

# THE NORTHERN HILLS AREA CASA PROGRAM

REVIEWED FINANCIAL STATEMENTS

December 31, 2023 and 2022

**PRELIMINARY**  
*SUBJECT TO CHANGE*



**DESMET CPA GROUP, LLC**

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# THE NORTHERN HILLS AREA CASA PROGRAM

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# DESMET CPA GROUP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
The Northern Hills Area CASA Program  
Spearfish, South Dakota

We have reviewed the accompanying financial statements of The Northern Hills Area CASA Program (a nonprofit 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Northern Hills Area CASA Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Report on December 31, 2022 Financial Statements**

The December 31, 2022 financial statements were audited by us, and we expressed an unmodified opinion on them in our reported dated February 27, 2024. We have not performed any auditing procedures since that date.

*DeSmet CPA Group, LLC*

DeSmet CPA Group, LLC  
Rapid City, SD

June 10, 2024 **PRELIMINARY**  
*SUBJECT TO CHANGE*

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**STATEMENTS OF FINANCIAL POSITION**

	December 31,	
ASSETS	<u>2023</u>	<u>2022</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 246,243	\$ 248,262
Prepaid expenses	1,094	1,094
Receivable - Employer Retention Credit	-	24,408
Total Current Assets	247,337	273,764
<b>Property and Equipment, Net</b>	247,674	221,088
<b>Other Assets</b>		
Investment in mutual funds	214,284	193,387
Beneficial interest in assets held at Community Foundation	1,871	1,709
Total Other Assets	216,155	195,096
<b>Total Assets</b>	\$ 711,166	\$ 689,948
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accrued payroll taxes and benefits	\$ 6,345	\$ 6,688
Other current liabilities	1,218	3,503
Deferred insurance proceeds	-	-
Total Current Liabilities	7,563	10,191
<b>Long-term Debt</b>	-	-
<b>Total Liabilities</b>	7,563	10,191
<b>Net Assets</b>		
Without Donor Restrictions	702,917	679,071
With Donor Restrictions	686	686
<b>Total Net Assets</b>	703,603	679,757
<b>Total Liabilities and Net Assets</b>	\$ 711,166	\$ 689,948

**PRELIMINARY**  
*SUBJECT TO CHANGE*

See accompanying notes and independent auditors' report.

**THE NORTHERN HILLS AREA CASA PROGRAM**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2023**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Public Support and Revenue</b>			
Public Support			
Governmental grants	\$ 79,448	\$ 97,128	\$ 176,576
Private grants	35,394	-	35,394
Contributions	31,121	-	31,121
In-kind contributions	31,567	-	31,567
Special events	87,249	-	87,249
COVID-Related Income	-	-	-
Total Public Support	<u>264,779</u>	<u>97,128</u>	<u>361,907</u>
Other Revenue			
Investment income	4,107	-	4,107
Unrealized gains (losses) on investments	9,211	-	9,211
Net change in beneficial interest	-	-	-
Rental income	14,035	-	14,035
Total Other Revenue	<u>27,353</u>	<u>-</u>	<u>27,353</u>
Net Assets Released from Restrictions	<u>97,128</u>	<u>(97,128)</u>	<u>-</u>
<b>Total Public Support and Revenue</b>	389,260	-	389,260
<b>Functional Expenses</b>			
Program Services			
Advocacy	271,610	-	271,610
Supporting Services			
Management and general	39,660	-	39,660
Fundraising expenses	41,378	-	41,378
<b>Total Functional Expenses</b>	352,648	-	352,648
<b>Other Expenses</b>			
Rental expenses and depreciation	12,766	-	12,766
<b>Total Expenses</b>	<u>365,414</u>	<u>-</u>	<u>365,414</u>
<b>Change in Net Assets</b>	23,846	-	23,846
<b>NET ASSETS, Beginning of Year</b>	<u>679,071</u>	<u>686</u>	<u>679,757</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 702,917</u>	<u>\$ 686</u>	<u>\$ 703,603</u>

**PRELIMINARY**

*SUBJECT TO CHANGE*

See accompanying notes and independent auditors' report.

