

Community Thread

Financial Statements with
Independent Auditor's Report

December 31, 2023

Community Thread
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Thread

Opinion

We have audited the accompanying financial statements of Community Thread (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Thread as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Thread and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Thread's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Community Thread'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 Community Thread'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 Community Thread's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 2, 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.

Schutz CPA, Ltd.

Schutz CPA, Ltd.

May 16, 2024

Community Thread
Statement of Financial Position
December 31, 2023
(With Comparative Totals for 2022)

	2023	2022
Assets		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 345,234	\$ 601,593
Contributions Receivable	40,606	25,946
Prepaid Expenses	15,368	14,525
Investment - Certificate of Deposit	168,466	
Total Current Assets	569,674	642,064
<u>Property and Equipment</u>		
Land	75,000	75,000
Building and Improvements	834,958	711,260
Furniture and Equipment	23,024	23,024
Total Property and Equipment	932,982	809,284
Accumulated Depreciation	(424,262)	(404,430)
Net Property and Equipment	508,720	404,854
<u>Other Assets</u>		
Assets Held By Community Foundation	26,110	22,517
Right of Use Asset - Bayport Lease	59,178	98,630
Right of Use Asset - Software Subscription	24,117	
Total Assets	\$1,187,799	\$ 1,168,065
Liabilities		
<u>Current</u>		
Accounts Payable	4,653	9,183
Accrued PTO	47,916	55,036
Deferred Revenue	6,964	5,012
Current Portion Lease Liability	39,452	39,452
Current Portion Software Agreement Liability	4,754	
Total Current Liabilities	103,739	108,683
<u>Long-Term Liability</u>		
Lease Liability, Net of Current Portion	19,726	59,178
Software Agreement Liability, Net of Current Portion	13,271	
Total Liabilities	136,736	167,861
Net Assets		
Net Assets Without Donor Restrictions	1,002,880	801,190
Net Assets With Donor Restrictions	48,183	199,014
Total Net Assets	1,051,063	1,000,204
Total Liabilities and Net Assets	\$1,187,799	\$ 1,168,065

See accompanying notes to financial statements.

Community Thread
Statement of Activities
Year Ended December 31, 2023
(With Comparative Totals for 2022)

	2023			2022 Total
	Without Donor Restriction	With Donor Restriction	Total	
Support and Revenue				
Grants and Contributions	\$ 534,866	\$ 220,606	\$ 755,472	\$ 754,866
Government Grants	27,750		27,750	28,750
In Kind Program Supplies	126,889		126,889	198,139
Program Fees	16,208		16,208	9,759
Membership	15,485		15,485	12,149
Rental Income	7,870		7,870	7,850
Fundraising	52,288		52,288	64,714
Investment Income	6,763		6,763	(3,992)
Other	18,384		18,384	7,163
Released from Restrictions	371,437	(371,437)		
Total Support and Revenue	<u>1,177,940</u>	<u>(150,831)</u>	<u>1,027,109</u>	<u>1,079,398</u>
Expenses				
Program	662,249		662,249	738,346
Management and General	225,829		225,829	197,966
Fundraising	88,172		88,172	79,561
Total Expenses	<u>976,250</u>		<u>976,250</u>	<u>1,015,873</u>
Change in Net Assets	<u>201,690</u>	<u>(150,831)</u>	<u>50,859</u>	<u>63,525</u>
Net Assets - Beginning of Year	801,190	199,014	1,000,204	936,679
Net Assets - End of Year	<u><u>\$ 1,002,880</u></u>	<u><u>\$ 48,183</u></u>	<u><u>\$1,051,063</u></u>	<u><u>\$1,000,204</u></u>

Community Thread
Statement of Functional Expenses
Year Ended December 31, 2023
(With Comparative Totals for 2022)

