

Brightstone, Inc.

Financial Statements
For the Years Ended December 31, 2023 and 2022

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Independent Auditor's Report

Board of Directors
Brightstone, Inc.

Opinion

We have audited the financial statements of Brightstone, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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, 2023 and 2022, 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 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.

Blankenship CPA Group, PLLC

Blankenship CPA Group, PLLC
Brentwood, Tennessee
April 12, 2024

Brightstone, Inc.
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Cash	\$ 745,970	\$ 1,799,735
Contributions receivable	1,516,119	1,139,329
Accounts receivable	19,911	10,691
Prepaid expenses and other assets	60,405	46,908
Cash restricted or designated for long-term use	1,580,358	5,283,238
Property and equipment, net	<u>19,284,594</u>	<u>18,795,457</u>
Total assets	\$ 23,207,357	\$ 27,075,358
Liabilities and Net Assets		
Liabilities		
Accounts and retainage payable	\$ 36,175	\$ 945,362
Accrued liabilities	29,004	1,621
Deferred revenues	22,896	26,625
Note payable	<u>1,268,491</u>	<u>5,338,931</u>
Total liabilities	1,356,566	6,312,539
Net assets		
Without donor restrictions	19,776,628	18,387,348
With donor restrictions	<u>2,074,163</u>	<u>2,375,471</u>
Total net assets	<u>21,850,791</u>	<u>20,762,819</u>
Total liabilities and net assets	\$ 23,207,357	\$ 27,075,358

Brightstone, Inc.
Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions of cash and other financial assets	\$ 896,522	\$ 1,908,072	\$ 2,804,594
Contributions of nonfinancial assets	29,356	-	29,356
Special events			
Contributions of cash	540,333	-	540,333
Contributions of nonfinancial assets	6,432	-	6,432
Less: direct benefit to donors	<u>(82,497)</u>	<u>-</u>	<u>(82,497)</u>
Total special events	464,268	-	464,268
Tuition	441,723	-	441,723
Fees	36,680	-	36,680
Product sales (net of direct costs of \$25,576)	18,939	-	18,939
Other income	104,433	-	104,433
Interest income	8,647	-	8,647
Net assets released from restrictions	<u>2,209,380</u>	<u>(2,209,380)</u>	<u>-</u>
Total support and revenues	4,209,948	(301,308)	3,908,640
Expenses			
Program services	1,928,539	-	1,928,539
Management and general	276,585	-	276,585
Fundraising	<u>615,544</u>	<u>-</u>	<u>615,544</u>
Total expenses	2,820,668	-	2,820,668
Change in net assets	1,389,280	(301,308)	1,087,972
Net assets, beginning of year	<u>18,387,348</u>	<u>2,375,471</u>	<u>20,762,819</u>
Net assets, end of year	\$ 19,776,628	\$ 2,074,163	\$ 21,850,791

Brightstone, Inc.
Statement of Activities
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions of cash and other financial assets	\$ 1,082,346	\$ 2,383,575	\$ 3,465,921
Contributions of nonfinancial assets	134,777	-	134,777
Special events			
Contributions of cash	327,645	-	327,645
Contributions of nonfinancial assets	4,576	-	4,576
Less: direct benefit to donors	<u>(22,875)</u>	<u>-</u>	<u>(22,875)</u>
Total special events	309,346	-	309,346
Tuition	332,077	-	332,077
Fees	26,355	-	26,355
Product sales (net of direct costs of \$20,388)	8,612	-	8,612
Gain on sale of property and equipment	1,877,829	-	1,877,829
Other income	159,417	-	159,417
Interest income	11,995	-	11,995
Net assets released from restrictions	<u>5,032,269</u>	<u>(5,032,269)</u>	<u>-</u>
Total support and revenues	8,975,023	(2,648,694)	6,326,329
Expenses			
Program services	1,235,186	-	1,235,186
Management and general	169,328	-	169,328
Fundraising	<u>421,533</u>	<u>-</u>	<u>421,533</u>
Total expenses	1,826,047	-	1,826,047
Change in net assets	7,148,976	(2,648,694)	4,500,282
Net assets, beginning of year	<u>11,238,372</u>	<u>5,024,165</u>	<u>16,262,537</u>
Net assets, end of year	\$ 18,387,348	\$ 2,375,471	\$ 20,762,819

