

**CHISHOLM TRAIL COMMUNITIES FOUNDATION
AND ITS AFFILIATE**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2023

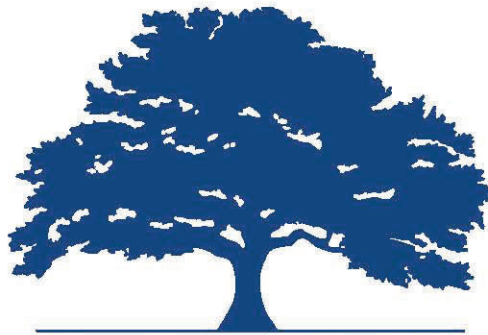
AND

DECEMBER 31, 2022

MAESE FULMER CPAS, PLLC
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CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
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MAESE FULMER CPAs, PLLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Chisholm Trail Communities Foundation and Its Affiliate

We have audited the accompanying consolidated financial statements of Chisholm Trail Communities Foundation and Its Affiliate (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chisholm Trail Communities Foundation and Its Affiliate as of December 31, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Maese Fulmer CPAs, PLLC
Round Rock, Texas
December 30, 2024

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022**

	2023	2022
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	\$ 416,009	\$ 1,364,173
Investments, Available-for-Sale	<u>32,613,043</u>	<u>30,238,815</u>
Total Current Assets	<u>33,029,052</u>	<u>31,602,988</u>
Fixed Assets		
Property and Equipment	<u>580,418</u>	<u>556,953</u>
Total Fixed Assets	<u>580,418</u>	<u>556,953</u>
 TOTAL ASSETS	 <u>\$ 33,609,470</u>	 <u>32,159,941</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accrued Expenses	\$ 9,335	\$ 6,714
Agency Obligations	945,252	844,317
Deferred Rent	2,821	3,825
Tenant Deposit	<u>8,998</u>	<u>6,275</u>
Total Current Liabilities	<u>966,406</u>	<u>861,131</u>
TOTAL LIABILITIES	<u>966,406</u>	<u>861,131</u>
NET ASSETS		
Without Donor Restrictions	32,471,354	31,133,954
With Donor Restrictions	<u>171,710</u>	<u>164,856</u>
TOTAL NET ASSETS	<u>32,643,064</u>	<u>31,298,810</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 33,609,470</u>	<u>32,159,941</u>

See accompanying notes and independent auditor's report.

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2023**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenue, gains and support			
Contributions	\$ 1,311,945	\$ 80,460	\$ 1,392,405
In-kind contributions	73,501	-	73,501
Rental income	98,060	-	98,060
Net realized and unrealized gain on investments	2,538,105	22,640	2,560,745
Fund administration fees	<u>236,372</u>	<u>6,202</u>	<u>242,574</u>
 TOTAL REVENUE, GAINS AND SUPPORT	 4,257,983	 109,302	 4,367,285
Net assets released from temporary restrictions			
Satisfaction of donor restrictions	102,448	(102,448)	-
Expenses and Other Deductions			
Grants to Others and Program Services	2,789,499	-	2,789,499
General and Administrative	<u>233,532</u>	<u>-</u>	<u>233,532</u>
 TOTAL EXPENSES AND OTHER DEDUCTIONS	 <u>3,023,031</u>	 <u>-</u>	 <u>3,023,031</u>
 CHANGE IN NET ASSETS	 1,337,400	 6,854	 1,344,254
 NET ASSETS AT BEGINNING OF YEAR	 <u>31,133,954</u>	 <u>164,856</u>	 <u>31,298,810</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 32,471,354</u>	 <u>\$ 171,710</u>	 <u>\$ 32,643,064</u>

See accompanying notes and independent auditor's report.

