 2025
(With Summarized Comparative Totals for 2024)

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue, Gains, and Other Support				
Ticket sales - Net	$ 3,156,744	$ -	$ 3,156,744	$ 2,593,654
Music class tuition	1,400,412	-	1,400,412	1,042,192
SCFD support	820,111	-	820,111	715,632
Grants and contributions	356,902	347,036	703,938	975,694
Nonfinancial donations	41,792	-	41,792	37,444
Membership fees	105,908	-	105,908	95,950
Rental income	31,840	-	31,840	28,825
Retail - Net of cost of sales of $63,543 (2025) and $42,746 (2024)	86,357	-	86,357	55,162
Other revenue	54,778	-	54,778	55,143
Net investment return	329,549	60,884	390,433	322,254
Loss on abandonment of CIP	(334,427)	-	(334,427)	-
Net assets released from restrictions	6,276	(6,276)	-	-
Total revenue, gains, and other support	6,056,242	401,644	6,457,886	5,921,950
Expenses				
Program services	5,594,918	-	5,594,918	4,988,851
Support services:				
Management and general	780,335	-	780,335	748,329
Fundraising	696,911	-	696,911	623,898
Total support services	1,477,246	-	1,477,246	1,372,227
Total expenses	7,072,164	-	7,072,164	6,361,078
(Decrease) Increase in Net Assets	(1,015,922)	401,644	(614,278)	(439,128)
Net Assets - Beginning of year	3,652,164	736,183	4,388,347	4,827,475
Net Assets - End of year	**$ 2,636,242**	**$ 1,137,827**	**$ 3,774,069**	**$ 4,388,347**

See notes to financial statements.

Swallow Hill Music Association

Statement of Functional Expenses

Year Ended December 31, 2025
(With Summarized Comparative Totals for 2024)

	Program Services	Management and General	Fundraising	Total	2024
Salaries	$ 2,154,836	$ 461,750	$ 461,750	$ 3,078,336	$ 2,784,111
Payroll taxes and benefits	290,116	62,168	62,168	414,452	427,520
Total salaries and related expenses	2,444,952	523,918	523,918	3,492,788	3,211,631
Contract - Performers	1,232,516	-	-	1,232,516	982,925
Facility rental	329,031	-	-	329,031	409,836
Software	507,190	-	126,797	633,987	474,411
Professional services	279,570	69,893	-	349,463	310,130
Contract - Other	212,581	-	-	212,581	160,316
Advertising	-	118,427	-	118,427	123,479
Cost of sales	63,543	-	-	63,543	42,746
Merchant and bank fees	210,359	-	-	210,359	165,071
Depreciation	72,779	23,154	14,333	110,266	103,645
Printing	40,698	-	4,522	45,220	36,570
Insurance	36,780	11,703	7,244	55,727	68,557
Repairs and maintenance	24,683	7,854	4,862	37,399	38,505
Supplies	21,860	6,956	4,305	33,121	41,539
Other expenses	14,982	4,379	2,711	22,072	22,280
Utilities	21,874	6,960	4,309	33,143	29,104
Dues and licenses	92,051	-	-	92,051	110,605
Small instruments	25,403	-	-	25,403	23,990
Telephone	6,567	2,089	1,294	9,950	7,715
Interest	1,350	430	266	2,046	3,810
Postage	7,478	2,379	1,473	11,330	12,204
Travel	8,228	924	93	9,245	7,422
Meals and entertainment	3,986	1,269	784	6,039	7,333
Credit losses	-	-	-	-	10,000
Total functional expenses	**$ 5,658,461**	**$ 780,335**	**$ 696,911**	**$ 7,135,707**	**$ 6,403,824**

See notes to financial statements.

Swallow Hill Music Association

Statement of Cash Flows

Year Ended December 31, 2025
(With Summarized Comparative Totals for 2024)

	2025	2024
Cash Flows from Operating Activities		
Decrease in net assets	$ (614,278)	$ (439,128)
Adjustments to reconcile decrease in net assets to net cash and cash equivalents from operating activities:		
Depreciation	110,266	103,645
Net realized and unrealized gains on investments	(359,140)	(238,014)
Net change in beneficial interest in assets held by others	(9,383)	(3,623)
Loss on abandonment of CIP	334,427	-
Credit loss expense	-	10,000
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts and pledges receivable	(97,138)	213,441
SCFD receivable	(28,394)	(12,213)
Other assets	(27,965)	(31,697)
Accounts payable and accrued benefits	(16,685)	116,490
Deferred concert and class revenue	151,812	(25,037)
Net cash and cash equivalents used in operating activities	(556,478)	(306,136)
Cash Flows from Investing Activities		
Purchase of property and equipment and additions to CIP	(45,562)	(224,978)
Purchases of investments	(1,790,000)	(770,771)
Sales of investments	2,490,000	1,400,000
Net cash and cash equivalents provided by investing activities	654,438	404,251
Cash Flows Used in Financing Activities - Payments on notes payable	(40,697)	(38,914)
Net Increase in Cash and Cash Equivalents	57,263	59,201
Cash and Cash Equivalents - Beginning of year	370,623	311,422
Cash and Cash Equivalents - End of year	**$ 427,886**	**$ 370,623**
Supplemental Cash Flow Information - Cash paid for interest	$ 2,046	$ 3,810

See notes to financial statements.

