The Hundred Club of Mass., Inc.

Financial Statements

December 31, 2022 and 2021

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, 2022 and 2021, 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, 2022 and 2021, 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
August 13, 2023

December 31		**2022**		2021
Assets				
Cash	**$**	**590,694**	$	387,711
Investments		**5,628,484**		4,840,504
Prepaid Expenses and Other Current Assets		**33,345**		23,160
Endowment		**3,292,155**		3,980,191
Property Held for Sale		**-**		84,519
Total Assets	**$**	**9,544,678**	$	9,316,085
Liabilities and Net Assets				
Liabilities:				
Accounts Payable and Accrued Expenses	**$**	**42,888**	$	40,652
Benefits Payable		**331,414**		146,000
Total Liabilities		**374,302**		186,652
Net Assets:				
Net Assets without Donor Restrictions		**5,732,516**		5,121,263
Net Assets with Donor Restrictions		**3,437,860**		4,008,170
Total Net Assets		**9,170,376**		9,129,433
Total Liabilities and Net Assets	**$**	**9,544,678**	$	9,316,085

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

For the Years Ended December 31		**2022**			2021	
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities:						
Revenue and Other Support:						
Member Contributions	**$ 158,995**	**$ 145,705**	**$ 304,700**	$ 61,351	$ 167,979	$ 229,330
Foundation Contributions	**252,294**	**-**	**252,294**	170,670	-	170,670
Other Contributions	**215,119**	**-**	**215,119**	42,727	-	42,727
Net Assets Released from Restriction	**167,979**	**(167,979)**	**-**	379,100	(379,100)	-
Total Revenue and Other Support	**794,387**	**(22,274)**	**772,113**	653,848	(211,121)	442,727
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	**794,946**	**-**	**794,946**	581,665	-	581,665
General and Administrative	**47,172**	**-**	**47,172**	73,293	-	73,293
Fundraising	**135,305**	**-**	**135,305**	136,179	-	136,179
Total Operating Expenses	**977,423**	**-**	**977,423**	791,137	-	791,137
Increase (Decrease) in Net Assets from Operations	**1,285,756**	**(22,274)**	**1,263,482**	(137,289)	(211,121)	(348,410)
Nonoperating Activities:						
Investment (Loss) Income, Net	**(674,503)**	**(548,036)**	**(1,222,539)**	632,168	465,555	1,097,723
Total Nonoperating Activities	**(674,503)**	**(548,036)**	**(1,222,539)**	632,168	465,555	1,097,723
Increase (Decrease) in Net Assets	**611,253**	**(570,310)**	**40,943**	494,879	254,434	749,313
Net Assets, Beginning of Year	**5,121,263**	**4,008,170**	**9,129,433**	4,626,384	3,753,736	8,380,120
Net Assets, End of Year	**$ 5,732,516**	**$ 3,437,860**	**$ 9,170,376**	$ 5,121,263	$ 4,008,170	$ 9,129,433

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

For the Years Ended December 31	2022				2021			
	Benefit Program Expenses	**General and Administrative**	**Fundraising**	**Total**	Benefit Program Expenses	General and Administrative	Fundraising	Total
Lump-Sum Benefits - General Fund	**$ 255,000**	**$ -**	**$ -**	**$ 255,000**	$ 125,860	$ -	$ -	$ 125,860
Lump-Sum Benefits - Memorial Fund	**199,545**	**-**	**-**	**199,545**	152,101	-	-	152,101
Payments to Children of Fallen Heroes	**156,934**	**-**	**-**	**156,934**	136,780	-	-	136,780
Salaries and Related Fringe	**65,491**	**4,678**	**23,390**	**93,559**	60,148	4,296	21,481	85,925
Functions and Other Benefits Provided to Families	**83,597**	**-**	**-**	**83,597**	72,511	-	-	72,511
Promotion	**-**	**-**	**73,434**	**73,434**	-	-	66,813	66,813
Professional Fees	**-**	**40,039**	**-**	**40,039**	-	66,523	-	66,523
Occupancy	**23,545**	**1,681**	**8,409**	**33,635**	15,595	1,114	5,570	22,279
Fundraising Database and Materials	**-**	**-**	**26,203**	**26,203**	-	-	32,793	32,793
Office Expense, Postage and Miscellaneous	**10,834**	**774**	**3,869**	**15,477**	13,700	1,005	7,220	21,925
Depreciation	**-**	**-**	**-**	**-**	4,970	355	1,775	7,100
Website	**-**	**-**	**-**	**-**	-	-	527	527
Total	**$ 794,946**	**$ 47,172**	**$ 135,305**	**$ 977,423**	$ 581,665	$ 73,293	$ 136,179	$ 791,137