**THE NORTHERN HILLS AREA CASA PROGRAM**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Public Support and Revenue</b>			
Public Support			
Governmental grants	\$ 82,680	\$ 71,279	\$ 153,959
Private grants	32,388	-	32,388
Contributions	52,529	-	52,529
In-kind contributions	19,923	-	19,923
Special events	74,610	-	74,610
COVID-Related Income	24,408	-	24,408
<b>Total Public Support</b>	<b>286,538</b>	<b>71,279</b>	<b>357,817</b>
Other Revenue			
Investment income	15,811	-	15,811
Unrealized gains (losses) on investments	(46,994)	-	(46,994)
Net change in beneficial interest	(162)	-	(162)
Rental income	14,820	-	14,820
<b>Total Other Revenue</b>	<b>(16,525)</b>	<b>-</b>	<b>(16,525)</b>
Net Assets Released from Restrictions	71,279	(71,279)	-
<b>Total Public Support and Revenue</b>	<b>341,292</b>	<b>-</b>	<b>341,292</b>
<b>Functional Expenses</b>			
Program Services			
Advocacy	261,277	-	261,277
Supporting Services			
Management and general	25,723	-	25,723
Fundraising expenses	37,733	-	37,733
<b>Total Functional Expenses</b>	<b>324,733</b>	<b>-</b>	<b>324,733</b>
<b>Other Expenses</b>			
Rental expenses and depreciation	8,915	-	8,915
<b>Total Expenses</b>	<b>333,648</b>	<b>-</b>	<b>333,648</b>
<b>Change in Net Assets</b>	<b>7,644</b>	<b>-</b>	<b>7,644</b>
<b>NET ASSETS, Beginning of Year</b>	<b>671,427</b>	<b>686</b>	<b>672,113</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 679,071</b>	<b>\$ 686</b>	<b>\$ 679,757</b>

See accompanying notes and independent auditors' report.

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2023**

<b>Functional Expenses</b>	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Payroll				
Salaries and wages	\$ 136,085	\$ 24,686	\$ 13,821	\$ 174,592
Employee benefits	12,910	2,484	1,311	16,705
Payroll taxes	10,411	2,003	1,057	13,471
Total Payroll	<u>159,406</u>	<u>29,173</u>	<u>16,189</u>	<u>204,768</u>
Other				
Accounting, auditing & legal	13,285	2,500	1,320	17,105
Advertising/Public relations	2,700	-	-	2,700
Depreciation	4,941	846	446	6,233
Fundraising projects	-	-	21,138	21,138
In-kind expenses	31,567	-	-	31,567
Insurance	4,019	773	408	5,200
Miscellaneous	1,129	217	115	1,461
Office, copier and postage	2,176	3,231	221	5,628
Rent, occupancy and repairs	5,449	1,049	553	7,051
Supplies	4,947	-	-	4,947
Telephone, internet and computer	13,117	1,638	865	15,620
Training and travel	24,167	233	123	24,523
Volunteer expenses	4,707	-	-	4,707
Total Other	<u>112,204</u>	<u>10,487</u>	<u>25,189</u>	<u>147,880</u>
<b>Total Functional Expenses</b>	<u><u>\$ 271,610</u></u>	<u><u>\$ 39,660</u></u>	<u><u>\$ 41,378</u></u>	<u><u>\$ 352,648</u></u>

**PRELIMINARY**

*SUBJECT TO CHANGE*

See accompanying notes and independent auditors' report.



