

The Hundred Club of Mass., Inc.

Financial Statements

December 31, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors
The Hundred Club of Mass., Inc.

Opinion

We have audited the accompanying financial statements of The Hundred Club of Mass., Inc. (the Organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 financial statements referred to above 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. Our responsibilities under those standards are further described in the Auditors' 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.

Auditors' 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 auditors' 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 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.

Baker Tilly US, LLP

Baker Tilly US, LLP
Tewksbury, Massachusetts
November 5, 2024

December 31	2023	2022
Assets		
Cash	\$ 357,510	\$ 590,694
Prepaid Expenses and Other Assets	7,973	33,345
Investments	6,221,919	5,628,484
Endowment	3,759,949	3,292,155
Total Assets	\$ 10,347,351	\$ 9,544,678
Liabilities and Net Assets		
Liabilities:		
Accounts Payable and Accrued Expenses	\$ 51,861	\$ 42,888
Benefits Payable	75,000	331,414
Total Liabilities	126,861	374,302
Net Assets:		
Net Assets without Donor Restrictions	6,323,308	5,732,516
Net Assets with Donor Restrictions	3,897,182	3,437,860
Total Net Assets	10,220,490	9,170,376
Total Liabilities and Net Assets	\$ 10,347,351	\$ 9,544,678

Statements of Activities

The Hundred Club of Mass., Inc.

For the Years Ended December 31

2023

2022

	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Foundation Contributions	\$ 330,279	\$ -	\$ 330,279	\$ 252,294	\$ -	\$ 252,294
Member Contributions	123,850	137,233	261,083	158,995	145,705	304,700
Other Contributions	175,117	-	175,117	215,119	-	215,119
Net Assets Released from Restriction	145,705	(145,705)	-	167,979	(167,979)	-
Total Revenue and Other Support	774,951	(8,472)	766,479	794,387	(22,274)	772,113
Sale of Property Held for Sale:						
Gain on Sale of Property Held for Sale	-	-	-	1,715,481	-	1,715,481
Transaction Costs	-	-	-	(246,689)	-	(246,689)
Net Gain on Sale of Property Held for Sale	-	-	-	1,468,792	-	1,468,792
Operating Expenses:						
Benefit Program Expenses	719,212	-	719,212	794,946	-	794,946
General and Administrative	49,591	-	49,591	47,172	-	47,172
Fundraising	183,957	-	183,957	135,305	-	135,305
Total Operating Expenses	952,760	-	952,760	977,423	-	977,423
(Decrease) Increase in Net Assets from Operations	(177,809)	(8,472)	(186,281)	1,285,756	(22,274)	1,263,482
Nonoperating Activities:						
Investment Income (Loss), Net	768,601	467,794	1,236,395	(674,503)	(548,036)	(1,222,539)
Total Nonoperating Activities	768,601	467,794	1,236,395	(674,503)	(548,036)	(1,222,539)
Increase (Decrease) in Net Assets	590,792	459,322	1,050,114	611,253	(570,310)	40,943
Net Assets, Beginning of Year	5,732,516	3,437,860	9,170,376	5,121,263	4,008,170	9,129,433
Net Assets, End of Year	\$ 6,323,308	\$ 3,897,182	\$ 10,220,490	\$ 5,732,516	\$ 3,437,860	\$ 9,170,376

The accompanying notes are an integral part of these financial statements.

Statements of Functional Expenses

The Hundred Club of Mass., Inc.