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

For the Years Ended December 31	**2022**	2021
Cash Flows from Operating Activities:		
Increase in Net Assets	**$ 40,943**	$ 749,313
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)**	-
Depreciation	**-**	7,100
Unrealized Loss (Gain) on Investments and Endowment	**1,345,801**	(724,621)
Realized Gain on Investments and Endowment	**-**	(209,133)
Increase in Prepaid Expenses and Other Current Assets	**(10,185)**	(23,160)
Increase in Accounts Payable and Accrued Expenses	**2,236**	2,683
Increase (Decrease) in Benefits Payable	**185,414**	(164,185)
Net Cash Used in Operating Activities	**(151,272)**	(362,003)
Cash Flows from Investing Activities:		
Purchase of Investments	**(2,252,034)**	(486,129)
Proceeds from Sale of Property Held for Sale	**1,800,000**	-
Proceeds from Sale of Investments	**717,838**	662,237
Proceeds from Sale or Maturity of Endowment	**143,729**	482,441
Purchase of Endowment	**(55,278)**	(408,399)
Net Cash Provided by Investing Activities	**354,255**	250,150
Net Increase (Decrease) in Cash	**202,983**	(111,853)
Cash, Beginning of Year	**387,711**	499,564
Cash, End of Year	**$ 590,694**	$ 387,711

Supplemental Disclosure of Noncash Investing Activities:

During the year ended December 31, 2022, the Organization sold the 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

Impairment of Long-Lived Assets: It is required that long-lived assets, including purchased intangible assets with finite lives, be reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. As of December 31, 2022 and 2021, the Organization has determined that there have been no significant events or changes in circumstances that would trigger impairment testing of the Organization's long-lived assets.

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
Depreciation	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, 2022 and 2021, 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, 2022 and 2021. 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, 2022 through August 13, 2023, the date the financial statements were available to be issued.

Recently Adopted Accounting Policies: In February 2016, the FASB issued ASU 2016-02, *Leases* (ASC 842), which replaces the existing leasing standards and expands disclosure requirements for leasing arrangements. Effective January 1, 2022, the Organization adopted the guidance and expanded disclosure requirements under ASC 842 using the modified retrospective approach. The Organization elected the package of practical expedients allowable under ASC 842 transition guidance, and as a result did not reassess prior conclusions related to whether contracts are or contain a lease, lease classification and initial direct costs. The adoption of this ASU at January 1, 2022 had no impact, as the Organization had no material arrangements at January 1, 2022 that required classification as operating or finance leases. In addition, the Organization elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Organization is not likely 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.

2. Availability and Liquidity:

The following reflects the Organization's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use within one year of December 31, 2022 and 2021 due to contractual or donor-imposed restrictions.

Financial Assets at End of Year:	2022	2021
Cash	$ 590,694	$ 387,711
Investments	5,628,484	4,840,504
Endowment	3,292,155	3,980,191
Total Financial Assets at End of Year	9,511,333	9,208,406
Less: Amounts Unavailable for General Expenditures within One Year:		
Due to Contractual or Donor-Imposed Restriction:		
Restricted by the Passage of Time	145,705	167,979
Subject to Appropriation - To Be Held in Perpetuity	3,292,155	3,840,191
	3,437,860	4,008,170
Financial Assets Available to Meet Cash Needs for General Expenditures over the Next 12 Months	$ 6,073,473	$ 5,200,236

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, 2022 and 2021 consist of the following:

	2022	2021
Equity Securities	$ 3,491,262	$ 3,421,895
Fixed Income Bond Funds	1,959,701	1,375,838
Money Market Funds	177,521	42,771
	$ 5,628,484	$ 4,840,504

For the years ended December 31, 2022 and 2021, the Organization's net unrealized and realized (losses) gains on these investments amounted to $(746,216) and $521,405, respectively.

Endowment investments as of December 31, 2022 and 2021 consist of the following:

	2022	2021
Equity Securities	$ 2,353,028	$ 2,734,698
Fixed Income Bond Funds	830,320	1,131,179
Money Market Funds	108,807	114,314
	$ 3,292,155	$ 3,980,191

For the years ended December 31, 2022 and 2021, the Organization's net unrealized and realized (losses) gains on these endowment investments amounted to $(599,585) and $412,349, respectively.

