

**The Humane Society of New York**

Audited Financial Statements

December 31, 2022

# **The Humane Society of New York**

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## **Independent Auditor's Report**

Board of Directors  
The Humane Society of New York

### **Opinion**

We have audited the financial statements of The Humane Society of New York (the "Organization"), which comprise the statement of financial position as of December 31, 2022, 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, 2022, 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 ("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 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 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.

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**

Prior auditors have previously audited the Organization's 2021 financial statements and expressed an unmodified audit opinion on those audited financial statements in their report dated October 26, 2022. In their opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Sax CPAs LLP*

New York, NY  
May 23, 2024

# The Humane Society of New York

## Statement of Financial Position

As of December 31, 2022  
(With Summarized Comparative Totals as of December 31, 2021)

	<b>December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,496,018	\$ 7,829,016
Investments	29,626,783	31,974,888
Clinic accounts receivable, net of allowance for doubtful accounts of \$108,925 and \$90,995 for 2022 and 2021, respectively	15,719	18,097
Medical and supplies inventories	291,371	306,247
Prepaid expenses	28,109	24,407
Other assets	4,260	4,260
Property and equipment, net	6,697,604	5,906,901
<b>TOTAL ASSETS</b>	<b>\$ 42,159,864</b>	<b>\$ 46,063,816</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 501,349	\$ 216,920
Compensation and benefits payable	135,639	125,230
<b>TOTAL LIABILITIES</b>	<b>636,988</b>	<b>342,150</b>
<b>NET ASSETS</b>		
Without donor restrictions	41,522,876	45,721,666
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 42,159,864</b>	<b>\$ 46,063,816</b>

*The accompanying notes and auditor's report are an integral part of these financial statements.*

# The Humane Society of New York

## Statement of Activities

For the Year Ended December 31, 2022  
(With Summarized Comparative Totals as of December 31, 2021)

	<b>2022</b>	<b>2021</b>
<b>REVENUES AND SUPPORT</b>		
Clinic and adoption fees	\$ 1,897,681	\$ 2,060,089
Grants and bequests	1,491,145	1,810,914
Contributions	974,625	1,062,797
Special events	3,162	7,218
Clinic revenue - in-kind	1,918,259	2,489,568
Net investment (loss) income	(2,142,483)	4,102,163
Total revenues and support	<u>4,142,389</u>	<u>11,532,749</u>
<b>EXPENSES</b>		
Program services	7,100,334	7,550,047
General and administrative	841,077	399,726
Fundraising	399,768	221,038
Total expenses	<u>8,341,179</u>	<u>8,170,811</u>
<b>Change in net assets</b>	<b>(4,198,790)</b>	<b>3,361,938</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTION, <i>beginning of year</i></b>	<u>45,721,666</u>	<u>42,359,728</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTION, <i>end of year</i></b>	<b><u>\$ 41,522,876</u></b>	<b><u>\$ 45,721,666</u></b>

*The accompanying notes and auditor's report are an integral part of these financial statements.*

# The Humane Society of New York

## Statement of Functional Expenses

For the Year Ended December 31, 2022

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	Program Services				Supporting Services			
	Animal Medical Care	Animal Shelter and Adoptions	Public Education	Program Total	General and Administrative	Fundraising	Total	2021 Total
Salaries	\$ 1,701,634	\$ 945,352	\$ 252,094	\$ 2,899,080	\$ 157,559	\$ 94,535	\$ 3,151,174	\$ 3,008,305
Payroll taxes and employee benefits	239,423	133,014	35,471	407,908	22,168	13,303	443,379	431,605
Drugs, medical supplies and services	3,050,764	82,681	-	3,133,445	-	-	3,133,445	3,671,176
Consulting and professional fees	34,205	19,757	49,754	103,716	378,732	184,760	667,208	79,233
Animal food	13,103	69,926	-	83,029	-	-	83,029	72,823
Provision for doubtful accounts	-	-	-	-	-	14,228	14,228	43,156
Occupancy - utilities and storage	43,775	32,007	6,019	81,801	4,290	6,020	92,111	86,521
Repairs and maintenance	30,916	24,447	2,950	58,313	2,950	2,950	64,213	93,956
Credit card and bank charges	-	-	-	-	221,860	-	221,860	196,757
Telephone	3,678	2,742	1,806	8,226	2,287	3,678	14,191	2,310
Office supplies	42,282	11,745	11,804	65,831	28,217	60,747	154,795	165,057
Insurance	46,073	25,479	6,826	78,378	4,149	2,794	85,321	84,215
Special events	-	-	-	-	-	-	-	379
Miscellaneous	6,895	22,113	1,075	30,083	10,502	8,391	48,976	44,068
Depreciation expense	75,262	66,900	8,362	150,524	8,363	8,362	167,249	191,250
Total expenses	<b>\$ 5,288,010</b>	<b>\$ 1,436,163</b>	<b>\$ 376,161</b>	<b>\$ 7,100,334</b>	<b>\$ 841,077</b>	<b>\$ 399,768</b>	<b>\$ 8,341,179</b>	<b>\$ 8,170,811</b>