	2023				2022 Total
	Total	Management and General	Fund Raising	Total	
	Program Services				
Advertising	\$ 203	\$ 1,050	\$ 5,823	\$ 7,076	\$ 5,112
Communications	6,078	2,165		8,243	8,680
Contracted Services	15,138	40,948		56,086	22,409
Depreciation	17,849	1,983		19,832	22,351
Dues and Subscriptions	950	2,182	140	3,272	2,698
Education and Training	2,652	2,386	695	5,733	8,310
Employee Benefits	231	4,087	3,425	7,743	5,706
Insurance		10,354		10,354	9,263
Miscellaneous	739	6,156	54	6,949	5,771
Office Expense	4,368	2,964	333	7,665	7,022
Payroll Tax Expense	22,526	9,146	3,872	35,544	35,472
Postage and Delivery	600	5,642	150	6,392	4,710
Printing and Duplicating	4,206	1,402	3,780	9,388	13,140
Professional Fees		6,518		6,518	7,932
Rent	41,268			41,268	41,268
Repair and Maintenance	21,675	8,353		30,028	28,681
Salaries	297,586	110,070	53,591	461,247	472,987
Supplies	212,927	1,463	16,309	230,699	289,013
Technology	7,884	5,174		13,058	14,080
Utilities	5,369	3,786		9,155	11,268
Total Expenses	<u>\$662,249</u>	<u>\$ 225,829</u>	<u>\$88,172</u>	<u>\$976,250</u>	<u>\$1,015,873</u>

Community Thread
Statement of Cash Flows
Years Ended December 31, 2023
(With Comparative Totals for 2022)

	2023	2022
Cash Flows from (to) Operating Activities		
Change in Net Assets	\$ 50,859	\$ 63,525
Adjustments to Reconcile:		
Depreciation	19,832	22,351
(Gain) Loss on Investment	(3,593)	5,175
(Increase) Decrease in Right of Use Assets	40,387	
(Increase) Decrease in Current Assets:		
Contributions Receivable	(14,660)	(4,939)
Prepaid Expenses	(843)	(13,305)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	(4,530)	5,775
Deferred Revenue	1,952	2,012
Accrued Expenses	(7,120)	1,500
Net Cash from (to) Operating Activities	82,284	82,094
Cash Flows from (to) Investing Activities		
Purchase of Property and Equipment	(123,698)	(15,340)
Acquisition of Investment - Certificate of Deposit	(168,466)	
Net Cash from (to) Investing Activities	(292,164)	(15,340)
Cash Flows from (to) Financing Activities		
Payment of Lease Liability	(39,452)	
Payment of Software Agreement Liability	(7,027)	
Net Cash from (to) Financing Activities	(46,479)	
Net Increase in Cash and Cash Equivalents	(256,359)	66,754
Cash and Cash Equivalents, Beginning of Year	601,593	534,839
Cash and Cash Equivalents, End of Year	\$ 345,234	\$ 601,593

Community Thread
Notes to Financial Statements
December 31, 2023
(With Comparative Amounts for 2022)

Note 1: Nature of the Organization

Community Thread (the Organization) is a Minnesota nonprofit corporation organized for the purpose of maximizing resources and engaging volunteers to improve the quality of life for adults and their families in the local community.

The Organization currently provides the following programs and services:

Services for Older Adults, Families, and Individuals:

Thrive Program: The Thrive Program was established in April 2022 to assist older adults and individuals with disabilities living in the Stillwater Area. By engaging volunteers, this membership-based program helps fill requests for basic home assistance, such as cleaning, with the goal of making it easier for individuals to remain living at home. The program engages volunteer drivers who take people to and from needed appointments and to access community services. This program is available to all eligible residents of Stillwater School District 834 and anyone unable to pay the membership fee is subsidized.

The program also provides referrals and connections to resources for the public at large and offers the amenities of two Community Centers. These centers provide programs and activities that enhance the well-being of older adults. The Stillwater site also offers free income tax preparation assistance and other services in partnership with other nonprofit organizations.