**THE NORTHERN HILLS AREA CASA PROGRAM**  
**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2022**

<b>Functional Expenses</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Payroll				
Salaries and wages	\$ 138,127	\$ 14,573	\$ 12,222	\$ 164,922
Employee benefits	9,157	1,032	1,041	11,230
Payroll taxes	10,227	1,153	1,162	12,542
Total Payroll	<u>157,511</u>	<u>16,758</u>	<u>14,425</u>	<u>188,694</u>
Other				
Accounting and auditing	12,090	1,363	1,374	14,827
Advertising/Public relations	3,511	-	-	3,511
Depreciation	5,497	485	489	6,471
Fundraising projects	-	-	17,390	17,390
In-kind expenses	19,923	-	-	19,923
Insurance	5,754	649	654	7,057
Miscellaneous	1,370	154	156	1,680
Office, copier and postage	2,914	3,423	331	6,668
Rent, occupancy and repairs	20,082	2,263	2,281	24,626
Supplies	6,477	-	-	6,477
Telephone, internet and computer	6,483	358	361	7,202
Training and travel	15,480	270	272	16,022
Volunteer expenses	4,185	-	-	4,185
Total Other	<u>103,766</u>	<u>8,965</u>	<u>23,308</u>	<u>136,039</u>
<b>Total Functional Expenses</b>	<u><u>\$ 261,277</u></u>	<u><u>\$ 25,723</u></u>	<u><u>\$ 37,733</u></u>	<u><u>\$ 324,733</u></u>

See accompanying notes and independent auditors' report.

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**STATEMENTS OF CASH FLOWS**

	<b>For the Years Ended December 31,</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Cash flows From Operating Activities</b>		
Increase/(Decrease) in Net Assets	\$ 23,846	\$ 7,644
Adjustments to reconcile increase/(decrease) in net assets to net cash provided by operating activities:		
Depreciation	6,233	10,882
Net change in beneficial interest in Community Foundation	-	162
Unrealized (gain) loss on investments	(9,211)	46,994
(Increase)/Decrease in:		
Prepaid expenses	-	-
Other receivables	24,408	(24,408)
Increase/(Decrease) in:		
Accrued expenses	(2,628)	3,607
Deferred insurance proceeds	-	-
Net Cash Provided by/(Used in) Operating Activities	42,648	44,881
<b>Cash Flows from Financing Activities</b>		
Principal paid on long-term debt	-	-
Net Cash Provided by/(Used in) Financing Activities	-	-
<b>Cash Flows from Investing Activities</b>		
Purchase of mutual funds	(4,166)	(3,720)
Acquisition of property, plant, and equipment	(40,501)	-
Net Cash Provided by/(Used in) Investing Activities	(44,667)	(3,720)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		
During the Year	(2,019)	41,161
<b>Cash and Cash Equivalents, Beginning of Year</b>	248,262	207,101
<b>Cash and Cash Equivalents, End of Year</b>	\$ 246,243	\$ 248,262

**PRELIMINARY**  
*SUBJECT TO CHANGE*

See accompanying notes and independent auditors' report.

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**Note 1 - Summary of Significant Accounting Policies**

Nature of Activities

The Northern Hills Area CASA Program (CASA) is a nonprofit organization. The program's mission is to recruit, train and supervise court-appointed community volunteers who advocate for safe, permanent, nurturing homes for abused and neglected children in the court system. CASA is located in Spearfish, South Dakota, and serves several counties in western South Dakota. More than thirty volunteers advocate for nearly 100 children annually through the Organization.

Basis of Presentation

The accompanying financial statements of CASA have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (US GAAP), which 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 CASA'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 CASA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the financial statements.

Income Taxes

The Organization is an exempt organization for Federal Income Tax purposes under section 501(c)(3) of the Internal Revenue Code. In addition, the Internal Revenue Service has determined that the Organization is not a private foundation as defined in Section 509(a)(1) and Section 170(b)(1)(A)(vi) of the Code. The Organization's income tax filings are subject to audit by various taxing authorities.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all highly liquid investments and deposits with a term to maturity of three months or less when purchased to be cash equivalents. Cash equivalents at December 31, 2023 and 2022 consisted of \$ \_\_\_\_\_ and \$11,872, respectively, held in a money market account.

Investments

The Organization reports investments in mutual funds at their fair values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. The Organization places its investments with high credit quality financial institutions, however the amounts held at the Brokerage's firm in mutual funds are not insured. Policies and investment strategies for these funds are governed by the Securities and Exchange Commission.

