

RADIO CATSKILL
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023



Certified Public Accountants
and Consultants

www.mmq.com

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Independent Auditor's Report

To the Board of Trustees of
Radio Catskill
Liberty, New York

Opinion

We have audited the financial statements of Radio Catskill (the Organization) which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 audits. 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 available to be issued.



To the Board of Trustees of
Radio Catskill
Liberty, New York

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.

MMA + Associates, P.C.

Scranton, Pennsylvania
May 19, 2025

RADIO CATSKILL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<u>ASSETS</u>	
	<u>2024</u>	<u>2023</u>
Current assets		
Cash	\$ 334,606	\$ 306,580
Accounts receivable, net	22,836	25,983
Contributions receivable	1,680	4,461
Grants receivable	47,556	-
Prepaid expenses	14,670	14,223
Operating lease right-of-use assets, current	3,503	3,332
Beneficial interest in assets held by community foundations	152,931	143,377
Total current assets	<u>577,782</u>	<u>497,956</u>
Property and equipment, net	1,324,084	1,325,355
Operating lease right-of-use assets, non-current	120,833	124,336
Total assets	<u>\$ 2,022,699</u>	<u>\$ 1,947,647</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable	\$ 3,199	\$ 7,116
Accrued payroll and payroll taxes	5,028	11,599
Refundable advance	50,000	-
Current portion of long-term debt	6,944	6,460
Operating lease liabilities, current	3,503	3,332
Total current liabilities	<u>68,674</u>	<u>28,507</u>
Long-term debt, net of current portion	384,247	390,680
Less unamortized debt issuance costs	5,931	6,636
Long-term debt, net	<u>378,316</u>	<u>384,044</u>
Operating lease liabilities, non-current	120,833	124,336
Total liabilities	<u>567,823</u>	<u>536,887</u>
Net assets		
Without donor restrictions		
Board designated	30,196	51,462
Undesignated	1,413,592	1,359,298
	<u>1,443,788</u>	<u>1,410,760</u>
With donor restrictions	11,088	-
Total net assets	<u>1,454,876</u>	<u>1,410,760</u>
Total liabilities and net assets	<u>\$ 2,022,699</u>	<u>\$ 1,947,647</u>

The accompanying Notes are an integral part of these Financial Statements.

RADIO CATSKILL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support						
Contributions	\$ 294,473	\$ -	\$ 294,473	\$ 273,123	\$ -	\$ 273,123
Grants	91,545	-	91,545	4,550	-	4,550
Corporation for Public Broadcasting	139,885	28,037	167,922	155,890	-	155,890
In-kind contributions	200	-	200	7,588	-	7,588
Fundraising income	76,602	-	76,602	74,015	-	74,015
Program revenue	101,575	-	101,575	79,220	-	79,220
Gain on sale of property and equipment	-	-	-	50,000	-	50,000
Change in beneficial interest in assets held by community foundations	9,554	-	9,554	15,484	-	15,484
Net assets released from restrictions (Note 4)	16,949	(16,949)	-	-	-	-
Total revenue and support	<u>730,783</u>	<u>11,088</u>	<u>741,871</u>	<u>659,870</u>	<u>-</u>	<u>659,870</u>
Expenses						
Program services	437,203	-	437,203	391,414	-	391,414
Supporting services						
Management and general	155,660	-	155,660	164,445	-	164,445
Fundraising	104,892	-	104,892	101,334	-	101,334
Total expenses	<u>697,755</u>	<u>-</u>	<u>697,755</u>	<u>657,193</u>	<u>-</u>	<u>657,193</u>
Increase in net assets	<u>33,028</u>	<u>11,088</u>	<u>44,116</u>	<u>2,677</u>	<u>-</u>	<u>2,677</u>
Net assets at beginning of year	<u>1,410,760</u>	<u>-</u>	<u>1,410,760</u>	<u>1,408,083</u>	<u>-</u>	<u>1,408,083</u>
Net assets at end of year	<u>\$ 1,443,788</u>	<u>\$ 11,088</u>	<u>\$1,454,876</u>	<u>\$ 1,410,760</u>	<u>\$ -</u>	<u>\$1,410,760</u>

The accompanying Notes are an integral part of these Financial Statements.