3. Investments and Endowment (Continued):

As of December 31, 2022 and 2021, the endowment balance, by net asset classification, consists of the following:

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

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 3,980,191	$ 3,980,191

The changes in the endowment balance by net asset classification as of December 31, 2022 and 2021 consist of the following:

	Without Donor Restrictions	With Donor Restrictions	Totals
Endowment Balance, December 31, 2020	$ -	$ 3,641,636	$ 3,641,636
Investment Returns:			
Net Realized and Unrealized Gains	-	412,349	412,349
Interest and Dividends, Net of Investment Fees	-	53,206	53,206
Total Investment Returns	-	465,555	465,555
Appropriation of Endowment Assets for Expenditure	-	(127,000)	(127,000)
Endowment Balance, December 31, 2021	-	3,980,191	3,980,191
Investment Returns:			
Net Realized and Unrealized Gains	-	(599,585)	(599,585)
Interest and Dividends, Net of Investment Fees	-	51,549	51,549
Net Realized and Unrealized Gains	-	(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

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. There are no board-designated endowment funds as of December 31, 2022 and 2021; all endowment funds are donor-restricted.

The appropriation of endowment assets for expenditure represents payments to families of first responders who pass away in the line of duty the previous calendar year. Annually, the Board of Directors determines 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 in both of the years ended Deceberm 31, 2022 and 2021.

4. Fair Value Measurements:

Investments and endowments measured at fair value on a recurring basis as of December 31, 2022 and 2021 are as follows:

	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	$ -	$ -

	Fair Value Measurements at December 31, 2021			
	Totals	Level 1	Level 2	Level 3
Investments:				
Equity Securities	$ 3,421,895	$ 3,421,895	$ -	$ -
Fixed Income Bond Funds	1,375,838	1,375,838	-	-
Money Market Funds	42,771	42,771	-	-
Total Investments	4,840,504	4,840,504	-	-
Endowments:				
Equity Securities	2,734,698	2,734,698	-	-
Fixed Income Bond Funds	1,131,179	1,131,179	-	-
Money Market Funds	114,314	114,314	-	-
Total Endowments	3,980,191	3,980,191	-	-
Total Investments and Endowments	$ 8,820,695	$ 8,820,695	$ -	$ -

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, 2022 and 2021.

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. Property and Equipment:

Property and equipment as of December 31, 2022 and 2021 consist of the following:

	2022	2021
Office Equipment	$ 16,788	$ 16,788
Computer Equipment	12,507	12,507
	29,295	29,295
Less: Accumulated Depreciation	29,295	29,295
	$ -	$ -

Depreciation expense for the years ended December 31, 2022 and 2021 amounted to $0 and $7,100, respectively.

6. Property Held for Sale:

In February 2021, the Organization made the decision to close their office space located in Boston, Massachusetts as the building was no longer needed. As of December 31, 2021, the Organization reclassified the building and related improvements as held for sale. On September 2, 2022, the Organization sold the building for proceeds in the amount of $1,800,000.

Property held for sale as of December 31, 2021 consists of the following:

Building	$ 530,000
Building and Improvements	141,993
	671,993
Less: Accumulated Depreciation	587,474
	$ 84,519

7. Net Assets with Donor Restrictions:

Net assets with donor restrictions as of December 31, 2022 and 2021 consist of the following:

	2022	2021
Subject to Passage of Time:		
Membership Contributions	$ 145,705	$ 167,979
Subject to Spending Policy and Appropriation Guidelines:		
Net Assets with Specific Purpose Restrictions	3,292,155	3,840,191
Total Net Assets with Donor Restrictions	$ 3,437,860	$ 4,008,170

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.

8. 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, 2022 and 2021 consist of the following:

	2022	2021
Passage of Time - Membership Contributions	$ 167,979	$ 239,100
Scheduled Payments to Beneficiaries	-	140,000
	$ 167,979	$ 379,100

9. Commitments and Contingencies:

Operating Lease Arrangement: The Organization is party to a short-term, noncancelable operating lease arrangement for office space in Braintree, Massachusetts, which requires a fixed monthly payment and is subject to annual renewal, as defined. During the years ended December 31, 2022 and 2021, rent expense incurred under this arrangement amounted to $20,878 and $9,858, respectively.

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, 2022 and 2021, no amounts have been accrued related to such indemnification provisions.