Services to Support Volunteerism:

Volunteer Center and Holiday Hope: The Volunteer Center serves individuals and organizations through four primary functions: connecting people to opportunities to serve through a searchable database of volunteer opportunities; building capacity for local volunteering by providing training and support in volunteer management to local nonprofit organizations; promoting volunteerism in the community; and providing special community-wide service initiatives. For example, for over 50 years Community Thread has been providing help during the holidays through the Holiday Hope program (formerly Holiday Bureau). The program serves families, people with disabilities, and older adults by matching them with sponsors who provide gifts. The program passes through in-kind gifts to program recipients.

Note 2: Summary of Significant Accounting Policies

Financial Statement Presentation: The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Prior Year Summarized Comparative Financial Information: The December 31, 2022 financial statements are presented as summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Cash and Cash Equivalents: The Organization's cash consists of cash held in accounts at financial institutions. Cash equivalents represent money market funds and a short-term certificate of deposit with an original maturity of three months or less from the date of acquisition.

Community Thread
Notes to Financial Statements
December 31, 2023
(With Comparative Amounts for 2022)

Note 2: Summary of Significant Accounting Policies (Continued)

Contributions Receivable: Unconditional contributions receivable that are expected to be received within one year are recorded at net realizable value. Expected amounts for future years are at discounted rates. Allowance for uncollectible promises to give is based on historical experience and management's judgement. Accounts that are determined to be uncollectible are written off against the allowance account. No allowance was considered necessary for 2023 or 2022.

Investment – Certificate of Deposit: The Organization has a certificate of deposit held at a bank. The investment was recorded at cost plus interest which approximates fair value.

Property and Equipment: The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at the estimated fair value at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from 5 to 40 years.

Beneficial Interest in Assets Held by Community Foundation: During 2001, the Organization established the Community Thread Fund with the St. Croix Valley Community Foundation. The funds are part of a pooled growth portfolio with the overall investment recorded at fair market value and changes in value are allocated to the Organization based on investment balances. The agreement requires the community foundation to pay the net income or principal or both, as determined by the distribution policy adopted by the community foundation. Although the community foundation has variance powers to redirect the funds, the Organization retains future economic benefit in the transferred assets.

Deferred Revenue: Amounts for 2023 and 2022 consist of annual membership fees allocated for future periods ratably over the term of membership.

Net Assets: Net assets, revenues, gains and losses are classified based on the existence or absence of restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and are available for use in general operations in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or passage of time or are required by donor-stipulations that they be maintained by the Organization, that neither expire by passage of time nor can be fulfilled or otherwise removed by the action of the Organization. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition:

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been substantially met.

Community Thread
Notes to Financial Statements
December 31, 2023
(With Comparative Amounts for 2022)

Note 2: Summary of Significant Accounting Policies (Continued)

Revenue is recognized when earned. Program fees and rental income are deferred to the applicable period in which related services are performed. Special event revenue is recorded equal to the fair value of direct benefits to the donors and contributions income for the excess received when the event takes place. Membership fees are recognized over the calendar year membership period.

In-Kind Contributions: Donated supplies and gift cards received are valued at the estimated fair market value at the date of donation.

Donated Services: Volunteers contribute significant amounts of time to the Organization. However, the financial statements do not reflect the value of these services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. Contributed services are recognized for those services that improve or enhance property and equipment or for those that require specialized skills.

Advertising Costs: Advertising costs are expensed as incurred.

Functional Allocation of Expenses: The costs of providing various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services based on time and effort and usage of facilities and equipment.

Income Taxes: The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

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

Financial Instruments and Credit Risk: The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2023 and 2022, the Organization had \$268,700 and \$351,593, respectively, in excess of FDIC insurance limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with contributions receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts have already been collected. Assets held by the community foundation are invested in pooled accounts by diversified investment managers whose performance is monitored the community foundation's Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Recent Accounting Guidance: During the year ending December 31, 2023, the Organization adopted the accounting standards update on long term software use agreements. The objective of the new standard is to increase transparency and comparability in financial reporting by requiring recognition of long-term software subscription obligations in the statement of financial position and related disclosures. The Organization's software consisting of multiple modules and interfaces. The right of software subscription use asset and corresponding subscription liability have been recorded at the inception of the subscription in October 2023. There is no impact on prior years.