For the Years Ended December 31

2023

2022

	Benefit Program Expenses	General and Administrative	Fundraising	Total	Benefit Program Expenses	General and Administrative	Fundraising	Total
Payments to Children of Fallen Heroes	\$ 213,142	\$ -	\$ -	\$ 213,142	\$ 156,934	\$ -	\$ -	\$ 156,934
Lump-Sum Benefits - General Fund	190,000	-	-	190,000	255,000	-	-	255,000
Functions and Other Benefits Provided to Families	142,093	-	-	142,093	83,597	-	-	83,597
Promotion	-	-	118,955	118,955	-	-	73,434	73,434
Salaries and Related Benefits	68,752	4,911	24,554	98,217	65,491	4,678	23,390	93,559
Lump-Sum Benefits - Memorial Fund	75,000	-	-	75,000	199,545	-	-	199,545
Professional Fees	-	42,756	-	42,756	-	40,039	-	40,039
Fundraising Database and Materials	-	-	30,830	30,830	-	-	26,203	26,203
Occupancy	17,064	1,219	6,095	24,378	23,545	1,681	8,409	33,635
Office Expense, Postage and Miscellaneous	9,863	705	3,523	14,091	10,834	774	3,869	15,477
Other Expense	3,298	-	-	3,298	-	-	-	-
Total	\$ 719,212	\$ 49,591	\$ 183,957	\$ 952,760	\$ 794,946	\$ 47,172	\$ 135,305	\$ 977,423

The accompanying notes are an integral part of these financial statements.

For the Years Ended December 31	2023	2022
Cash Flows from Operating Activities:		
Increase in Net Assets	\$ 1,050,114	\$ 40,943
Adjustments to Reconcile Increase in Net Assets to Net Cash Used in Operating Activities:		
Gain on Sale of Property Held for Sale	-	(1,715,481)
Net Unrealized and Realized (Gains) Losses on Investments and Endowment	(1,043,024)	1,345,801
Decrease (Increase) in Prepaid Expenses and Other Assets	25,372	(10,185)
Increase in Accounts Payable and Accrued Expenses	8,973	2,236
(Decrease) Increase in Benefits Payable	(256,414)	185,414
Net Cash Used in Operating Activities	(214,979)	(151,272)
Cash Flows from Investing Activities:		
Proceeds from Sale of Investments	200,283	717,838
Purchase of Investments	(155,137)	(2,252,034)
Purchase of Endowment	(82,386)	(55,278)
Proceeds from Sale or Maturity of Endowment	19,035	143,729
Proceeds from Sale of Property Held for Sale	-	1,800,000
Net Cash (Used in) Provided by Investing Activities	(18,205)	354,255
Net (Decrease) Increase in Cash	(233,184)	202,983
Cash, Beginning of Year	590,694	387,711
Cash, End of Year	\$ 357,510	\$ 590,694

Supplemental Disclosure of Noncash Investing Activities:

During the year ended December 31, 2022, the Organization sold a building with an original cost of \$671,993 and accumulated depreciation of \$587,474, for cash proceeds of \$1,800,000 resulting in a gain on sale of property held for sale of \$1,715,481.

1. Organization and Summary of Significant Accounting Policies:

Nature of Organization: The Hundred Club of Mass., Inc. (the Organization) is a Massachusetts nonprofit organization incorporated in November 1959. The primary purpose of the Organization is to provide benefits to the surviving spouses and dependents of police, court, and fire personnel employed by the Commonwealth of Massachusetts, or by a county, city, town, or other political subdivision or agency thereof, who have lost their lives in connection with the performance of their duties, or who while so employed, have died, leaving a surviving spouse and/or one or more children and/or other dependents.

Basis of Presentation: The financial statements of the Organization have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) of the Financial Accounting Standards Board (FASB).

The Organization reports 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 Board of Directors. Net assets without donor restrictions include net assets designated by the board for specific purposes.

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.

Measure of Operations: The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program benefit services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Fair Value Measurements: The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

1. Organization and Summary of Significant Accounting Policies (Continued):

Revenue and Other Support: Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenue represents amounts derived from contributions.

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.

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 services are reported as revenue and expenses without donor restrictions at the fair value of the service received only if the services create or enhance a nonfinancial asset or would typically need to be purchased by the Organization if they had not been provided by contribution, require specialized skills, and are provided by individuals with those skills. Contributions of goods and space to be used in program operations are reported as revenue and expenses without donor restrictions at the time the goods or space is received.