Brightstone, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	<u>Program Services</u>		Management and General	Fundraising	Total
	Educational Services	Campus Program			
Compensation and related costs					
Compensation	\$ 768,917	\$ 71,644	\$ 156,723	\$ 340,296	\$ 1,337,580
Payroll taxes and other benefits	123,505	8,300	23,875	26,808	182,488
	<u>892,422</u>	<u>79,944</u>	<u>180,598</u>	<u>367,104</u>	<u>1,520,068</u>
Capital campaign and development	-	-	-	49,046	49,046
Community relations and development	11,805	-	2,267	87,004	101,076
Depreciation	324,682	51,366	23,503	23,499	423,050
Facilities	212,148	93,250	12,193	17,070	334,661
Interest	126,476	1,454	7,269	10,176	145,375
Lunches	24,805	2,163	-	-	26,968
Office	23,160	617	27,259	12,309	63,345
Professional services	-	-	16,266	-	16,266
Scholarships	25,613	-	-	-	25,613
Student activities	7,937	-	-	-	7,937
Teaching supplies and materials	19,976	-	-	-	19,976
Training	3,828	-	1,575	1,921	7,324
Transportation	26,893	-	-	45	26,938
Banking fees	-	-	5,655	22,663	28,318
Total expenses before special events direct costs	<u>1,699,745</u>	<u>228,794</u>	<u>276,585</u>	<u>590,837</u>	<u>2,795,961</u>
Special events direct costs	-	-	-	100,772	100,772
Donated items for special events	-	-	-	6,432	6,432
Less direct benefits to donors	-	-	-	(82,497)	(82,497)
Total special events direct costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,707</u>	<u>24,707</u>
Total functional expenses	\$ 1,699,745	\$ 228,794	\$ 276,585	\$ 615,544	\$ 2,820,668

Brightstone, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	<u>Program Services</u>		Management and General	Fundraising	Total
	Educational Services	Campus Program			
Compensation and related costs					
Compensation	\$ 603,128	\$ 92,196	\$ 95,792	\$ 239,378	\$ 1,030,494
Payroll taxes and other benefits	113,521	13,859	18,944	17,615	163,939
	<u>716,649</u>	<u>106,055</u>	<u>114,736</u>	<u>256,993</u>	<u>1,194,433</u>
Capital campaign and development	-	-	-	31,364	31,364
Community relations and development	142	512	104	85,163	85,921
Depreciation	81,889	46,303	4,705	5,299	138,196
Facilities	83,396	110,781	4,396	5,195	203,768
Lunches	18,287	-	-	-	18,287
Office	13,454	228	14,576	8,052	36,310
Professional services	-	-	30,811	-	30,811
Scholarships	16,341	-	-	-	16,341
Student activities	4,579	-	-	-	4,579
Teaching supplies and materials	11,428	-	-	-	11,428
Training	-	3,364	-	1,449	4,813
Transportation	19,974	1,804	-	-	21,778
Banking fees	-	-	-	18,480	18,480
Total expenses before special events direct costs	<u>966,139</u>	<u>269,047</u>	<u>169,328</u>	<u>411,995</u>	<u>1,816,509</u>
Special events direct costs	-	-	-	27,837	27,837
Donated items for special events	-	-	-	4,576	4,576
Less direct benefits to donors	-	-	-	(22,875)	(22,875)
Total special events direct costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,538</u>	<u>9,538</u>
Total functional expenses	\$ 966,139	\$ 269,047	\$ 169,328	\$ 421,533	\$ 1,826,047