Community Thread
Notes to Financial Statements
December 31, 2023
(With Comparative Amounts for 2022)

Note 2: Summary of Significant Accounting Policies (Continued)

During the year ending December 31, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02 *Leases (Topic 842)*. The objective of the new standard is to increase transparency and comparability in financial reporting by requiring recognition of lease obligations in the statement of financial position and related disclosures. The Organization leases space for a senior center and has recognized the right of use asset and corresponding lease liability as of January 1, 2022 but has not calculated the impact on prior years.

Note 3: Liquidity and Availability

Financial assets available for general expenditure within one year of the statement of financial position date, are as follows:

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$345,234	\$601,593
Contributions Receivable	40,606	25,946
Prepaid Expenses	15,368	14,525
Investment – Certificate of Deposit	<u>168,466</u>	
Total Financial Assets	569,674	<u>642,064</u>
Restricted by Donors	<u>(48,183)</u>	<u>(199,014)</u>
Available Financial Assets	521,491	423,050

As part of the Organization's liquidity management, the financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due. Net assets with donor restrictions at year end have purpose and timing restrictions to be met in less than one year.

On September 21, 2021 the Board designated an Operating Reserve account in which three months of operating expenses (\$165,000) be set aside. In 2023, the funds were transferred to a seven-month certificate of deposit where they had previously been held in a 45-day certificate of deposit classified as a cash equivalent. Funds held in the Operating Reserve can be used in the event an operational expense arises that cannot be met from the main checking account. At December 31, 2023, the balance was \$168,466 which includes earned interest.

Board designated funds also include investments held at a community foundation of \$26,110, which could be requested if needed.

Excess cash is invested in short-term investments including a money market account and certificate of deposit. The Organization also has a \$100,000 line of credit which could be utilized if necessary.

Note 4: Investments at Fair Market Value

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs generally are based on indirect information, such as quoted prices for similar assets in active markets, or quoted prices for identical or similar assets in markets that are not active. Level 3 inputs, which are the most subjective, are generally based on the organization's own assumptions on how knowledgeable parties would price assets and are developed using the best information available in the circumstances. Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of investments.

Community Thread
Notes to Financial Statements
December 31, 2023
(With Comparative Amounts for 2022)

Note 4: Investments at Fair Market Value (Continued)

The summarized valuation of the Organization's investments by fair value hierarchy at December 31, 2023, and 2022 were as follows:

Assets Held by Community Foundation:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2023			\$26,110	\$26,110
2022			22,517	22,517

The activity of the Level 3 investments was as follows:

Level 3 Investments	<u>2023</u>	<u>2022</u>
Beginning Balance Investments	\$22,517	\$27,692
Income	3,962	579
Change in Value		(5,409)
Fees	(369)	(345)
Ending Balance Investments	<u>26,110</u>	<u>22,517</u>

The Organization reinvests the proceeds available to grant, \$1,052 and \$1,018 in 2023 and 2022, respectively, back into the fund. Unrealized changes in fair value for investments and realized gains and losses from sales are recorded in investment income.

Note 5: Right of Use Asset and Lease Liability

The Organization leases space for the Bayport Senior Center under a ten-year lease which ends on June 30, 2025. The initial lease called for monthly payments of \$3,574 with an annual increase equal to the consumer price index. On January 1, 2022, the monthly payment amount was reduced to \$3,439.

There were no renewal options included in the determination of the right-of-use asset and lease liability. The Organization has elected to use the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases has been elected. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the years ended December 31, 2023, and 2022 was \$39,452, each year.

The following summarizes supplemental cash flow information:

	<u>2023</u>	<u>2022</u>
Initial Right of Use Asset and Lease Liability		\$138,081
Reduction of Right of Use Asset	\$39,452	39,452
Reduction of Lease Liability	39,452	39,452

The weighted-average remaining lease term is 1.5 years.

The weighted-average discount rate is 2.25%.

