CHRISTIAN RECORD SERVICES, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

DANA F. COLE
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

CHRISTIAN RECORD SERVICES, INC.
TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Christian Record Services, Inc.
Lincoln, Nebraska

Opinion

We have audited the accompanying financial statements of Christian Record Services, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Christian Record Services, Inc., as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Christian Record Services, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 Christian Record Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Christian Record Services, Inc.'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 Christian Record Services, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Christian Record Services, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 15, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dana F. Cole + Company, LLP

Lincoln, Nebraska
April 30, 2024

CHRISTIAN RECORD SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

ASSETS	Operating Fund	Special Purpose Fund	Plant Fund	Annuities & Trusts Fund	2023 Total	2022 Total
CURRENT ASSETS						
Cash and cash equivalents	1,477,879				1,477,879	2,198,265
Short term investments	3,387,161				3,387,161	2,237,231
Receivables, net	64,325				64,325	50,602
Supplies inventory, at cost	87,543				87,543	72,276
Prepaid expense	8,930				8,930	28,432
Total current assets	5,025,838				5,025,838	4,586,806
OTHER ASSETS						
Investments		932,898		256,562	1,189,460	1,146,540
Beneficial interest in trust assets				3,257,611	3,257,611	2,983,248
Lease right-to-use assets	101,665				101,665	129,107
Plant assets, net	222,981		(38,091)		184,890	55,218
Total other assets	324,646	932,898	(38,091)	3,514,173	4,733,626	4,314,113
TOTAL ASSETS	5,350,484	932,898	(38,091)	3,514,173	9,759,464	8,900,919

See accompanying notes to financial statements.

CHRISTIAN RECORD SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

LIABILITIES AND NET ASSETS	Operating Fund	Special Purpose Fund	Plant Fund	Annuities & Trusts Fund	2023 Total	2022 Total
CURRENT LIABILITIES						
Accounts payable	54,942				54,942	101,786
Expenses accrued	136,408				136,408	124,960
Lease liabilities, current	63,754				63,754	69,754
Total current liabilities	255,104				255,104	296,500
OTHER LIABILITIES						
Lease liabilities, noncurrent	37,911				37,911	59,353
Present value of annuities payable				194,282	194,282	210,475
Total other liabilities	37,911			194,282	232,193	269,828
TOTAL LIABILITIES	293,015			194,282	487,297	566,328
NET ASSETS						
Without donor restrictions	4,046,026	337,030	(38,091)	(243,284)	4,101,681	3,875,448
With donor restrictions						
Restricted by purpose or time	691,093	502,939		173,633	1,367,665	926,507
Restricted in perpetuity	320,350	92,929		3,389,542	3,802,821	3,532,636
Total net assets	5,057,469	932,898	(38,091)	3,319,891	9,272,167	8,334,591
TOTAL LIABILITIES AND NET ASSETS	5,350,484	932,898	(38,091)	3,514,173	9,759,464	8,900,919

CHRISTIAN RECORD SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	Operating Fund	Special Purpose Fund	Plant Fund	Annuities & Trusts Fund	2023 Total	2022 Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Revenues and support						
Contributions	1,223,565				1,223,565	1,164,800
Offerings from associated churches	520,712				520,712	435,895
Legacies and bequests	169,900				169,900	815,120
Investment income	188,603	36,250		26,152	251,005	(23,579)
Other income	148,767				148,767	117,363
	2,251,547	36,250		26,152	2,313,949	2,509,599
Net assets released from restriction	346,379				346,379	316,208
Total revenues and support	2,597,926	36,250		26,152	2,660,328	2,825,807
Expenses						
Program services	1,733,498		12,359		1,745,857	1,617,030
Supporting activities						
Development and fundraising	376,806		2,263	27,280	406,349	426,459
Executive administration	274,086		7,803		281,889	283,544
Total expenses	2,384,390		22,425	27,280	2,434,095	2,327,033
Change in net assets without donor restrictions	213,536	36,250	(22,425)	(1,128)	226,233	498,774
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS						
Restricted by purpose or time						
Contributions	737,148				737,148	108,452
Legacies and bequests				31,220	31,220	(10,283)
Investment income		19,169			19,169	15,915
	737,148	19,169		31,220	787,537	114,084
Net assets released from restriction	(346,379)				(346,379)	(122,347)
Change in net assets restricted by purpose or time	390,769	19,169		31,220	441,158	(8,263)