Brightstone, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash, beginning of year	\$ 7,082,973	\$ 5,502,581
Cash flows from operating activities		
Change in net assets	1,087,972	4,500,282
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	423,050	138,196
Gain on sale of property and equipment	-	(1,877,829)
Donated property and equipment	(24,174)	(66,575)
Donated services for property held for development	-	(41,012)
Cash received for long-term assets	(1,165,517)	(3,011,871)
Change in accounts and retainage payable for property development	(908,938)	(386,957)
PPP loan forgiveness	-	(178,307)
Change in:		
Contributions receivable	(376,790)	717,236
Accounts receivable	(9,220)	(10,572)
Prepaid expenses and other assets	(13,497)	(43,263)
Accounts and retainage payable	(249)	409,262
Accrued liabilities	27,383	(17,018)
Deferred revenues	(3,729)	(607)
Net cash provided (used) by operating activities	<u>(963,709)</u>	<u>130,965</u>
Cash flows from investing activities		
Proceeds from the sale of property and equipment	-	2,835,974
Payments for property and equipment	(888,013)	(9,737,349)
Net cash provided (used) by investing activities	<u>(888,013)</u>	<u>(6,901,375)</u>
Cash flows from financing activities		
Cash received for long-term assets	1,165,517	3,011,871
Draws on construction loan	-	5,338,931
Payments on note payable	(4,070,440)	-
Net cash provided (used) by financing activities	<u>(2,904,923)</u>	<u>8,350,802</u>
Net change in cash	<u>(4,756,645)</u>	<u>1,580,392</u>
Cash, end of year	\$ 2,326,328	\$ 7,082,973
Reconciliation of cash to statements of financial position		
Cash	\$ 745,970	\$ 1,799,735
Cash restricted or designated for long-term use	<u>1,580,358</u>	<u>5,283,238</u>
	\$ 2,326,328	\$ 7,082,973
Supplemental Cash Disclosures		
Cash paid for interest	\$ 149,785	\$ 78,473

Brightstone, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 1. Organization and Nature of Activities

BrightStone, Inc. (the Organization) is a Tennessee not-for-profit corporation that provides a comprehensive work, educational, and social support community for adults with special needs, expanding their potential and helping them develop mentally, physically, emotionally, socially, and spiritually. The purpose is to provide life-long education that enables individuals to learn and work with job skills which contribute to society and to their personal fulfillment; develop meaningful job skills and productive work habits; eventually, provide housing with assistance as needed, while teaching living skills toward social, emotional, and spiritual growth; provide opportunities for a richer, more fulfilling life through learning, experiencing, and enjoying mental, physical, and recreational skills; inspire others to provide similar opportunities in other communities; and to serve as a research center to improve the training and education of functionally disabled adults. The Organization's support consists of funds received from individuals and foundations. The Organization's revenues consist primarily of tuition paid by the students attending the Organization's work and educational programs.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP), which principles require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

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

Property and Equipment

The Organization's policy is to capitalize all property and equipment over \$1,000. Property and equipment acquisitions are recorded at cost. Donations of property and equipment are recorded as revenues at their estimated fair value. Such donations are reported as unrestricted revenues unless the donor has restricted the donated asset to a specific purpose. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-in) or loss is included in the statements of activities for the period. A gain on trade-in is applied to reduce the cost of the new acquisition. Depreciation is provided over the estimated useful lives of the assets ranging from 3 to 39 years and is computed on the straight-line method.

Brightstone, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. Summary of Significant Accounting Policies

Investments

The Organization's policy is to liquidate investments as soon as practical after the donation of investment securities is received. Occasionally, the Organization will have investment securities on the statements of financial position that have not been liquidated at year-end. These investments consist of equity securities and are stated in the aggregate at fair market value and are considered Level 1 securities.