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Contributions, Support and Revenues

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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 statement of activities as net assets released from restrictions.

The Northern Hills Area CASA Program received its support and revenues primarily from governmental organizations. See Note 3 – Concentration of Revenue.

Functional Expenses

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

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and related expenses	Time and effort
Accounting and auditing	Time and effort
Advertising/Public relations	Direct Allocation
Depreciation	Square footage
Fundraising projects	Direct Allocation
In-Kind expenses	Direct Allocation
Insurance	Time and effort
Interest and investment	Time and effort
Miscellaneous	Time and effort
Office, copier and postage	Time and effort
Rent, occupancy and repairs	Square footage
Supplies	Direct Allocation
Telephone and internet	Time and effort
Training and travel	Direct Allocation
Volunteer expenses	Direct Allocation

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Fixed Assets

Expenditures for property and equipment are stated at cost. Depreciation for property and equipment is computed on the estimated useful lives ranging from three to ten years for furniture, fixtures and equipment and 27-29 years for buildings and building improvements using the straight-line method. The cost of current repairs and minor replacements is charged to the appropriate operating expense account, and the cost of acquisitions, renewals and betterments over \$1,500 is capitalized.

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. There were no donations of property and equipment for the years ended December 31, 2023 and 2022.

The net fixed asset balance has been recorded as a separate component in net assets without donor restrictions.

Donated Materials and Services

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 5,000 volunteer hours per year. No amounts have been reflected in the financial statements for these donated services because they do not meet the criteria for recognition.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

**Note 2 - In-Kind Revenues and Expenses**

The Northern Hills Area CASA Program recognizes in-kind revenues and expenses for indirectly paid expenses by funding entities. In-kind donations primarily consist of free advertising, program items, and supplies for fundraising events held. For the years ended December 31, in-kind revenue and expenses consisted of the following:

	2023	2022
Advertising	\$ 10,922	\$ 7,444
Program supplies	1,750	2,204
Fundraising supplies	18,895	10,275
	\$ 31,567	\$ 19,923

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**Note 3 - Concentration of Revenue**

The Northern Hills Area CASA Program is dependent upon governmental funds for a significant portion of its operating revenue. Funds from governmental agencies consisted of 45% and 43% in 2023 and 2022, respectively.

**Note 4 - Land, Buildings and Equipment**

The following is a summary of major classifications of land, buildings and equipment:

	2023	2022
Buildings and improvements	\$ 307,478	\$ 266,978
Equipment and furnishings	76,781	76,781
Land	36,142	36,142
	<u>420,401</u>	<u>379,901</u>
Less accumulated depreciation	(172,727)	(158,813)
Net land, buildings and equipment	<u>\$ 247,674</u>	<u>\$ 221,088</u>

The following is a summary of changes in land, buildings and equipment for the year ended December 31, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance
Buildings and improvements	\$ 266,978	\$ 40,500	\$ -	\$ 307,478
Equipment and furnishings	76,781	-	-	76,781
Land	36,142	-	-	36,142
Total	<u>\$ 379,901</u>	<u>\$ 40,500</u>	<u>\$ -</u>	<u>\$ 420,401</u>

Depreciation expense was \$13,914 and \$10,882 for the years ended December 31, 2023 and 2022, respectively.

**Note 5 - Concentration of Credit Risk**

CASA maintains cash balances in two accounts at a local financial institution. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2023 and 2022 there was not an uninsured cash balance.

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**Note 6 - Retirement Plan**

The Northern Hills Area CASA Program maintains a SIMPLE IRA plan. All full-time employees are eligible to participate in the plan. The Organization has elected to match each participant's elective deferrals on a dollar for dollar basis up to 3% of each participant's compensation.

For the years ended December 31, 2023 and 2022, the Organization's total contribution was \$3,454 and \$4,820, respectively.

**Note 7 - Advertising**

The Organization has adopted a policy of expensing advertising costs as incurred. Total advertising costs for the years ended December 31, 2023 and 2022 were \$2,700 and \$3,511, respectively. Additionally, \$10,922 of in-kind advertising was received in 2023.