The future minimum lease payments under noncancelable operating leases with terms greater than one year are as follows:

December 31, 2024	\$39,452
2025	19,726

Community Thread
Notes to Financial Statements
December 31, 2023
(With Comparative Amounts for 2022)

Note 5: Right of Use Asset and Lease Liability (Continued)

The Organization also leases various office equipment including a copy machine and a postage machine. The remaining right to use asset and lease liability on these leases is less than \$5,000 and payments are being expensed as incurred rather than separating lease and non-lease components and recording the right to use asset and corresponding liability.

Note 6: Right of Use Software Agreement Asset and Software Agreement Liability

In 2023, the Organization began a five-year software agreement. The initial payment made at the beginning of the agreement was \$7,414. Annual payments of \$4,754 with no increases for inflation are required for the remaining four years. There are additional fees should usage exceed the contract amount. The possibility of additional fees are not included in the calculation of the right-of-use asset or software agreement liability.

There were no renewal options included in the determination of the right-of-use asset and software agreement liability. The Organization has elected to use the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

Software agreements with total required payments of less than \$5,000 and terms of 12 months or less for both existing and ongoing software usage agreements are expensed as used and do not recognize the asset and liability for these software usage agreements.

Total software agreement cost recognized for the year ended December 31, 2023 was \$1,322.

The following summarizes supplemental cash flow information:

Initial Right of Use Asset and Software Agreement Liability	\$25,052
Reduction of Right of Use Asset	935
Reduction of Software Agreement Liability	7,027

The weighted-average remaining lease term at December 31, 2023, is 4.75 years.

The weighted-average discount rate is 5.5%.

The future minimum subscription payments under noncancelable software subscription agreement with terms greater than one year are as follows:

December 31, 2024	\$4,754
2025	4,754
2026	4,754
2027	4,754

Note 7: Line of Credit

The Organization has a line of credit arrangement with a bank which allows the Organization to borrow up to \$100,000. Interest is payable at variable rates. Any outstanding principal balance is secured by property. There was no outstanding balance at December 31, 2023 or 2022.

Community Thread
Notes to Financial Statements
December 31, 2023
(With Comparative Amounts for 2022)

Note 8: Deferred Revenue

In accordance with professional standards the following table provides information about significant changes in deferred revenue:

	<u>2023</u>	<u>2022</u>
Deferred Revenue, Beginning of Year	\$5,012	\$3,000
Revenue Recognized Current Year	(5,012)	(3,000)
Increase in Deferred Revenue Current Year	<u>6,964</u>	<u>5,012</u>
Deferred Revenue, End of Year	6,964	5,012

Note 9: Net Assets with Donor Restrictions

The Organization's net assets with donor restrictions are restricted for the following purposes at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Fire Suppression System	\$ 7,577	\$ 76,355
Capital Improvements	40,000	
Thrive Program		15,000
Bayport Senior Center		52,000
Improve Senior Medicare Outcomes		50,000
Subject to Passage of Time	<u>606</u>	<u>5,659</u>
Total Net Assets With Donor Restrictions	48,183	199,014

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors.

Note 10: Donated Goods

Contributed supplies and gift cards consist of school supplies, snack packets, and gifts for Holiday Hope. Items are new and are valued using estimated cost of replacement at retail prices. Donated items are recorded in the financial statements as unrestricted support by the Organization at the estimated fair value on the date of donation based on the estimated cost to purchase similar items. The value of items will vary year-to-year based on the mix of items donated. As part of determining the price, the Organization analyzes and reviews the results to determine the accuracy and understand the key components of the valuations and the year-to-year changes.

Note 11: Retirement Plan

The Organization sponsors a retirement plan for its employees. Employees, at their option may defer a percentage of compensation. The Organization may make a discretionary contribution for eligible employees who participate in the plan. No contributions were made to the Plan by the Organization for the years ended December 31, 2023 and 2022.

Note 12: Subsequent Events

The Organization has evaluated subsequent events through May 16, 2024, which was the date the financial statements were available to be issued.