RADIO CATSKILL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	PROGRAM SERVICES	SUPPORT SERVICES		
	General Program	Management and General	Fund Raising	Total
Salaries and wages	\$ 164,792	\$ 28,144	\$ 52,322	\$ 245,258
Payroll tax expense	13,825	2,397	4,454	20,676
Employee benefits	29,148	5,054	9,392	43,594
Programming and dues	88,178	-	-	88,178
Professional fees	8,400	4,037	-	12,437
Station promotion	-	23,120	-	23,120
Internet	5,152	4,121	1,030	10,303
Postage and shipping	1,793	-	-	1,793
Rent	14,312	-	-	14,312
Office expense	4,784	3,827	957	9,568
Bank and credit card fees	-	7,311	-	7,311
Accounting/Audit	-	38,248	-	38,248
Insurance	-	10,174	-	10,174
Repairs and maintenance	6,814	6,814	-	13,628
Telephone	3,335	2,669	667	6,671
Utilities	9,238	7,390	1,848	18,476
Fundraising expenses	-	-	31,244	31,244
Depreciation	67,855	-	-	67,855
Interest	14,890	11,912	2,978	29,780
Miscellaneous	1,310	-	-	1,310
Taxes	3,177	-	-	3,177
Professional development	-	442	-	442
In-kind expenses	200	-	-	200
Total	\$ 437,203	\$ 155,660	\$ 104,892	\$ 697,755

The accompanying Notes are an integral part of these Financial Statements.

RADIO CATSKILL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	PROGRAM SERVICES	SUPPORT SERVICES		
	General Program	Management and General	Fund Raising	Total
Salaries and wages	\$ 123,335	\$ 31,640	\$ 50,510	\$ 205,485
Payroll tax expense	9,867	2,528	4,007	16,402
Employee benefits	23,734	6,080	9,639	39,453
Programming and dues	86,534	-	-	86,534
Professional fees	8,400	14,927	-	23,327
Station promotion	-	16,404	-	16,404
Internet	4,066	3,252	813	8,131
Postage and shipping	1,920	-	-	1,920
Rent	14,220	-	-	14,220
Office expense	7,362	5,889	1,472	14,723
Bank and credit card fees	-	6,651	-	6,651
Travel	297	-	-	297
Accounting/Audit	-	43,171	-	43,171
Insurance	-	6,440	-	6,440
Repairs and maintenance	3,919	3,919	-	7,838
Telephone	3,199	2,560	640	6,399
Utilities	9,808	7,846	1,961	19,615
Fundraising expenses	-	-	29,120	29,120
Depreciation	67,821	-	-	67,821
Interest	15,861	12,688	3,172	31,721
Miscellaneous	465	-	-	465
Taxes	3,018	-	-	3,018
Professional development	-	450	-	450
In-kind expenses	7,588	-	-	7,588
Total	<u>\$ 391,414</u>	<u>\$ 164,445</u>	<u>\$ 101,334</u>	<u>\$ 657,193</u>

The accompanying Notes are an integral part of these Financial Statements.