**Note 8 - Availability and Liquidity**

The following represents the Organization's financial assets at December 31:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 246,243	\$ 248,262
Investments in mutual funds	214,284	193,387
Total Financial Assets	460,527	441,649
Less amounts not available to be used within one year:		
Net assets with donor restrictions	686	686
Less net assets with purpose restrictions to be met in less than a year	-	-
	686	686
Financial assets available to meet general expenditures over the next twelve months	\$ 459,841	\$ 440,963

**Note 9 - Net Assets**

Net assets with donor restrictions consist of the following at December 31:

	2023	2022
Visitor Center	\$ 686	\$ 686

**THE NORTHERN HILLS AREA CASA PROGRAM**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**Note 10 - Beneficial Interest in Assets Held by Community Foundation**

Beneficial interest in assets held by Community Foundation consists of an agency fund held by the South Dakota Community Foundation (SDCF). This fund was established by the Organization in 2007 for the benefit of the Organization. The fair market value of the fund was \$1,871 at December 31, 2023 and \$1,709 at December 31, 2022. Changes in the value of the fund are recognized on the statement of activities as “net change in beneficial interest.”

Variance power was granted to the SDCF to allow the right to modify any restriction or condition on the distribution of the funds for any specified charitable purposes or to specified organizations, if in the sole judgement of the governing body of SDCF, such restrictions or conditions become, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the South Dakota area. The fund is the exclusive property of the SDCF and the SDCF has full authority and discretion as the investment and reinvestment of the assets.

Distributions from the funds shall be in accordance with the spending policies established by the Board of SDCF and shall be paid and distributable at least annually, or more frequently, as the parties may from time to time agree.

The beneficial interest in assets held at the SDCF has been valued, as a practical expedient, at the fair value of the Organization’s share of the SDCF’s investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting. The beneficial interest in assets held at the SDCF is not redeemable by the Organization as described above.

Changes in the beneficial interest in assets held by Community Foundation for the years ending December 31 are as follows:

	2023	2022
Balance, Beginning of Year	\$ 1,709	\$ 1,871
Earnings, net of gains (losses)	202	(122)
Administrative/Investment fees	(40)	(40)
Balance, End of Year	\$ 1,871	\$ 1,709

**Note 11 - Investment in Mutual Funds**

Investment in mutual funds at December 31, 2023 consisted of \$ \_\_\_\_\_ held in money market funds and \$ \_\_\_\_\_ held in mutual funds for a total of \$214,284.

The Organization’s financial assets and liabilities carried at fair value have been classified for disclosure purposes, based on a hierarchy defined by FASB ASC 820, Fair Value Measurement. The established framework gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).



**THE NORTHERN HILLS AREA CASA PROGRAM**  
**Notes to the Financial Statements**  
**December 31, 2023 and 2022**

**Note 11 - Investment in Mutual Funds (continued)**

An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, A Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 – Observable inputs based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible to the Organization at the market date.

Level 2 – Observable inputs, other than those included in Level 1, based on quoted prices for similar assets or liabilities in active markets, or quoted prices for identical assets and liabilities in inactive markets.

Level 3 – Unobservable inputs that reflect the Organization's own assumptions about what inputs a market participant would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value of each financial instrument in the table below was measured using FASB ASC Topic 820 input guidance and valuation techniques. The mutual fund is widely held and actively traded. The mutual fund is valued at quoted market values, which are equivalent to the fair value of their underlying assets, as provided by the administrators of the fund. The mutual fund is therefore included in Level 1.

Cost and fair value of marketable securities at December 31, 2023 is a follows:

	Cost	Unrealized Gain (Loss)	Fair Value
Available for sale Mutual Funds	\$ -	\$ -	\$ -

The net unrealized loss on securities available for sale in the amount of \$\_\_\_\_\_ has been included in the unrestricted revenues and gains for the year ended December 31, 2023.

**Note 12 - Date of Management's Review**

Subsequent events have been evaluated through \_\_\_\_\_ the date the financial statements were available to be issued.