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDING DECEMBER 31, 2022**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Revenue, gains and support			
Contributions	\$ 22,495,506	\$ 85,294	\$ 22,580,800
In-kind contributions	49,712		49,712
Rental income	75,942	-	75,942
Net realized and unrealized gain on investments	(1,620,793)	(29,617)	(1,650,410)
Fund administration fees	<u>88,950</u>	<u>66,667</u>	<u>155,617</u>
 TOTAL REVENUE, GAINS AND SUPPORT	 21,089,317	 122,344	 21,211,661
Net assets released from temporary restrictions			
Satisfaction of donor restrictions	156,381	(156,381)	-
Expenses and Other Deductions			
Grants to Others and Program Services	1,979,009	-	1,979,009
General and Administrative	<u>156,569</u>	<u>-</u>	<u>156,569</u>
 TOTAL EXPENSES AND OTHER DEDUCTIONS	 <u>2,135,578</u>	 <u>-</u>	 <u>2,135,578</u>
 CHANGE IN NET ASSETS	 19,110,120	 (34,037)	 19,076,083
 NET ASSETS AT BEGINNING OF YEAR	 <u>12,023,834</u>	 <u>198,893</u>	 <u>12,222,727</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 31,133,954</u>	 <u>\$ 164,856</u>	 <u>\$ 31,298,810</u>

See accompanying notes and independent auditor's report.

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2023**

	Grants to Others and Program Services	Supporting Services		Total
		General & Administrative	Fundraising	
Grants to individuals	\$ 522,627	\$ -	\$ -	\$ 522,627
Grants to organizations	1,949,533	-	-	1,949,533
Wages	13,511	124,752	-	138,263
Payroll tax	1,048	9,676	-	10,724
Supplies	22,495	1,329	-	23,824
Administrative fee	234,557	-	-	234,557
Conventions and meetings	22,616	-	-	22,616
Repairs and maintenance	-	19,591	-	19,591
Utilities	-	7,873	-	7,873
Depreciaton	-	16,380	-	16,380
Advertising	978	268	-	1,246
Office expense	77	6,479	-	6,556
Bank fees	1,028	-	-	1,028
Dues	537	2,172	-	2,709
Insurance	3,204	7,539	-	10,743
Information technology	1,683	5,635	-	7,318
Professional fees	15,605	31,838	-	47,443
Total Functional Expenses	\$ 2,789,499	\$ 233,532	\$ -	\$ 3,023,031

See accompanying notes and independent auditor's report.

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDING DECEMBER 31, 2022**

	Grants to Others and Program Services	Supporting Services		Total
		General & Administrative	Fundraising	
Grants to individuals	\$ 777,286	\$ -	\$ -	\$ 777,286
Grants to organizations	965,400	-	-	965,400
Wages	19,002	76,721	-	95,723
Payroll tax	1,451	5,860	-	7,311
Supplies	20,726	773	-	21,499
Administrative fee	146,323	-	-	146,323
Conventions and meetings	14,359	-	-	14,359
Repairs and maintenance	-	15,134	-	15,134
Utilities	-	7,390	-	7,390
Depreciaton	-	14,534	-	14,534
Travel	664	-	-	664
Advertising	5,688	810	-	6,498
Office expense	18	6,670	-	6,688
Bank fees	307	-	-	307
Dues	2,779	1,856	-	4,635
Insurance	5,079	6,810	-	11,889
Information technology	2,270	3,193	-	5,463
Professional fees	17,657	16,818	-	34,475
Total Functional Expenses	\$ 1,979,009	\$ 156,569	\$ -	\$ 2,135,578

See accompanying notes and independent auditor's report.

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING DECEMBER 31, 2023 AND 2022**

	2023	2022
Cash Flows From Operating Activities:		
Increase (Decrease) in Net Assets	\$ 1,344,254	19,076,083
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash provided by Operating Activities:		
Depreciation	16,380	14,534
In-kind Contributions	(73,501)	(49,712)
Fund Administration Fees	(242,574)	(155,617)
Net Realized and Unrealized (Gain) Loss on Investments	(2,560,745)	1,650,410
Increase (decrease) in Accrued Expenses	2,621	1,044
Increase (decrease) in Agency Obligations	100,935	(295,158)
Increase (decrease) in Deferred Rent	(1,004)	1,460
Increase (decrease) in Tenant Deposit	2,723	1,300
Total Adjustments	(2,755,165)	1,168,261
Net Cash Provided by (Used in) Operating Activities	(1,410,911)	20,244,344
Cash Flows From Financing Activities:		
Purchase of Fixed Assets	(39,845)	(12,800)
Net Cash Used in Financing Activities	(39,845)	(12,800)
Cash Flows From Investing Activities:		
Proceeds from Sale of Available-for-Sale Investments	132,790,564	6,100,387
Purchase of Available-for-Sale Investments	(132,287,973)	(25,406,205)
Net Cash Provided by (Used in) Investing Activities	502,591	(19,305,818)
Net Increase (Decrease) in Cash and Cash Equivalents - Unrestricted	(948,165)	925,726
Cash and Cash Equivalents at Beginning of Year - Unrestricted	1,364,174	438,448
Cash and Cash Equivalents at End of Year - Unrestricted	\$ 416,009	1,364,174
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$	-
Income Taxes		-

Disclosure of accounting policy:

For purposes of the statement of cash flows, the company considers all highly liquid investments with a maturity date of three months or less to be cash equivalents.