The Organization must determine whether a contribution (or a promise to give) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance related barrier or other measurable barriers, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Organization cannot consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Cash: The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits.

Investments, Endowment, and Investment and Endowment Income: The Organization's investments and endowment are reported at fair value as of the date of the statements of financial position. Investment and endowment income or loss are reflected in the accompanying statements of activities. Investment and endowment income or loss on investments and endowments (including realized and unrealized gains and losses on investments, interest and dividends) is included in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Interpretation of Relevant Law: The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Organization's Board of Trustees has interpreted UPMIFA as considering the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted endowment funds (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) appreciation (depreciation) in the fair value of endowment investments.

Therefore, unless stated otherwise in the gift instrument, the assets in an endowment fund are donor-restricted assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

1. Organization and Summary of Significant Accounting Policies (Continued):

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate endowment funds:

- Duration and preservation of the fund
- Purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- Possible effect of inflation and deflation
- Expected total return from income and the appreciation of investments
- Other resources of the Organization
- Investment policies of the Organization

Concentrations of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, investments and endowment. The Organization maintains its cash, investments and endowment with high-credit quality financial institutions. The Organization believes it is not exposed to any significant losses due to credit risk on cash, investments and endowment.

Other Risks and Uncertainties: Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Property and Equipment: Property and equipment are recorded at cost on the date of acquisition. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, as follows:

Office Equipment	3 Years
Computer Equipment	3 Years

Leases: The Organization has elected not to apply the lease recognition requirements of ASC 842, *Leases*, to all leases with an original term of 12 months or less, for which the Organization is not reasonably certain to exercise a renewal option or purchase the asset at the end of the lease; rather, lease payments for short-term leases are recognized on a straight-line basis over the lease term. For the years ended December 31, 2023 and 2022, short-term lease expense amounted to \$21,926 and \$20,878, respectively.

Functional Allocation of Expenses: The costs of providing the Organization's program and other activities have been summarized on a functional basis in the statements of activities. Expenses related directly to program services or supporting activities are charged directly while other expenses that are common to several functions are allocated based on management's estimates, among major classes of programs services and supporting activities.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and Related Benefits	Time and Effort
Occupancy	Time and Effort
Office Expense, Postage and Miscellaneous	Time and Effort

1. Organization and Summary of Significant Accounting Policies (Continued):

Income Taxes: The Organization is a nonprofit Organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on trade or business profits generated by activities related to the Organization's exempt function. The Organization may be subject to federal and state income taxes for profits generated from trade or business activities unrelated to the Organization's exempt function. As of December 31, 2023 and 2022, management believes that the Organization has not generated any unrelated business taxable income.

The Organization assesses the recording of uncertain tax positions by evaluating the minimum recognition threshold and measurement requirements a tax position must meet before being recognized as a benefit in the financial statements. The Organization's policy is to recognize interest and penalties accrued on any uncertain tax positions as a component of income tax expense, if any, in its statements of activities. The Organization has not recognized any liabilities for uncertain tax positions or unrecognized benefits as of December 31, 2023 and 2022. The Organization does not expect any material change in uncertain tax benefits within the next 12 months.

Use of Estimates: Management has used estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities in its preparation of the financial statements in accordance with GAAP. Actual results experienced by the Organization may differ from those estimates.

Subsequent Events: Management has evaluated subsequent events spanning the period from December 31, 2023 through November 5, 2024, the date the financial statements were available to be issued.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use within one year of December 31, 2023 and 2022 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2023	2022
Cash	\$ 357,510	\$ 590,694
Investments	6,221,919	5,628,484
Endowment	3,759,949	3,292,155
Total Financial Assets at End of Year	10,339,378	9,511,333
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by the Passage of Time	137,233	145,705
Subject to Appropriation - To Be Held in Perpetuity	3,759,949	3,292,155
	3,897,182	3,437,860
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	\$ 6,442,196	\$ 6,073,473

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations may come due. In addition, the Organization invests cash in excess of daily requirements in long-term investments.