The accompanying notes and auditor's report are an integral part of these financial statements.

# The Humane Society of New York

## Statement of Cash Flows

For the Year Ended December 31, 2022

(With Summarized Comparative Totals for the Year Ended December 31, 2021)

	December 31,	
	2022	2021
<b>CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Change in net assets	\$ (4,198,790)	\$ 3,361,938
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities		
Depreciation	167,249	191,250
Net investment loss (gain)	2,142,483	(3,711,448)
(Increase) decrease in assets		
Clinic accounts receivables, net	2,378	(4,874)
Medical and supplies inventories	-	38,510
Prepaid expenses	(3,702)	(452)
Other assets	14,876	-
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	284,429	(90,898)
Compensation and benefits payable	10,409	17,872
	<b>(1,580,668)</b>	<b>(198,102)</b>
<b>CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>		
Sale on investments	4,174,125	22,293,527
Purchase on investments	(3,968,503)	(22,539,470)
Capital improvements	(913,554)	(79,486)
Purchase of furniture and fixtures	(44,398)	-
	<b>(752,330)</b>	<b>(325,429)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,332,998)</b>	<b>(523,531)</b>
<b>CASH AND CASH EQUIVALENTS, <i>beginning of year</i></b>	<b>7,829,016</b>	<b>8,352,547</b>
<b>CASH AND CASH EQUIVALENTS, <i>end of year</i></b>	<b>\$ 5,496,018</b>	<b>\$ 7,829,016</b>

The accompanying notes and auditor's report are an integral part of these financial statements.

# The Humane Society of New York

## Notes to Financial Statements

December 31, 2022

### Note 1 - Nature of Organization

The Humane Society of New York (the "Organization") is organized as a non-profit corporation under the laws of the State of New York. The Organization was formed to foster the humane care of animals. In carrying out this basic purpose, the Organization has established facilities for a fully staffed clinic to furnish medical care to animals, as well as an animal shelter. The facilities are also used for an adoption program to place the animals with qualified new owners and to educate the public on the proper care and humane treatment of animals. The Organization is supported primarily through clinic and adoption fees, donor contributions, grants and bequests.

### Note 2 - Summary of Significant Accounting Policies

#### *a. Basis of Presentation and Use of Estimates*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### *b. Cash and Cash Equivalents*

The Organization considers cash on deposit, cash on hand, and certificates of deposit with an original maturity of less than three months (if any) to be cash and cash equivalents.

#### *c. Investments*

Investments in debt and equity securities are reported at their fair values in the statement of financial position. Fair value is determined using the account value on the last business day of the year utilizing statements received from the Organization's brokerage firms. All valuations are based on Level 1 standards. Realized and unrealized gains and losses are included in the change in net assets.

#### *d. Inventories*

Drugs and medical supplies are valued using a method that approximates the lower of cost or net realizable value.

#### *e. Receivables and Bad Debts*

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. It is the Organization's policy to write off contributions receivable at the time they are believed to be uncollectible.

The Organization utilizes the allowance method to account for uncollectible clinic receivables. The allowance for doubtful accounts is based on prior years' experience and management's analysis of possible bad debts. Bad debt recoveries are credited against the allowance account as realized. The allowance at December 31, 2022 and December 31, 2021 was \$108,925 and \$90,995, respectively.

# The Humane Society of New York

## Notes to Financial Statements

December 31, 2022

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *f. Property and Equipment*

Property and equipment are recorded at cost. Depreciation of property and equipment is being provided by the straight-line method over the estimated useful lives of the related assets once put into service.