RADIO CATSKILL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating activities		
Increase in net assets	\$ 44,116	\$ 2,677
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	67,855	67,821
Amortization	705	411
Gain on sale of property and equipment	-	(50,000)
Change in beneficial interest in assets held by community foundations	(9,554)	(125,484)
(Increase) decrease in:		
Accounts receivable	3,147	(18,278)
Contributions receivable	2,781	(4,461)
Grants receivable	(47,556)	3,994
Prepaid expenses	(447)	(2,497)
Increase (decrease) in:		
Accounts payable	(3,917)	(2,972)
Refundable advance	50,000	-
Accrued payroll and payroll taxes	(6,571)	9,582
Net cash provided by (used in) operating activities	<u>100,559</u>	<u>(119,207)</u>
Investing activities		
Purchase of property and equipment	(66,584)	-
Proceeds from disposal of fixed assets	-	50,000
Net cash (used in) provided by investing activities	<u>(66,584)</u>	<u>50,000</u>
Financing activities		
Principal payments on long-term debt	(5,949)	(2,814)
Debt issuance costs	-	(7,047)
Proceeds from long-term debt	-	500
Net cash used in financing activities	<u>(5,949)</u>	<u>(9,361)</u>
Increase (decrease) in cash	28,026	(78,568)
Cash and restricted cash at beginning of year	<u>306,580</u>	<u>385,148</u>
Cash and restricted cash at end of year	<u>\$ 334,606</u>	<u>\$ 306,580</u>

The accompanying Notes are an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Radio Catskill (the Organization) is a New York State non-profit organization established to acquire and maintain a Federal Communication Commission (FCC) license to operate an educational, non-commercial radio station located in Liberty, New York. The Organization rents a second location in Honesdale, Pennsylvania which provides programming and is transmitted through to the Liberty station. Radio Catskill uses the call letters WJFF and has a geographical listening area that covers Sullivan and portions of Ulster, Delaware and Orange counties in New York and Pike and Wayne counties in Pennsylvania.

The Organization is supported by fundraising events, government grants, public and private foundations, local business and individual contributions. They have licensing agreements with third party providers for music and informational content which are paid quarterly.

Basis of 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.

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.

Cash

Cash includes short-term deposits with original maturities of three months or less.

Accounts Receivable

Accounts receivable are carried at the original invoice amount, less an estimate for doubtful accounts. Outstanding balances are reviewed individually for collectability. The allowance for doubtful accounts is management's best estimate of the amount of probable credit losses. Bad debt expense is included in Management & General Expenses. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management determines when receivables are past due or delinquent based on how recently payments have been received. The Organization does not assess interest on overdue account balances. No allowance was recorded at December 31, 2024 and 2023.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Investments

Equity securities with readily determinable fair values and debt securities are valued at fair value based on quoted market prices. Adjustments to reflect increases or decreases in market value, referred to as unrealized gains and losses, are reported in the Statements of Activities.

The cost of investments received as gifts is fair value as determined upon receipt. The cost of investments sold is determined by use of the specific identification method.

All realized gains and losses arising from the sale of investments and ordinary income from investments are reported as changes in net assets without donor restrictions unless their use is restricted by explicit donor-imposed stipulations.

Beneficial Interest

The Organization has adopted the accounting statement that establishes standards for transactions in which a community foundation accepts assets from a donor and agrees to transfer those assets, the return on investment of those assets or both to another Organization that is specified by the donor. It also states that a community foundation shall recognize its liability to the specified beneficiary concurrent with its recognition of cash or other financial assets received from the donor.

In December 2021, the Organization entered into an agreement with the Wayne County Community Foundation to establish a fund to serve as a receptacle for gifts of cash and other property that the Organization receives. In January 2023, the Organization entered into a similar agreement with the Community Foundation of Orange and Sullivan. Under the terms of the agreements, it is the intent of the Organization to make distributions from the funds.

The agreements also provide that the funds shall be a component part of the Foundations and not a separate trust. The agreements are subject to the provisions of Federal tax laws and regulations. The Foundations are authorized to amend the agreements to conform to the provisions of any applicable law or government regulation to carry out its intention. In the event that it becomes unnecessary, undesirable, impractical, or impossible for the Organization to utilize the funds, the Foundations will replace the Organization's variance of power.

Included on the accompanying Statements of Financial Position of the Organization is a "Beneficial interest in assets held by community foundations" in the amount of \$152,931 and \$143,377 at December 31, 2024 and 2023, respectively.

Property and Equipment

Land, buildings and equipment purchases are capitalized at cost. Donations of land, buildings or equipment are recorded at estimated fair value and are included in support unless restricted to a specific purpose. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Long-Lived Assets

The Organization reviews the carrying value of long-lived assets for impairment whenever events or changes in circumstances indicate that carrying amounts of the assets might not be recoverable.