3. Investments and Endowment:

Investments as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Equity Securities	\$ 3,685,969	\$ 3,491,262
Fixed Income Bond Funds	2,122,871	1,959,701
Money Market Funds	413,079	177,521
	<u>\$ 6,221,919</u>	<u>\$ 5,628,484</u>

For the years ended December 31, 2023 and 2022, the Organization's investment income (loss) on these investments consist of the following:

	<u>2023</u>	<u>2022</u>
Net Unrealized Gain (Loss) on Investments	\$ 599,635	\$ (754,295)
Interest and Dividends	153,292	89,440
Net Realized Gain on Sale of Investments	38,946	8,079
Investment Fees	(23,272)	(17,727)
	<u>\$ 768,601</u>	<u>\$ (674,503)</u>

Endowment investments as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Equity Securities	\$ 2,777,181	\$ 2,353,028
Fixed Income Bond Funds	714,522	830,320
Money Market Funds	268,246	108,807
	<u>\$ 3,759,949</u>	<u>\$ 3,292,155</u>

For the years ended December 31, 2023 and 2022, the Organization's investment income (loss) on these endowment investments consist of the following:

	<u>2023</u>	<u>2022</u>
Net Unrealized Gain (Loss) on Investments	\$ 372,330	\$ (605,933)
Interest and Dividends	82,386	67,835
Net Realized Gain on Sale of Investments	32,113	6,348
Investment Fees	(19,035)	(16,286)
	<u>\$ 467,794</u>	<u>\$ (548,036)</u>

3. Investments and Endowment (Continued):

As of December 31, 2023 and 2022, the endowment balance, by net asset classification, consists of the following:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 3,759,949	\$ 3,759,949

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 3,292,155	\$ 3,292,155

The changes in the endowment balance by net asset classification as of December 31, 2023 and 2022 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment Balance, December 31, 2021	\$ -	\$ 3,980,191	\$ 3,980,191
Investment Returns:			
Net Realized and Unrealized Losses	-	(599,585)	(599,585)
Interest and Dividends, Net of Investment Fees	-	51,549	51,549
Total Investment Returns	-	(548,036)	(548,036)
Appropriation of Endowment Assets for Expenditure	-	(140,000)	(140,000)
Endowment Balance, December 31, 2022	-	3,292,155	3,292,155
Investment Returns:			
Net Realized and Unrealized Gains	-	404,443	404,443
Interest and Dividends, Net of Investment Fees	-	63,351	63,351
Net Realized and Unrealized Losses	-	467,794	467,794
Endowment Balance, December 31, 2023	\$ -	\$ 3,759,949	\$ 3,759,949

Return Objectives and Risk Parameters: Endowment assets include donor-restricted funds that the Organization must hold in perpetuity. The endowment assets are invested with an asset allocation strategy assuming a moderate level of investment risk. The Organization's strategy is to have an appropriate amount of endowment funds invested in equity based investments to achieve its long-term return objective and an appropriate amount invested in fixed income securities and cash reserves to maintain prudent risk constraints. The allocation percentage between the risk pools is reviewed from time to time by the Board, who rely upon the Investment Committee to select the most appropriate and prudent investments.

3. Investments and Endowment (Continued):

The appropriation of endowment assets for expenditure represents payments to families of first responders who pass away in the line of duty. Prior to 2023, annually, the Board of Directors would determine the amount based on the average of the endowment for the previous 12 quarters. The Board of Directors voted to accrue for distributions at 4% of the average of the endowment for the previous 12 quarters of the year ended December 31, 2022. In 2023, the Organization obtained the approval of the Attorney General and The Supreme Judicial court to change how payments are calculated to take into account prior experience, provided that payments approximate the net income of the Memorial Fund over time. For the year ended December 31, 2023, that amount was set a \$25,000 per spouse and dependent. In the future, the Organization will periodically check to make sure that cumulative payouts from the Memorial Fund are in line with the cumulative net income, as well as to ensure that distributions will not be made in a manner that will decrease the Memorial Fund below its initial funding amount. As of December 31, 2023 and 2022 benefits payable amounted to \$75,000 and \$331,414, respectively, which is included in benefits payable on the accompanying statements of financial position.