CHRISTIAN RECORD SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	Operating Fund	Special Purpose Fund	Plant Fund	Annuities & Trusts Fund	2023 Total	2022 Total
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS (Continued)						
Restricted in perpetuity						
Change in beneficial interest in trust assets				270,185	270,185	(382,725)
Release of designations						(193,861)
Change in net assets restricted in perpetuity				270,185	270,185	(576,586)
Change in net assets	604,305	55,419	(22,425)	300,277	937,576	(86,075)
NET ASSETS, beginning of year	4,430,944	889,479	(15,666)	3,029,834	8,334,591	8,420,666
Transfers between funds	22,220	(12,000)		(10,220)		
NET ASSETS, end of year	5,057,469	932,898	(38,091)	3,319,891	9,272,167	8,334,591

See accompanying notes to financial statements.

CHRISTIAN RECORD SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Activities				
	Outreach Ministries	Phone Faith	Library/ Studio	Public Information and Education	Total Program Services	Development and Fundraising	Executive Administration	Total Supporting Activities	2023 Total	2022 Total
Salaries	282,444	55,483	195,451	116,093	649,471	170,060	110,743	280,803	930,274	853,309
Employee benefits	133,364	37,331	102,616	51,946	325,257	85,256	52,801	138,057	463,314	421,014
Payroll taxes	24,063	5,150	17,608	10,362	57,183	15,011	9,707	24,718	81,901	74,525
Total salaries and related expense	439,871	97,964	315,675	178,401	1,031,911	270,327	173,251	443,578	1,475,489	1,348,848
Contracted services	10,277	650	782	17,954	29,663	4,977	32,392	37,369	67,032	55,438
Supplies	2,553	599	6,378	213	9,743	601	1,000	1,601	11,344	49,612
Telephone		1,681	1,488		3,169				3,169	10,745
Postage and shipping	4,490		274	31,487	36,251	11,855	670	12,525	48,776	73,856
Insurance	6,240	5,771	6,240	6,240	24,491	6,240	6,240	12,480	36,971	33,733
Occupancy and depreciation	25,977		50,352	21,400	97,729	18,618	27,061	45,679	143,408	152,937
Equipment rental and maintenance	1,649		345	172	2,166	172	123	295	2,461	4,082
Small equipment and software	1,438		10,412	810	12,660	10,986	436	11,422	24,082	30,945
Outside printing and computer	12,880	3,418	29,048	92,496	137,842	24,498	3,385	27,883	165,725	190,631
Transportation and auto insurance	36,785	3,497	23,062	15,231	78,575	15,680	11,184	26,864	105,439	94,221
Committees and meetings	200			6,364	6,564	82	1,452	1,534	8,098	8,789
Subscriptions	154,865	1,601	10,176		166,642				166,642	138,608
Specific assistance to individuals	62,694	752			63,446	25,164		25,164	88,610	74,870
Licenses and permits				968	968	5,061	244	5,305	6,273	6,485
Miscellaneous	17,301	5,438	4,339	16,959	44,037	12,088	24,451	36,539	80,576	53,233
	777,220	121,371	458,571	388,695	1,745,857	406,349	281,889	688,238	2,434,095	2,327,033

See accompanying notes to financial statements.