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Summary of Programs and Activities

The Chisholm Trail Communities Foundation (CTCF) and Its Affiliate (collectively, the Foundation) are publicly supported philanthropic institutions governed by a board of private citizens selected to be representative of the public interest and for their knowledge of the community. The Foundation administers individual funds contributed or bequeathed to it by individuals, other agencies, corporations, and other sources. The Foundation serves three publics: donors, the nonprofit sector, and the community as a whole. The Foundation awards grants which benefit arts and humanities, education, health, social services, and general community service in Williamson County. During the year ended December 31, 2008, CTCF established an affiliate, Future Trails Fund (FTF) (a nonprofit organization), for the purpose of managing rental property donated to the Foundation.

NOTE 1: Summary of Significant Accounting Policies

CTCF's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). CTCF follows Statement of Financial Accounting Standards (FASC ASC 958), Financial Statements for Not-for-Profit Organization. Under FASC ASC 958, net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Without Donor Restrictions:

Net assets are not subject to donor-imposed stipulations which consist of the following:

Donor advised – funds in which the donor will advise the Foundation of organizations they prefer to receive grants. Although grant recommendations are accepted from the donors of these funds, the ultimate discretion of the use of the funds lies with the Board of Directors of the Foundation.

Donor designated – the preferred recipient of the grants from these funds is stated in the original gift agreement. Although the donor states a preferred recipient of the funds, the ultimate discretion of the use of the funds lies with the Board of Directors of the Foundation.

Field of interest – original gift agreements name a general type of organization as a preferred grant recipient. The Board of Directors of the Foundation has the ultimate discretion of the use of the funds.

Undesignated – funds which have no donor recommendation, designation or preference.

Board designated – funds designated by the Board of Directors for a specific purpose.

With Donor Restrictions:

Net assets subject to donor-imposed stipulations that they be maintained temporarily or permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

The financial statements are consolidated according to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 810, *Consolidations*, and include the accounts of CTCF and its affiliate FTF. All material intercompany transactions have been eliminated in consolidation.

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1: Summary of Significant Accounting Policies (continued)

CTCF and FTF entered into an operating agreement effective January 1, 2009. The agreement acknowledged FTF as a type-one supporting organization as defined in the Internal Revenue Code section 509(a)(3). The agreement also authorized the board of FTF to be the governing body. The board of FTF is to be appointed by the board of CTCF and the Executive Director will serve as the ex-officio member of the FTF Board.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases and/or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law. Expirations of net assets with donor restrictions (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Unconditional promises to give are recognized as revenues when they are received. Conditional promises to give are recognized when they become unconditional, that is when the conditions on which they depend are substantially met.

Contributions of assets other than cash are recorded at their estimated fair value at the time of contribution.

Realized and unrealized gains (losses) on investments of endowment and similar funds are reported as follows:

- As increases (decreases) in net assets with donor restrictions if the terms of the gift require that they be included in the principal of a permanent endowment fund;
- As increases (decreases) in net assets with donor restrictions if the terms of the gift impose restrictions on their use;
- As increases (decreases) in net assets without donor restrictions in all other cases.

Investments are stated at market value. The net realized and unrealized gains (losses) in market value of investments are reflected in the accompanying consolidated statement of activities. See Note 8 for fair value measurement of investments.

FASB ASC 958, *Presentation of Financial Statements*, provides guidance on the net asset classification of donor-restricted endowment funds for a non-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FASB ASC 958 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board designated endowment funds) whether or not the organization is subject to the UPMIFA.

Property and equipment are recorded at cost. Renewals and betterments which add significantly to the utility or useful life of the assets with a cost exceeding \$2,500 are capitalized. Depreciation of property and equipment is provided at rates intended to distribute the cost of the assets over their estimated useful lives using the straight-line basis. Categories of assets and their useful lives are as follows:

Buildings	39 years
Furniture and equipment	5 to 7 years

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1: Summary of Significant Accounting Policies (continued)

Chisholm Trail Communities Foundation and Future Trails Fund are exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to CTCF and FTF's tax-exempt purpose can be subject to taxation as unrelated business income. There is no federal income tax due for unrelated business income for years ending December 31, 2023 and 2022.

