

TALL CEDARS' FOUNDATION

DECEMBER 31, 2023

GOLDBERG & BALTHASER, P.C.
Certified Public Accountants
HARRISBURG, PENNSYLVANIA

TALL CEDARS' FOUNDATION
HARRISBURG, PENNSYLVANIA
CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3-4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	7
Notes to Financial Statements	8-12

GOLDBERG & BALTHASER, P.C.

Certified Public Accountants

3540 N. PROGRESS AVENUE
SUITE 107
HARRISBURG, PENNSYLVANIA 17110

(717) 652-9200
FAX (717) 652-9201
www.BalthaserCPA.com

JACQUELINE M. BALTHASER, CPA, CGMA

BERTRAM H. GOLDBERG, CPA
1927 - 2015

CAROL A. GROSS, CPA

INDEPENDENT AUDITOR'S REPORT

November 12, 2024

The Board of Directors
TALL CEDARS' FOUNDATION
Harrisburg, Pennsylvania

Opinion

We have audited the accompanying financial statements of **TALL CEDARS' FOUNDATION** (a nonprofit organization, subsequently referred to as "the Foundation"), 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 the Foundation as of December 31, 2023, and the changes in 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation 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 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 the Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 14, 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.

Respectfully submitted,

Goldberg & Balthase, P.C.

TALL CEDARS' FOUNDATION

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31,

2023

2022

ASSETS

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 140,792	\$ 186,302
Accounts Receivable	9,829	-
Prepaid Expenses	<u>5,114</u>	<u>2,472</u>
Total Current Assets	<u>155,735</u>	<u>188,774</u>

INVESTMENTS:

Without Donor Restrictions and Undesignated	398,395	280,967
Board Designated - Memorial Fund	650,320	552,480
Board Designated - Development Fund	<u>142,907</u>	<u>142,907</u>
Total Investments	<u>1,191,622</u>	<u>976,354</u>

PROPERTY AND EQUIPMENT:

Office Equipment and Software	10,654	10,654
Less - Accumulated Depreciation	<u>10,654</u>	<u>10,654</u>
Net Property and Equipment	<u>-</u>	<u>-</u>

LONG-TERM ASSETS:

Investments - Donor Restricted Life Membership Fund	1,041,057	910,605
Investments - Donor Restricted Muscular Dystrophy Fund	<u>65,042</u>	<u>65,042</u>
Total Long-Term Assets	<u>1,106,099</u>	<u>975,647</u>

TOTAL ASSETS

	\$ <u>2,453,456</u>	\$ <u>2,140,775</u>
--	---------------------	---------------------

(CONTINUED)

TALL CEDARS' FOUNDATION

STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31,

2023

2022

LIABILITIES

CURRENT LIABILITIES:

Pledge Payable	\$ -	\$ 30,000
Accrued Expenses	<u>8,205</u>	<u>6,379</u>

Total Current Liabilities	<u>8,205</u>	<u>36,379</u>
----------------------------------	--------------	---------------

TOTAL LIABILITIES	<u>8,205</u>	<u>36,379</u>
--------------------------	--------------	---------------

NET ASSETS

NET ASSETS:

Without Donor Restrictions -

Undesignated Operating Fund	545,925	433,362
Board Designated - Memorial Fund	650,320	552,480
Board Designated - Development Fund	<u>142,907</u>	<u>142,907</u>

Total Net Assets Without Donor Restrictions	<u>1,339,152</u>	<u>1,128,749</u>
--	------------------	------------------

With Donor Restrictions -

Donor Imposed Endowment Funds:		
Life Membership Fund	1,041,057	910,605
Muscular Dystrophy Fund	<u>65,042</u>	<u>65,042</u>

Total Net Assets With Donor Restrictions	<u>1,106,099</u>	<u>975,647</u>
---	------------------	----------------

TOTAL NET ASSETS	<u>2,445,251</u>	<u>2,104,396</u>
-------------------------	------------------	------------------