CHRISTIAN RECORD SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	937,576	(86,075)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	22,425	46,398
Gain on disposal of plant assets		382
Unrealized market (gain) loss	(45,998)	14,231
Change in beneficial interest in trust assets	(274,363)	866,875
(Increase) decrease in assets:		
Receivables	(13,723)	11,664
Inventories	(15,267)	16,798
Prepaid expenses	19,502	(1,575)
Increase (decrease) in liabilities:		
Accounts payable	(46,844)	35,522
Expenses accrued	11,448	20,200
Total adjustments	(342,820)	1,010,495
Net cash provided by operating activities	594,756	924,420
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,178,324)	(14,405)
Proceeds from the redemption of investments	15,279	32,467
Purchases of plant assets	(152,097)	(19,743)
Net cash used in investing activities	(1,315,142)	(1,681)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(720,386)	922,739
CASH AND CASH EQUIVALENTS, beginning of year	2,198,265	1,275,526
CASH AND CASH EQUIVALENTS, end of year	1,477,879	2,198,265

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Christian Record Services, Inc. (the Organization), is a not-for-profit corporation that is organized to provide aid and assistance to persons who are legally blind. The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation, but is an organization described in Section 509(a)(2) of the Code.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Net Asset Classification

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both, and are reported in the statements of activities as net assets released from restrictions.

Contributions

The Organization utilizes Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities Revenue Recognition*. This standard requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributed Materials and Services

The Organization records various types of in-kind contributions. Contributed services are recognized at fair market value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued)

Contributed Materials and Services (Continued)

tangible assets are recognized at fair market value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment.

Volunteers

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with its operations. The volunteer hours have not been recorded in the financial statements since those services do not meet the criteria for recognition.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

The Organization uses the allowance method to account for uncollectible accounts receivable.

Inventories

Inventories, which consist mainly of paper and other production materials and publications for giveaway, are valued at the lower of cost (first-in, first-out method) or net realizable value.

Investments

The Organization has adopted FASB ASC 958-320, *Not-for-Profit Entities, Investments - Debt and Equity Securities*. FASB ASC 958-320 establishes standards of reporting at fair value certain investments, debt and equity securities, held by not-for-profit organizations.

Therefore, investments in equity securities that have a readily determinable fair value and all investments in debt securities are stated at fair value, with gains and losses included in the statements of activities. Fair value is determined by quoted market values.

Split-Interest Agreements

The Organization acts as trustee of and/or has a beneficial interest in various kinds of trusts and annuities for which they act as trustee or administrator. For those agreements that are unconditional and irrevocable, the respective donated assets are recorded by the Organization at fair value at the date of gift or acceptance of agreement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Split-Interest Agreements (Continued)

For those agreements, liabilities are recorded for the present value of the amount due to income beneficiaries and other remainder beneficiaries. Standard actuarial tables and conservative interest rates ranging from 3.8% - 8.5% are used to compute liabilities due to annuitants. For those irrevocable agreements that are unconditional, the Organization's remainder interest is classified as unrestricted or temporarily restricted depending on the terms of each agreement.

The Organization has beneficial interest in six donor-established, irrevocable perpetual trusts whose assets are held by third party financial institutions. The Organization receives periodic distributions representing their percentage interests in the income from the trusts' assets. While these beneficial interests are assets of the Organization, they do not represent expendable cash available for discretionary use of the Organization.

Plant Assets

Property and equipment are stated at cost, if purchased, or fair value, if donated. Major expenditures for property over $1,000 and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts, and resulting gains or losses are included in income.

Depreciation

The Organization provides for depreciation of property and equipment using annual rates which are sufficient to amortize the cost of depreciable assets using the straight-line method over their estimated useful lives, which range from 2 - 40 years.

Compensated Absences

Employees' vacation benefits are recognized in the period earned.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization utilizes the provisions of FASB ASC 740-10, *Accounting for Uncertain Tax Positions*. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that would be material to the financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising

Advertising expenses of the Organization are expensed as incurred.