Buildings	40 years
Building Improvements	20 years
Furniture and equipment	7-15 years
Vehicles	5 years

#### *g. Revenue Recognition*

The financial statements are presented in accordance with ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Topic 958 requires a not-for-profit organization to report information regarding its financial position and activities according to two classes of net assets. Net assets without donor restrictions and net assets with donor restrictions. The net asset without donor restrictions category represents net assets that are not subject to donor-imposed restrictions and the net asset with donor restrictions category represents net assets that are subject to time or purpose donor-imposed restrictions. It also requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. Additional disclosures must be provided on the contributed nonfinancial assets with the intent to improve transparency in the reporting of contributed nonfinancial assets. The Organization adopted the provisions of ASU 2020-07 for in-kind transactions of goods and services as of January 1, 2022. See Note 5 for further details on contributed goods and services.

Clinic and adoption fees are recognized in accordance with FASB ASC Topic 606, whereas the Organization has contracts with customers to provide approved services (performance obligations) to the individual. The Organization recognizes revenue in the period in which obligations to provide services are satisfied. As services are provided to the animals that are in the facility, the Organization recognizes revenue, resulting in revenue recognized over time.

Contributed income is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expirations of restrictions on net assets due to either the Organization fulfilling donor-imposed restrictions, or the passage of time, are reported as net assets released from restriction. Restrictions that expire in the reporting period in which the support is recognized are reported as an increase in net assets without donor restrictions.

Contributions, grants, contracts, and government support are recognized as revenue at the time they become unconditional and recorded in the appropriate net asset category in accordance with donor-imposed restrictions. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions are met. Contributions of assets other than cash are reported at their estimated fair value.

The Organization recognizes in-kind services in accordance with applicable accounting standards if the services received; (a) create or enhance non-financial assets, or (b) require specialized skills, and are provided by individuals possessing those skills, and will typically need to be purchased if not provided by donation.

# The Humane Society of New York

## Notes to Financial Statements

December 31, 2022

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *g. Revenue Recognition - Continued*

Grants and contributed income of cash or other assets that must be used to acquire long lived assets are recorded as contributions with donor restrictions until the assets are acquired and placed in service, except where funding agreements require alternative accounting treatment.

Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donor-imposed stipulation or by state law.

#### *h. Income Tax Status*

The Organization is a non-profit corporation, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a). U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financials to comply with the provisions of this guidance.

#### *i. Functional Allocation of Expenses*

The financial statements report certain categories that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Occupancy and depreciation expenses are allocated based on each program's share of the square footage of the occupied space. The remaining expense that is allocated includes salaries and benefits, consulting and professional fees, repairs and maintenance, credit card and bank charges, telephone, office supplies, and insurance are allocated on the basis of employee time and effort spent on each functional area. Drug, medical supplies and services, animal food, provision for doubtful accounts, special events and miscellaneous are allocated directly to the applicable category.

#### *j. Concentration of Credit Risk for Cash Held at Financial Institutions*

The Organization, at times, maintains cash balances in excess of federally insured amounts.

#### *k. Accounting Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### *l. Comparative Financial Information*

The financial statements include certain prior year summarized comparative information. With respect to the statement of activities, the prior year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category, in order to facilitate comparison; as a result, such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

# The Humane Society of New York

## Notes to Financial Statements

December 31, 2022

### Note 2 - Summary of Significant Accounting Policies - Continued

#### *m. Recently Adopted Pronouncements*

As of January 1, 2022, the Organization adopted ASU 2016-02, *Leases* (Topic 842), which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. If practical expedient is elected leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The adoption of this policy does not have a material impact on the financial statements with no changes made to the presentation of the statements.

#### *n. New Accounting Pronouncement*

In June 2016, FASB issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses* (Topic 326). The new ASU replaces the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit-loss estimates. The update requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. Credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. For private companies and not-for-profit organizations, the update is effective for fiscal years beginning after December 15, 2022. The Organization is currently evaluating the effect that this new guidance will have on the financial statements and related disclosures.

### Note 3 - Liquidity and Availability

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	December 31,	
	2022	2021
Financial assets, at year end		
Cash and cash equivalents	\$ 5,496,018	\$ 7,829,016
Investments	29,626,783	31,974,888
Clinic accounts receivable	15,719	18,097
	<u>\$ 35,138,520</u>	<u>\$ 39,822,001</u>

The Organization's practice is to manage financial assets to be available for its general expenditures, liabilities, and other obligations.