TOTAL LIABILITIES AND NET ASSETS	\$ <u>2,453,456</u>	\$ <u>2,140,775</u>
---	---------------------	---------------------

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

TALL CEDARS' FOUNDATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2023

2022

	WITHOUT DONOR RESTRICTIONS			WITH DONOR RESTRICTIONS			SUMMARIZED INFORMATION TOTAL	
	UNDESIGNATED OPERATING FUND	BOARD DESIGNATED MEMORIAL FUND	BOARD DESIGNATED DEVELOPMENT FUND	DONOR IMPOSED	ENDOWMENT FUNDS			TOTAL
					LIFE MEMBERSHIP	MUSCULAR DYSTROPHY		
SUPPORT AND REVENUE:								
Contributions	\$ 78,677	\$ -	\$ -	\$ -	\$ 5,200	\$ -	\$ 83,877	
Interest and Dividend Income - Net	55,479	21,856	-	-	-	-	77,335	
Realized Gain on Sale of Investments	65	74	-	-	122	-	261	
Unrealized Gain (Loss) on Investments	67,192	75,910	-	-	125,130	-	268,232	
Net Assets Released from Restrictions	-	-	-	-	-	-	-	
Total Support and Revenue	<u>201,413</u>	<u>97,840</u>	<u>-</u>	<u>-</u>	<u>130,452</u>	<u>-</u>	<u>429,705</u>	
EXPENSES:								
PROGRAM SERVICES -								
Accounting Fees	16,080	-	-	-	-	-	16,080	
Administrative Fees	30,000	-	-	-	-	-	30,000	
Awards	-	-	-	-	-	-	-	
Convention	-	-	-	-	-	-	-	
Directors	3,869	-	-	-	-	-	3,869	
Fundraising Expenses	13,907	-	-	-	-	-	13,907	
Miscellaneous	2,074	-	-	-	-	-	2,074	
MD Individual Grants	18,750	-	-	-	-	-	18,750	
MD Organizational Research Grants	4,170	-	-	-	-	-	4,170	
Trustees	-	-	-	-	-	-	-	
Total Expenses	<u>88,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,850</u>	
CHANGE IN NET ASSETS	112,563	97,840	-	-	130,452	-	340,855	
NET ASSETS - BEGINNING OF YEAR	<u>433,362</u>	<u>552,480</u>	<u>142,907</u>	<u>-</u>	<u>910,605</u>	<u>65,042</u>	<u>2,104,396</u>	
NET ASSETS - END OF YEAR	<u>\$ 545,925</u>	<u>\$ 650,320</u>	<u>\$ 142,907</u>	<u>\$ -</u>	<u>\$ 1,041,057</u>	<u>\$ 65,042</u>	<u>\$ 2,445,251</u>	

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

TALL CEDARS' FOUNDATION

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31,

	2023				2022
	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL	SUMMARIZED INFORMATION TOTAL
EXPENSES:					
Accounting Fees	\$ -	\$ 16,080	\$ -	\$ 16,080	\$ 13,223
Administrative Fees	21,000	3,000	6,000	30,000	30,000
Awards	-	-	-	-	487
Convention	-	-	-	-	760
Directors	3,869	-	-	3,869	4,332
Fundraising Expenses	-	-	13,907	13,907	7,328
Miscellaneous	-	2,074	-	2,074	2,844
Muscular Dystrophy (MD) -					
Individual Grants	18,750	-	-	18,750	-
Organizational Research Grants	4,170	-	-	4,170	30,000
Trustees	-	-	-	-	562
Total Expenses	\$ <u>47,789</u>	\$ <u>21,154</u>	\$ <u>19,907</u>	\$ <u>88,850</u>	\$ <u>89,536</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