Joint Cost Allocation

In 2023 and 2022, the Organization conducted joint activities that included requests for contributions, as well as program, management, and general components. These activities included direct mail campaigns and newsletters. The costs of conducting these activities for the years ended December 31, 2023 and 2022, included a total of $795,044 and $864,628, respectively, of joint costs which are not specifically attributable to a particular component of the activities. In conformity with the Statement of Position 98-2 these joint costs were allocated as follows:

		2023	2022
Program Services:	Public Information & Education	388,695	438,169
Supporting Activities:	Fund Raising	406,349	426,459
		795,044	864,628

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been reported on a functional basis in the statement of functional expenses. Expenses are allocated based on time and effort studies, space utilization, or a combination of the two methods, as deemed appropriate for the category.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

FASB Accounting Standards Update (ASU) 2016-02, Topic 842, *Leases,* was implemented in the current year. Under the standard, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Lease liabilities are initially and subsequently recognized based on the present value of their future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as a variable lease expense (income) in the future period in which they are incurred.

ROU assets for operating leases are subsequently measured throughout the lease term at the amount of the remeasured lease liability (present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized.

ROU assets for finance leases are amortized on a straight-line basis over the lease term. Operating leases with fluctuating lease payments: for operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset or liability for those leases. Lease payments for short-term leases are recognized on a straight-line basis.

Comparative Totals

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Reclassification

In certain instances, figures for the prior year have been reclassified to place them on a basis comparable with the current year.

NOTE 2. CONCENTRATION OF CREDIT RISK

The Organization has deposits in financial institutions subject to the $250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2023 and 2022, the amount of deposits in excess of the insurance provided by the FDIC were $1,048,500 and $1,788,540, respectively.

NOTE 2. CONCENTRATION OF CREDIT RISK (Continued)

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of trade receivables with a variety of customers. The Organization generally does not require collateral from its customers. Such credit risk is considered by management to be limited due to the Organization's broad customer base and its customers' financial resources.

NOTE 3. INVESTMENTS

The Organization has adopted FASB ASC 820-10, *Fair Value Measurements*, which provides a framework for measuring fair value under generally accepted accounting principles. FASB ASC 820-10 applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in FASB ASC 820-10, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

NOTE 3. INVESTMENTS (Continued)

For the fiscal years ended December 31, 2023 and 2022, the application of valuation techniques applied to similar assets has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Cash and Cash Equivalents

The fair value of cash and cash equivalents is the market value of checking, savings, or money market accounts reported at fiscal year end by financial institutions.

Marketable Equity Securities

The fair value of marketable equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Pooled investment funds

Pooled investment funds are reported as their net asset value, as reported by the custodian of the funds.

Fair Value on a Recurring Basis

The table below presents the balances of assets measured at December 31, 2023 and 2022, at fair value on a recurring basis.

2023	Total	Level 1	Level 2	Level 3
Cash equivalents	3,387,161	3,387,161		
Equity mutual funds	18,390	18,390		
Pooled investment funds	1,171,070		1,171,070	
Totals	4,576,621	3,405,551	1,171,070	

2022	Total	Level 1	Level 2	Level 3
Cash equivalents	2,237,231	2,237,231		
Equity mutual funds	17,423	17,423		
Pooled investment funds	1,129,117		1,129,117	
Totals	3,383,771	2,254,654	1,129,117	

NOTE 3. INVESTMENTS (Continued)

The carrying amounts, market value, unrealized gains, and unrealized losses of the Level 1 investments at December 31, 2023 and 2022, are as follows:

	2023		
	Total Cost	Unrealized Gains (Losses)	Estimated Fair Value
Cash equivalents	3,387,161		3,387,161
Equity mutual funds	20,638	(2,248)	18,390
Totals	3,407,799	(2,248)	3,405,551

	2022		
	Total Cost	Unrealized Gains (Losses)	Estimated Fair Value
Cash equivalents	2,237,231		2,237,231
Equity mutual funds	20,130	(2,707)	17,423
Totals	2,257,361	(2,707)	2,254,654

Management evaluates securities for other than temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) the length of time and the extent to which the fair value has been less than cost, (2) the financial conditions and near-term prospects of the issuer, and (3) the intent and ability of the Organization to retain their investments in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. As management has the ability to hold securities for the foreseeable future, no declines are deemed to be other than temporary.