PPP Loan

On January 30, 2020, the World Health Organization declared the COVID-19 outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The Organization received a loan in accordance with the Paycheck Protection Program (PPP) section of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). US GAAP provides organizations with two alternatives for reporting the loan and any future forgiveness: 1) proceeds can be treated as debt and future forgiveness recognized as income when the loan or any portion thereof is formally discharged; or 2) proceeds can be treated as a conditional contribution where they recognize a refundable advance and derecognize the liability, and recognize income, as the conditions for forgiveness are substantially met or explicitly waived. The Organization has elected to treat the PPP loan as debt.

Contributions of Cash and Other Financial Assets

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions of Nonfinancial Assets

Various volunteers donate many hours to the Organization's program services and fundraising campaigns. These contributed services are not reflected in the financial statements because the activities do not meet the necessary criteria for recognition under US GAAP. Property, equipment, materials, and other assets received as donations are recorded and reflected in the accompanying financial statements at their estimated fair values at the date of contribution based upon information provided by third-party providers.

Revenue Recognition and Deferred Revenues

Tuition revenue are collected and recognized for the educational services provided to the adult students during the week. Tuition received in advance is recorded as deferred revenues and recognized as revenue in the month in which it is earned. Revenues from product sales are substantially recognized when sold. Amounts received in advance for the special event fundraisers are recorded as deferred revenues until the year of the event.

Functional Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

Brightstone, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 2. **Summary of Significant Accounting Policies**

Functional Expenses

The expenses that are allocated include the following:

	Method of allocation
Compensation	Time and effort
Payroll taxes and other benefits	Time and effort
Depreciation	Square footage
Facilities	Square footage
Interest	Square footage
Professional services	Time and effort
Office	Time and effort
Training	Time and effort
Transportation	Time and effort

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the tax laws of the state of Tennessee.

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. If material, the Organization recognizes leases on its balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis.

The Entity made an accounting policy election available not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

Brightstone, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 3. Liquidity and Availability

The following represents the Organization's financial assets:

	2023	2022
Financial assets		
Cash	\$ 2,326,328	\$ 7,082,973
Contributions receivable	1,516,119	1,139,329
Accounts receivable	<u>19,911</u>	<u>10,691</u>
Total financial assets at year-end	3,862,358	8,232,993
Less amounts not available to be used within one year		
Cash restricted for long-term purposes	(1,580,358)	(5,283,238)
Contributions receivable restricted for long-term purposes	<u>(1,516,119)</u>	<u>(1,139,329)</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ 765,881	\$ 1,810,426

As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization receives year-round donations from supporters and makes specific appeals at strategic times of the year for specific projects. Cash flow is tracked through regular budget to actual comparisons which are monitored by management and the board of directors.

Note 4. Contributions Receivable

Contributions receivable consist primarily of pledges made for the Organization's capital campaign. Scheduled expected collections of contributions receivable are as follows:

Year ending December 31,	
2024	\$ 978,659
2025	345,500
2025	<u>191,960</u>
Total	\$ 1,516,119

Brightstone, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 5. Property and Equipment

Property and equipment consist of the following:

	2023	2022
Land and improvements	\$ 3,778,908	\$ 3,778,908
Building and improvements	14,101,854	14,056,500
Construction in process	1,571,878	746,287
Transportation vehicles	248,124	250,374
Office equipment	14,420	13,062
Facility equipment	73,387	74,489
Classroom equipment	349,656	319,567
Furniture	91,317	91,886
Less: accumulated depreciation	<u>(944,950)</u>	<u>(535,616)</u>
Property and equipment, net	\$ 19,284,594	\$ 18,795,457

During 2015, the Organization purchased approximately 140 acres for the development of a post-secondary educational and residential facility. Site development, wastewater system installation, and construction of the Center for Learning, Art, and Enterprise were completed in December 2022 and were placed in service on January 1, 2023. Interest capitalized during 2022 totaled \$78,473.

The construction of two student homes was essentially completed by December 31, 2023 and expected to be placed in service in spring of 2024. These costs are reported as construction in process in the detail listed above. Interest capitalized during 2023 totaled \$4,410.