# The Humane Society of New York

## Notes to Financial Statements

December 31, 2022

### Note 4 - Clinic Accounts Receivable

An analysis of clinic accounts receivable as of December 31 and for the year then ended is as follows

	<u>2022</u>	<u>2021</u>
Gross accounts receivable from the Society's billing system commencing in 2007 for which partial payments have been received from clients	\$ 124,644	\$ 109,092
Less: allowance for doubtful accounts	<u>(108,925)</u>	<u>(90,995)</u>
Clinic accounts receivable, net	<u>15,719</u>	<u>18,097</u>

In addition, the Organization provides significant animal care to numerous other clients who do not have the ability to make any payments on their accounts. The Organization never refuses to provide care in these situations and no invoice is generated by its billing system. Management estimates that billings or these services would have been approximately \$1,918,259 and \$2,489,568 for the years ended December 31, 2022 and 2021, respectively, if these clients had the ability to make any payments for such services.

### Note 5 - Investment Securities

Investment securities as of December 31 consisted of the following Level 1 investments:

	<u>December 31,</u> <u>2022</u>	<u>2021</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Fixed income securities	\$ 12,760,600	\$ 6,657,618
Equity securities and mutual funds	16,746,639	22,732,468
Money market funds	119,544	2,584,802
Total	<u>\$ 29,626,783</u>	<u>\$ 31,974,888</u>

An analysis of investment return, including cash equivalents, for the years ended December 31, is as follows:

	<u>December 31,</u> <u>2022</u>	<u>2021</u>
Interest and dividends	\$ 802,391	\$ 510,717
Realized gains	1,083,586	3,357,217
Unrealized (losses) gains	(4,028,460)	354,231
Investment fees	<u>(160,900)</u>	<u>(120,002)</u>
Total	<u>\$ (2,303,383)</u>	<u>\$ 4,102,163</u>

# The Humane Society of New York

## Notes to Financial Statements

December 31, 2022

### Note 6 - Property and Equipment, Net

Property and equipment, net, at cost, consists of the following as of December 31, 2022 and 2021:

	December 31,	
	2022	2021
Land	\$ 1,467,000	\$ 1,467,000
Building	5,568,393	5,568,393
Building improvements	906,843	906,843
Furniture & fixtures	1,052,648	1,008,250
Vehicle	26,248	26,248
Construction in progress	913,554	-
Total	9,934,686	8,976,734
Less: Accumulated depreciation	(3,237,082)	(3,069,833)
Net	<u>\$ 6,697,604</u>	<u>\$ 5,906,901</u>

### Note 7 - Contributed Services

The Organization records the value of donated specialized services based upon the fair market value at the date of donation. The donated services that the Organization recorded were contributed services from clinic professionals based on current rates for similar animal related medical services with no donor restrictions. The amounts recorded were approximately \$1,900,000 and \$2,490,000 for the years ended December 31, 2022 and 2021, respectively, which are included in both revenue and expenses.

### Note 8 - Special Events

The Organization sponsors fundraising efforts at public events in New York City. Special event activities resulted in revenues of \$3,162 and \$7,218 for the years ended December 31, 2022 and 2021, respectively, which is reflected in the accompanying statements of activities.

### Note 9 - Fair Value Measurements

The Organization follows fair value measurements, which applies to all assets and liabilities that are being measured and reported on a fair value basis. Fair value measurements require disclosure that establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America and expands disclosure about fair value measurements. This measurement enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. Fair value measurements requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

# **The Humane Society of New York**

## **Notes to Financial Statements**

**December 31, 2022**

### **Note 9 - Fair Value Measurements - Continued**

In determining the appropriate levels, the Organization performs an annual analysis of the assets and liabilities that are subject to fair value measurements.

All investment securities have been valued using Level 1 standards indicated above. The carrying amounts of cash and cash equivalents, receivables, inventories, accounts payable and accrued expenses approximate fair value due to the short- term nature of these assets and liabilities.

### **Note 10 - Concentrations of Credit Risk**

As of December 31, 2022, the Organization maintains cash balances at a bank which is insured by the Federal Deposit Insurance Corporation for a limit of up to \$250,000. The Organization also maintains cash balances at brokerage firms, which at December 31, 2022, are insured by the Securities Investor Protection Corporation up to \$250,000. The Organization maintains its cash in bank deposit accounts and brokerage firms which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

### **Note 11 - Contingencies**

The Organization from time to time may become involved in legal claims arising in the ordinary course of their activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Organization's insurance policies, subject to normal deductibles, and accordingly, would not have a material effect on its financial position or changes in net assets.

### **Note 12 - Subsequent Events**

The Organization has evaluated subsequent events for potential recognition or disclosure through May 23, 2024, the date the financial statements were available to be issued.