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, 2024 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 2024 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. The Organization has elected the practical expedient to assume that the current conditions as of the statement of financial position date will not change for the remaining life of the asset. 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, 2025 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 earned. During the year ended December 31, 2025, the Organization received Tier II funds of $820,111. The receivable is expected to be collected upon within one year.

Investments

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. 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

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. There were no outstanding conditional grants as of December 31, 2025.

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, 2025, no allowance was deemed necessary.

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, 2025 was $41,792.

Advertising Expense

Advertising expense is charged to income during the year in which it is incurred. Advertising expense for 2025 was $118,427.

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 June 1, 2026, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of December 31, 2025, 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	$	427,886
Accounts receivable		97,692
Pledges receivable		39,203
SCFD receivable		229,703
Investments		2,501,361
Beneficial interest in assets held by others		118,796
Financial assets - At year end		3,414,641
Less those unavailable for general expenditures within one year due to - Contractual or donor-imposed restrictions:		
Donor-restricted nonendowed net assets		1,019,031
Donor-restricted endowment		118,796
Financial assets available to meet cash needs for general expenditures within one year	$	2,276,814

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.

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, 2025 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, 2025			
	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, 2025
Money market funds	$ 215,648	$ -	$ -	$ 215,648
Mutual funds - U.S. Treasury securities	615,779	-	-	615,779
Index funds	901,745	-	-	901,745
Corporate debt securities	-	768,189	-	768,189
Beneficial interest in assets held by others	-	-	118,796	118,796
Total assets	$ 1,733,172	$ 768,189	$ 118,796	$ 2,620,157

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	$ 83,734
Net realized and unrealized gains on investments	318,884
Management fees	(12,185)
Total	$ 390,433

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

Land	$ 115,192
Building and building improvements	1,306,497
Furniture and equipment	832,307
Total cost	2,253,996
Accumulated depreciation	1,435,442
Net property and equipment	$ 818,554

Depreciation expense for the year ended December 31, 2025 was $110,266.

Construction in progress (CIP) included in the statement of financial position relates to renovations of the Organization's headquarters that were originally expected to commence in 2020. Due to the COVID-19 pandemic, the project was placed on hold. In 2025, the Organization reassessed the project and performed an updated capital needs assessment to evaluate the renovations necessary for continued operations at its Yale Avenue facility. Based on the results of that assessment, management determined to pursue an alternative approach to the facility and, accordingly, concluded that the existing construction in progress balance was no longer recoverable. As a result, during the year ended December 31, 2025, the Organization recognized a loss on abandonment of CIP of $334,427, which is included in the statement of activities.

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, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	$ -	$ 109,413	$ 109,413
Investment return - Net appreciation - Including fees	-	13,836	13,836
Appropriation of endowment assets for expenditure	-	(4,453)	(4,453)
Endowment net assets - End of year	$ -	$ 118,796	$ 118,796

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, 2025, the outstanding balance on the loan totaled $24,213. The balance of the above debt matures as follows:

Year Ending	Amount
2026	$ 24,213

Interest expense for the year ended December 31, 2025 was $2,046.

On March 1, 2026, the Organization's outstanding debt balance matured. On that date, the Organization paid the remaining outstanding principal balance of $17,158 in full, along with all accrued interest, in accordance with the terms of the agreement.

Note 8 - Net Assets

Net assets with donor restrictions consist of the following as of December 31, 2025:

Net assets with donor restrictions:		
Capital improvements	$	532,516
Fidelity		54,280
Outreach		421,802
Endowment		118,796
Scholarships		10,433
Total net assets with donor restrictions	$	1,137,827

Note 9 - Contributed Nonfinancial Assets

The Organization receives volunteer services that are not recognized 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:

	2025	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Donated instruments	$ 24,837	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	16,955	Program	None	Estimated fair value on the basis of estimates of value that would be received for providing similar services in the U.S.

Note 10 - Retirement Plans

The Organization sponsors a 401(k) plan for all employees over 21 years old after 60 days of employment. The plan provides for the Organization to make required matching contributions equal to 50 percent of employee elective deferrals, up to 2 percent of eligible compensation. Contributions to the plan totaled $46,571 for the year ended December 31, 2025.