On November 30, 2022, the Organization closed on the sale of its former facility recording a gain of \$1,877,829. The bank required \$1,300,000 of the proceeds be held in a bank account as collateral for the construction loan. These funds were used to reduce the construction loan prior to obtaining permanent financing during 2023. See Note 7.

Note 6. PPP Loan

On March 27, 2021, the Organization received a second draw on the PPP loan for \$178,307 in accordance with the PPP section of the CARES Act. On April 11, 2022 the Organization was notified that the loan was forgiven by the US Small Business Administration and the Organization will not be responsible for any payments. The Organization had elected to treat the PPP loan as debt, and accordingly, the full amount was recognized as a contribution in 2022.

Brightstone, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 7. Note Payable

On August 27, 2021, the Organization entered into a master construction loan agreement with a local bank for a total possible debt borrowing of \$7,000,000, with an interest rate set at the WSJ Index plus .50% with a floor of 3.87% and a ceiling of 4.15%. On September 11, 2023, the construction loan was converted to permanent financing. The terms were amended requiring interest only at 7.25% through September 27, 2025. At that time the loan would require monthly principal and interest payments through August 27, 2028. On February 9, 2024 the loan was paid in full. Additionally, the bank has issued letters of credit totaling \$360,050 pursuant to Irrevocable Standby Letter of Credit Reimbursement Agreements, as amended, for performance bonds related to the water treatment system and landscaping with a maturity of July 26, 2024.

Note 8. Net Assets

Net assets without donor restrictions consist of the following:

	2023	2022
Undesignated net assets without donor restrictions	\$ 19,276,628	\$ 15,051,374
Designated for construction and debt paydown	<u>500,000</u>	<u>3,335,974</u>
	\$ 19,776,628	\$ 18,387,348

Net assets with donor restrictions are restricted for the following purposes:

	2023	2022
Capital campaign	\$ 1,580,358	\$ 2,177,005
Programming and improvement grants	107,357	12,855
Scholarship fund	381,643	179,610
Music fund	<u>4,805</u>	<u>6,001</u>
	\$ 2,074,163	\$ 2,375,471

Brightstone, Inc.
Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

Note 9. Contributions of Nonfinancial Assets

The following contributions of nonfinancial assets have been included in assets, revenue, and expenses in the financial statements:

	2023	2022
Restricted contributions/assets		
Development costs	\$ -	\$ 43,912
Unrestricted contributions/expenses		
Supplies and services	5,182	24,290
Special events/expenses		
Prizes, fees, and materials	6,432	4,576
Unrestricted contributions/assets		
Other assets, held for sale	-	39,100
Equipment and furnishings	24,174	27,475
	\$ 35,788	\$ 139,353

The nonfinancial assets are valued at amounts reported by the donors as the fair value that would have been paid if the items were purchased. Development costs relate to professional architectural services and are included in the cost of the Learning Center construction. Supplies and services relate primarily to supplies used in programming and facility maintenance services. Special events contributions were used as gifts to participants in the special event fundraisers. Other assets consist of a contribution two burial crypts that are held for sale. Equipment and furnishing contributions are for furniture used in the new Learning Center.

Note 10. Concentrations

Of the Organization's total revenues for 2023, approximately 12% represents funds received from one donor.

The Organization has cash balances in a bank in excess of amounts federally insured. The uninsured balances totaled approximately \$718,000 and \$2,673,000 at December 31, 2023 and 2022, respectively. The Organization maintains its cash with high quality financial institutions which the Organization believes limits these risks.

Note 11. Retirement Plan

The Organization offers a 403(b) retirement plan for all full-time and permanent part time employees. Employees are 100% vested in all employee contributions and related earnings. The plan allows for discretionary matching of employee contributions by the Organization. The Organization made no discretionary match during 2023 and 2022.

Note 12. Subsequent Events

The Organization has evaluated subsequent events through April 12, 2024 the date on which the financial statements were available to be issued.