Total investment return for the years ended December 31, 2023 and 2022, consists of the following:

	2023	2022
Investment income - unrestricted	205,127	50,180
Investment income - unrestricted - annuities and trusts	(121)	430
Net realized gains - unrestricted		199
Net unrealized gains - unrestricted	19,726	(60,157)
Net unrealized gains - unrestricted - annuities and trusts	26,272	(14,231)
Investment income - temporarily restricted	19,170	15,915
	270,174	(7,664)

NOTE 4. ACCOUNTS RECEIVABLE

Components of accounts receivable as of December 31, 2023 and 2022, are as follows:

	2023	2022
Affiliated organization receivable	61,925	44,936
Other receivable	2,400	5,666
	64,325	50,602

NOTE 5. PLANT ASSETS

The major classes of plant assets in service at December 31, 2023 and 2022, are as follows:

	2023	2022
Buildings	213,383	62,497
Equipment	400,182	398,971
	613,565	461,468
Less accumulated depreciation	(428,675)	(406,250)
Net plant assets	184,890	55,218

NOTE 6. RELATED PARTY TRANSACTIONS

The General Conference of Seventh-Day Adventists (GC), the North American Division of Seventh-Day Adventists (NAD), the Mid-America Union Conference of Seventh-Day Adventists (MAUC), AdventSource (AS), and Union College (UC), are related parties with respect to the Organization in that the Organization receives appropriations from the GC and NAD to carry out its services for persons who are legally blind, and through shared membership in the respective governing committees of the GC, NAD, MAUC, AS, and UC. Significant transactions occur between the Organization and these organizations, including:

The Organization received contributions from the Seventh-Day Adventist Church offerings through the North American Division of $520,712 and $435,895 in the years ended December 31, 2023 and 2022, respectively. These contributions are recorded in the Operating Fund as Sectarian and are used for denominational publications.

Pension And Other Post-Retirement Benefits

The Organization participates in a non-contributory, defined benefit retirement plan known as the "Seventh-Day Adventist Retirement Plan of the North American Division". This plan, which covers substantially all full-time employees of the Organization, is administered by the General Conference of Seventh-Day Adventists in Silver Spring, Maryland, and is exempt from the Employee Retirement Income Security Act of 1974 as a multiple-employer plan of a church-related agency.

NOTE 6. RELATED PARTY TRANSACTIONS (Continued)

Pension And Other Post-Retirement Benefits (Continued)

The Organization also participates in a non-contributory, defined benefit health care plan known as the "Health Care Assistance Plan for Participants in the Seventh-Day Adventist Retirement Plan of the North American Division". This plan, which covers substantially all full-time employees of the Organization, is administered by the General Conference of Seventh-Day Adventists in Silver Spring, Maryland, and is exempt from the Employee Retirement Income Security Act of 1974 as a multiple-employer plan of a church-related agency.

The Organization contributed $85,104 and $78,216 to these plans for the years ended December 31, 2023 and 2022, respectively.

These plans are defined by FASB as multi-employer plans. As such, it is not required, nor is it possible, to determine the actuarial present value of accumulated benefits or plan net assets for employees of the Organization apart from other plan participants. However, based on the latest actuarial valuation of the Seventh-Day Adventist Retirement Plan of the North American Division, as of December 31, 1998, the actuarially computed value of accumulated plan benefits exceeded the estimated market value of plan assets for that plan. No actuarial valuation has been obtained for the Health Care Assistance Plan for Participants in the Seventh-Day Adventist Retirement Plan of the North American Division.

The North American Division Committee voted to freeze accrual of service credit in these plans effective December 31, 1999, except for employees who choose the career completion option, and to start a new defined contribution plan effective January 1, 2000. The Organization is scheduled to continue making contributions (at a reduced rate) to the frozen plans after December 31, 1999. Certain employees will continue to be eligible for future benefits under these plans.