TALL CEDARS' FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED
DECEMBER 31,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets - Page 5	\$ 340,855	\$ (146,471)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used for) Operating Activities -		
Unrealized (Gain) Loss on Investments	(268,232)	298,608
(Increase) Decrease in Prepaid Expenses	(2,642)	1,718
(Decrease) in Unconditional Promise to Give	(9,829)	-
Increase (Decrease) in Pledge Payable to M.D.A.	(30,000)	30,000
Increase in Accrued Expenses	<u>1,826</u>	<u>6,379</u>
Net Cash Provided by Operating Activities	<u>31,978</u>	<u>190,234</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Receipt (Purchases) of Investments	<u>52,964</u>	<u>(244,854)</u>
Net Cash Provided by (Used for) Investing Activities	<u>52,964</u>	<u>(244,854)</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	84,942	(54,620)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - BEGINNING OF YEAR	<u>1,161,949</u>	<u>1,216,569</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ <u>1,246,891</u>	\$ <u>1,161,949</u>
INTEREST PAID FOR YEAR	\$ <u>- 0 -</u>	\$ <u>- 0 -</u>
Unrestricted Cash and Cash Equivalents	\$ 140,792	\$ 186,302
Restricted Cash and Cash Equivalents	<u>1,106,099</u>	<u>975,647</u>
Total Cash, Cash Equivalents, and Restricted Cash	\$ <u>1,246,891</u>	\$ <u>1,161,949</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

TALL CEDARS' FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION AND TAX STATUS -

The Tall Cedars' Foundation (the Foundation) is a nonprofit corporation with tax exemption under Internal Revenue Code section 501(c)(3). The Foundation solicits contributions from the public to support those afflicted with muscular dystrophy or neuromuscular diseases.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities.

BASIS OF ACCOUNTING -

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

BASIS OF PRESENTATION -

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Current US GAAP standards are contained in the Accounting Standards Codification (ASC), as set forth by the Financial Accounting Standards Board (FASB).

US GAAP requires the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

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

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

CONTRIBUTIONS -

Contributions that are restricted by the donor for a particular purpose, or some other passage of time or event, 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 statement of activities.

PROPERTY AND EQUIPMENT -

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. There was no depreciation expense for 2023 or 2022.

SUMMARIZED COMPARATIVE INFORMATION -

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

(CONTINUED)

TALL CEDARS' FOUNDATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

TAXATION -

The Foundation is exempt from federal income tax as provided by Code Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation. Management evaluated the tax positions taken and concluded that the Foundation had taken no uncertain tax positions that require recognition or disclosure in the financial statements. No provision or benefit for income taxes has been included in these financial statements.

USE OF ESTIMATES -

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

CONCENTRATIONS OF CREDIT RISK -

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalents. The Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

RIGHT-OF-USE ASSETS AND LIABILITIES -

The Foundation determines if an arrangement is or contains a lease at inception of the contract. In accordance with the Financial Accounting Standards Board (FASB) ASU No. 2016-02, *Leases* (Topic 842), leases are classified as either finance or operating. A right-of-use (ROU) asset represents the right to use the underlying asset for the lease term and a lease liability represents the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As leases generally do not provide an implicit rate, the Foundation's incremental borrowing rate or a risk-free borrowing rate at the commencement date is used to determine the present value of future payments. A finance ROU asset is amortized using the straight-line method over the lease term, or the asset's useful life if ownership is transferred. An operating ROU asset is reduced based on the lease amortization schedule. Lease terms may include options to extend the lease, terminate the lease, or purchase the leased asset. The value of a lease option is reflected in the valuation if it is reasonably certain management will exercise the option. Leases with a term of twelve months or less are considered short term, and therefore, no asset or liability is recognized. In the event that a significant lease would be recorded, the Foundation has elected not to separate the lease components from non-lease components for all asset classes. There were no significant leases for the years ended December 31, 2023 and 2022.

CASH AND CASH EQUIVALENTS -

For the purpose of the statements of cash flows, the Foundation considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board for investment, except those funds which are donor restricted per ASU 2016-18. See Note 3 – Net Assets.

(CONTINUED)

TALL CEDARS' FOUNDATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

ACCOUNTS RECEIVABLE -

It is the Foundation's policy to record an allowance for doubtful accounts based on management's assessment of the collectability of specific balances and the aging of accounts receivable. Management has determined that no valuation allowance for uncollectible accounts is required as of December 31, 2023.

FUNCTIONAL EXPENSES -

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include, but are not limited to, administrative fees, which are allocated by management on the basis of actual time and effort.