Net Assets with Donor Restrictions

Net assets with donor restrictions are those whose use by the Organization have been limited by donors to a specific time period or purpose. Net assets with donor restrictions also include net assets that have been restricted by donors to be maintained by the Organization in perpetuity.

Public Support and Promises to Give

The Organization engages in fundraising campaigns manifested by offering some special radio programs and on-air and mail appeals. These appeals encourage supporters, both individuals and organizations, to provide financial contributions to the Organization for enhancement of program offerings and other operating expenses. Financial contributions are frequently evidenced by pledges received from responding listeners.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

Community Service Grants (CSGs) awarded for operating purposes (primarily through the Corporation for Public Broadcasting (CPB)) are recognized as support when grants are awarded since no direct value or specific performance is required in exchange. Pursuant to the Communications Act, CSG funds distributed by the CPB are to be used at the discretion of the recipient for purposes related primarily to the production or acquisition of programming. CSGs awarded for specific performance and/or use such as the grants received from the CPB for national public broadcasting expenditures are recognized when the expenditures have been incurred for a specific period.

In-Kind Contributions

In-kind contributions are recorded as revenues and expenses in the period received at their estimated fair values. In-kind contributions include donated professional services, equipment, advertising, materials and supplies. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Recognition of Donor-Restricted Contributions

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Program Underwriting and Production Services

The Organization recognizes revenue and expenses on projects as work progresses.

Grants and Contracts

Grants and contracts normally provide for the recovery of direct and indirect costs. Individual grant arrangements have been evaluated and most have been determined to be nonreciprocal, meaning the granting entity has not received a direct benefit in exchange for the resources provided. Instead, revenue is recognized like a conditional contribution, i.e., when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met. Grants that have been determined to be reciprocal fall under the scope of ASC Topic 606 and are recognized as the performance obligations are satisfied.

Advertising

Advertising costs are expensed as incurred. Total advertising expenses for the years ended December 31, 2024, and 2023, were \$23,120 and \$16,404, respectively.

Cash Flows

For purposes of the Statements of Cash Flows, cash includes cash and highly liquid money market funds.

The Organization did not pay any income taxes and paid interest in the amount of \$29,074 during the year ended December 31, 2024. The Organization did not pay any income taxes and paid interest in the amount of \$31,310 during the year ended December 31, 2023.

Income Taxes

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code.

In accordance with the Financial Accounting Standards Board guidance on accounting for uncertainty in income taxes, management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2021.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Leases

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or year beginning January 1, 2022, for existing leases upon the adoption of ASC Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election to utilize the current borrowing rate on other Organization debt, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed-rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Cost Allocations

The financial statements report certain expense categories that are attributable to more than one function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and occupancy costs, are allocated to a functional region based on square-footage. Salaries and wages, payroll tax expense, employee benefits, and other expenses are allocated to a functional region based on estimated time and effort.

Note 1 - Nature of Operations and Summary of Significant Accounting Policies - (Continued)

Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of December 31, 2024, the following financial assets are available to meet annual operating needs for the year ended December 31, 2025:

Financial assets at year end:	
Cash	\$ 334,606
Accounts receivable, net	22,836
Contributions receivable	1,680
Financial assets available to meet general expenditures within one year	<u>\$ 359,122</u>

The Organization has various sources of liquidity at its disposal including cash and net receivables.

Subsequent Events

The Organization has evaluated subsequent events through May 19, 2025, the date the financial statements were available to be issued, and concluded no events or transactions occurred during the period requiring recognition or disclosure.