4. Fair Value Measurements:

Investments and endowments were established to make payments to the surviving spouses and dependents of active-duty law enforcement officers and firefighters who have lost their lives in the line of duty. The method of payment is described in Note 3. These investments and endowments are measured at fair value on a recurring basis as of December 31, 2023 and 2022 and are as follows:

	Fair Value Measurements at December 31, 2023			
	Totals	Level 1	Level 2	Level 3
Investments:				
Equity Securities	\$ 3,685,969	\$ 3,685,969	\$ -	\$ -
Fixed Income Bond Funds	2,122,871	2,122,871	-	-
Money Market Funds	413,079	413,079	-	-
Total Investments	6,221,919	6,221,919	-	-
Endowments:				
Equity Securities	2,777,181	2,777,181	-	-
Fixed Income Bond Funds	714,522	714,522	-	-
Money Market Funds	268,246	268,246	-	-
Total Endowments	3,759,949	3,759,949	-	-
Total Investments and Endowments	\$ 9,981,868	\$ 9,981,868	\$ -	\$ -

	Fair Value Measurements at December 31, 2022			
	Totals	Level 1	Level 2	Level 3
Investments:				
Equity Securities	\$ 3,491,262	\$ 3,491,262	\$ -	\$ -
Fixed Income Bond Funds	1,959,701	1,959,701	-	-
Money Market Funds	177,521	177,521	-	-
Total Investments	5,628,484	5,628,484	-	-
Endowments:				
Equity Securities	2,353,028	2,353,028	-	-
Fixed Income Bond Funds	830,320	830,320	-	-
Money Market Funds	108,807	108,807	-	-
Total Endowments	3,292,155	3,292,155	-	-
Total Investments and Endowments	\$ 8,920,639	\$ 8,920,639	\$ -	\$ -

4. Fair Value Measurements (Continued):

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used for the years ended December 31, 2023 and 2022.

Fixed Income Bond Funds: Valued at the daily closing price as reported by the fund. Fixed income bond funds held by the Organization are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The fixed income bond funds held by the Organization are deemed to be actively traded.

Equity Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Money Market Funds: Valued at the daily closing price as reported by the fund from an active market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

5. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Subject to Passage of Time:		
Membership Contributions	\$ 137,233	\$ 145,705
Subject to Spending Policy and Appropriation Guidelines:		
Net Assets with Specific Purpose Restrictions	<u>3,759,949</u>	<u>3,292,155</u>
Total Net Assets with Donor Restrictions	<u>\$ 3,897,182</u>	<u>\$ 3,437,860</u>

Net assets with donor restrictions contains donor restricted contributions in the original amount of \$1,841,042 made to the Organization to establish and maintain the Memorial Fund. The annual income of the Memorial Fund, which consists of interest and dividend income less administrative expenses earned by this fund, is to be distributed equally to the surviving spouses and dependents of law enforcement officers and firefighters who have lost their lives in the line of duty during the year. If there are no line-of-duty deaths during the year, the benefit that would have been payable carries over into the next year. The remaining balance of the funds to be held in perpetuity represents cumulative net gains on the investments. The distribution to beneficiaries is made in the year after the line-of-duty death occurs.

6. Net Assets Released from Restriction:

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors or by the passage of time. Net assets released from restriction during the years ended December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Passage of Time - Membership Contributions	\$ 145,705	\$ 167,979

7. Indemnifications:

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable agreement through the end of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2023 and 2022, no amounts have been accrued related to such indemnification provisions.