CONTRIBUTED SERVICES -

The value of donated volunteer services and of non-cash assets are not reflected in the accompanying financial statements. However, a substantial number of volunteers have donated significant amounts of their time to the Foundation.

NOTE 2 - INVESTMENTS:

Investments for all of the asset classes and funds are combined into one investment pool for accounting purposes. That pool of investments is shown at their fair market value on the balance sheet and is comprised of the following as of December 31, 2023:

	<u>Market Value</u>
Cash and Money Market Funds held at a Brokerage	\$ 120,720
Equities – Stocks and Options	1,178,021
Fixed Income – Bonds and Preferred	<u>998,980</u>
Total	\$ <u>2,297,721</u>
Per the Statement of Financial Position:	
Investments	\$ 1,191,622
Long-Term Assets	<u>1,106,099</u>
Total	\$ <u>2,297,721</u>

Net Unrealized Gains on Investments from change in market value are properly reflected in the statement of activities. Realized Gains are reflected in the statement of activities as assets are sold. The investment income of \$77,335 shown on the statement of activities consists of \$88,875 of investment income less \$11,540 of investment expense. All investments are recorded on the statement of financial position at market value, per quoted prices in an active market for identical assets, Level 1 fair value measurements.

(CONTINUED)

TALL CEDARS' FOUNDATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 - NET ASSETS:

Net assets with donor restrictions are available for the following purposes as of December 31:

	2023	2022
Donor Imposed Endowment Funds:		
Life Membership Fund	\$ 1,041,057	\$ 910,605
Muscular Dystrophy Fund	65,042	65,042
Total	\$ 1,106,099	\$ 975,647

The Life Membership Fund is a donor restricted endowment fund where only the investment income, excluding gains and losses, is used each year to support the Foundation's activities. Contributions are placed into the Life Membership Fund when someone makes a payment to become a life member. Approximately 87% of the membership is placed into the Life Membership Fund and the remaining amount is used for the current year's activities.

The Muscular Dystrophy Fund holds other restricted contributions held for endowment, and any investment income including unrealized and realized gains and losses, which are available for use each year to support the Foundation's activities.

Net assets without donor restrictions are as follows as of December 31:

	2023	2022
Undesignated Operating Fund	\$ 545,925	\$ 433,362
Board Designated – Memorial Fund	650,320	552,480
Board Designated – Development Fund	142,907	142,907
Total – Board Designated Funds	793,227	695,387
Total	\$ 1,339,152	\$ 1,128,749

Net assets released from net assets with donor restrictions are as follows for the years ended December 31:

	2023	2022
Satisfaction of Purpose Restrictions For Program Services	\$ -0-	\$ 15,418

NOTE 4 - RELATED PARTY TRANSACTIONS:

The Foundation shares the office space, facilities, and office staff of the Supreme Forest, Tall Cedars of Lebanon of North America, a related tax-exempt organization. During 2023 and 2022, the Foundation paid administrative fees of \$30,000 and \$30,000, respectively.

(CONTINUED)

TALL CEDARS' FOUNDATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - AVAILABILITY AND LIQUIDITY:

The Foundation strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds, and other short-term investments.

The following table reflects the Foundation's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Amounts not available are from the board designated operating reserve that is intended to provide the Foundation with the financial flexibility to continue its operations at or near then existing levels should some unexpected event or events suddenly reduce the Foundation's income. In the event the need arises to utilize the board designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

	2023	2022
Financial assets at year-end:		
Cash and Cash Equivalents	\$ 140,792	\$ 186,302
Investments	2,297,721	1,952,001
Accounts Receivable	9,829	-0-
Total financial assets	2,448,342	2,138,303
 (Less) amounts not available to be used within one year:		
Donor Restricted Funds	(1,106,099)	(975,647)
Board Designated Funds	(793,227)	(695,387)
 Financial assets available to meet cash needs for general expenditures over the next year	 \$ 549,016	 \$ 467,269

NOTE 6 - SUBSEQUENT EVENTS:

The Foundation has evaluated subsequent events through November 12, 2024, the date which the financial statements were available to be issued. There were no material subsequent events that require recognition or additional disclosure in these financial statements.