Effective January 1, 2000, the Organization participates in a defined contribution retirement plan known as "The Adventist Retirement Plan". This plan, which covers substantially all full-time employees of the Organization, is administered by the General Conference of Seventh-Day Adventists (GC) in Silver Spring, Maryland, and is exempt from the Employee Retirement Income Security Act of 1974 as a multiple-employer plan of a church-related agency. The Organization contributed $70,294 and $65,427 to the plan for the years ended December 31, 2023 and 2022, respectively, based on a stated matching percentage of certain employee voluntary contributions. Investment management of the accumulated employee contributions is provided under an agreement between the GC and the plan trustee and custodian.

NOTE 7. NET ASSETS

Net assets without donor restrictions represent resources available to support the Organization's operations at the discretion of the governing board.

NOTE 7. NET ASSETS (Continued)

Net assets with donor restrictions may only be utilized in accordance with the limitations established by the donors of such resources. Net assets with donor restrictions are available for the following as of December 31, 2023 and 2022:

	2023	2022
Oregon Blind Campers, Bibles for the blind, and special projects	1,194,033	784,095
Trusts	173,632	142,412
	1,367,665	926,507

Net assets were released from restrictions as follows:

Special project expenses	346,379	316,208

Net assets restricted in perpetuity represent resources that are subject to restrictions from donors requiring that the principal be held in perpetuity, be invested, and only the income from such investments be used for the purposes stipulated by the donor. Net assets held in perpetuity are held in perpetuity and the income is to be used for the following as of December 31, 2023 and 2022:

	2023	2022
Bibles for the blind	73,753	73,753
Scholarships for the blind	7,985	7,985
Reading materials for the blind	574,022	574,022
National camps for the blind	1,889,155	1,858,054
Bible services	1,257,906	1,018,822
	3,802,821	3,532,636

NOTE 8. LEASE RIGHT-OF-USE ASSETS AND LIABILITIES

The Organization conducts its operations with offices leased under a 3-year noncancellable lease expiring on October 31, 2024. There is an option to renew the lease for one 3-year option. The present value of the lease liabilities (and right-of-use asset) at the commencement of the lease was $201,383 and the incremental borrowing rate was 4%. As of December 31, 2023, the value of the lease liability is $52,630.

The Organization conducts its operations with additional office space leased under a 56 month noncancellable lease expiring on October 31, 2024. The present value of the lease liabilities (and right-of-use asset) at the commencement of the lease was $50,539 and the incremental borrowing rate was 4%. As of December 31, 2023, the value of the lease liability is $48,064.

NOTE 8. LEASE RIGHT-OF-USE ASSETS AND LIABILITIES (Continued)

The Organization entered into a 5-year noncancelable lease agreement for copier equipment expiring on May 30, 2024. The present value of the lease liabilities (and right-of-use asset) at the commencement of the lease was $9,907 and the incremental borrowing rate was 7.39%. As of December 31, 2023, the value of the lease liability is $972.

Amounts relating to leases are reflected in the financial statements as right-to-use assets and lease liabilities as follows:

Leases	Classification	2023	2022
Assets	Operating lease assets	101,665	129,107
Liabilities			
Current	Operating lease liabilities	63,754	69,754
Noncurrent	Noncurrent operating lease liabilities	37,911	59,353
Total lease liabilities		101,665	129,107

The lease term and discount rates used are as follows:

	2023	2022
Weighted Average Lease Term		
Operating leases	2.48	1.74
Weighted Average Discount Rate		
Operating leases	4.03	4.08

At December 31, 2023, the minimum future payments required under the above are as follows:

Years Ending December 31,	
2024	66,371
2025	11,890
2026	11,890
2027	11,890
2028	4,954
Less: present value adjustment	(5,330)
Lease liability and right-of-use asset	101,665

NOTE 9. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available to meet cash needs for general expenditures within one year of the balance date are as follows:

	2023	2022
Cash and cash equivalents	1,477,879	2,198,265
Short-term investments	2,019,496	1,310,724
Receivables, net	64,325	50,602
	3,561,700	3,559,591

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 come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

NOTE 10. SUBSEQUENT EVENT

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 30, 2024, the date the financial statements were available to be issued.