Note 2 - Property and Equipment

Property and equipment consisted of the following at December 31, 2024 and 2023:

	2024	2023	Depreciable Lives
Buildings and improvements	\$ 1,233,315	\$ 1,219,687	10-50 Years
Equipment	835,196	782,240	5-10 Years
	<u>2,068,511</u>	<u>2,001,927</u>	
Less: Accumulated depreciation	<u>744,427</u>	<u>676,572</u>	
Property and equipment, net	<u>\$ 1,324,084</u>	<u>\$ 1,325,355</u>	

Depreciation expense amounted to \$67,855 and \$67,821 for the years ended December 31, 2024 and 2023 respectively.

Note 3 - Long-Term Debt

In March 2021, the Organization obtained a \$225,000 construction mortgage loan for capital improvements from Jeff Bank. The loan was secured by real property and had a term of thirty-six months with all principal due at maturity. Payments of interest only were due at prime plus 1.50% with a floor of 4.75%. In March 2022, the loan amount was restated to \$400,000. In June 2023, the loan was restated with initial monthly payments of principal and interest due in the amount of \$2,919 with an interest rate of 7.25%. The interest rate is subject to change every 36 months. The monthly payments are based upon a 25-year amortization with the entire outstanding principal balance and any accrued interest due on June 6, 2033.

Note 3 - Long-Term Debt - (Continued)

Long-term debt consisted of the following at December 31, 2024 and 2023:

	2024	2023
Loan payable	\$ 391,191	\$ 397,140
Less: Current portion	6,944	6,460
Less: Debt issuance costs	5,931	6,636
Long-term debt, net of current portion	<u>\$ 378,316</u>	<u>\$ 384,044</u>

Based on the current amortization schedules, the long-term debt matures as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 6,944
2026	7,464
2027	8,024
2028	8,625
2029	9,272
Thereafter	<u>350,862</u>
Total	<u>\$ 391,191</u>

Note 4 - Net Assets with Donor Restrictions

At December 31, 2024, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for programs, in the amount of \$16,949. At December 31, 2023, there were no donor restricted net assets.

Note 5 - Operating Leases

The Organization leases real estate and equipment under operating lease agreements that have initial terms of 5 years. Some leases include an option to renew, generally at the Organization's sole discretion, with renewal terms that can extend the lease term up to 30 years. The options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Organization will exercise that option. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease costs are recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the years ended December 31, 2024 and 2023:

	2024	2023
Operating lease cost – real estate	\$ 4,712	\$ 4,620
Operating lease cost – equipment	9,600	9,600
Total rent expense	<u>\$ 14,312</u>	<u>\$ 14,220</u>

Note 5 - Operating Leases - (Continued)

Supplemental cash flow information related to leases is as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows—payments on operating leases	\$ 14,312	\$ 14,220

Supplemental Statement of Financial Position information related to leases is as follows as of December 31:

Weighted-average remaining lease term:	<u>2024</u>	<u>2023</u>
Operating leases	10 years	11 years
Weighted-average discount rate:		
Operating leases	5.00%	5.00%

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the Statements of Financial Position are as follows as of December 31, 2024:

	<u>Operating Leases</u>
Years ending December 31:	
2025	\$ 9,600
2026	9,600
2027	9,600
2028	9,600
2029	9,600
Thereafter	151,200
Total lease payments	<u>199,200</u>
Less imputed interest	<u>74,864</u>
Total present value of lease liabilities	<u>\$ 124,336</u>

Note 6 - Pension and Employee Benefits

The Organization sponsors a defined contribution Simple IRA plan for all eligible employees. Employees may defer salary up to the limits in the law. Employees over the age of fifty may make additional contributions. The Organization makes nonelective contributions of 2% of eligible employee compensation. During the years ending December 31, 2024 and 2023, the Organization contributed \$3,355 and \$2,148, respectively to the pension plan.

Note 7 - Concentration of Credit Risk

The Organization maintains its cash accounts in one commercial bank located in Jeffersonville, New York. Accounts at this bank are insured, in aggregate, by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

Note 8 - In-Kind Contributions

During 2024, the Organization received donated services amounting to \$200 that were recorded as program expenses.

During 2023, the Organization received donated services amounting to \$7,588 that were recorded as program expenses.