Management has evaluated the Foundation's tax positions and determined that the Organization had taken no uncertain tax positions. With few exceptions the Organization is no longer subject to income tax examinations by the U.S. Federal, State, or Local tax authorities for years before 2020.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses. Actual results could differ from those estimates.

The Foundation updated its capitalization limit for its fixed assets to match guidelines provided by the Internal Revenue Service. The capitalization limit of depreciable assets was increased from \$1,000 to \$2,500. The Foundation accounted for this change in capitalization limit as a change in accounting estimate as of January 1, 2019 in accordance with the guidance of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, *Property, Plant, and Equipment*, thereby impacting the quarter in which the change occurred and future quarters.

NOTE 2: Cash and Cash Equivalents

Cash and Cash Equivalents as of December 31, 2023 and 2022 consist of three checking accounts, one savings account, and three money market accounts. Currently there are no other cash or cash equivalents which consist of highly liquid investments purchased with a maturity date of three months or less. No restrictions are imposed by donors requiring donations to be kept in separate bank accounts.

NOTE 3: Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Foundation maintains cash balances in three financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had an uninsured cash balance of \$43,184 as of December 31, 2023. As of December 31, 2022, there were \$962,378 uninsured cash balances.

NOTE 4: Advertising

The Foundation uses advertising to promote events. Advertising expenses are expensed as incurred. For the year ended December 31, 2023, advertising expense of \$1,246 was incurred. \$6,498 in advertising expense was incurred for the year ended December 31, 2022.

NOTE 5: Donations In-Kind

The Foundation received donations in kind of \$73,501 for the year ending December 31, 2023. In the year ending December 31, 2022, \$49,712 in donations in-kind were received. These donations consisted of stock shares, advertising, convention and meetings expenses, and gift cards. No donated services were provided in the fiscal year 2023 or 2022.

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 6: Board Designated Net Assets

FASB ASC 958 ASU 2016-14 requires information regarding self-imposed limits on the use of net assets to be designated as an endowment. The Board of Directors has designated \$404,968 in various endowment funds as of December 31, 2023. As of December 31, 2022, \$357,246 was designated by the board. These amounts are included in net assets without donor restrictions. Additions are made annually at the discretion of the Board of Directors.

NOTE 7: Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows for December 31,

	2023	2022
Clara Stearns Scarbrough Music	\$ 44,518	\$ 38,817
Darrell Bishop Memorial E.S.	35,075	33,369
Dr. Roy B. Shilling Scholarship	25,881	22,567
Georgetown Promise Scholarship	12,291	14,871
Madelyn G Shoales Memorial Scholarship	36,215	36,002
Ned Snead Memorial Scholarship	10,691	11,191
Phillip King Tennis Scholarship	7,039	8,039
Total net assets with donor restrictions	\$ 171,710	\$ 164,856

NOTE 8: Fair Value Measurements

Financial Accounting Standards Board Accounting Standards Codification (ASC) 820, Fair Value measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - inputs other than quoted prices that are observable for the asset or liability;
 - and, inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and December 31, 2022.

Mutual funds: Valued at the quoted net asset value of shares in active markets held by the Foundation at year end.

US Treasury Bills: Valued at the quoted net asset value of the bills in active markets held by the Foundation at year end.

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

The following table sets forth by level within the fair value hierarchy, the Foundation's investments at fair value as of December 31,

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Total
2023		
US Treasury Bills	\$ 21,009,985	\$ -
Mutual funds:		
Allocation	\$ -	\$ -
Blended	10,764,925	10,764,925
Stocks	-	-
Other fund types	838,133	838,133
Total mutual funds	\$ 11,603,058	\$ 11,603,058
Total mutual funds and US Treasury Bills	\$ 32,613,043	\$ 11,603,058
2022		
US Treasury Bills	\$ 18,246,254	\$ -
Mutual funds:		
Allocation	\$ -	\$ -
Blended	8,538,654	8,538,654
Stocks	-	-
Other fund types	3,453,907	3,453,907
Total mutual funds	\$ 30,238,815	\$ 11,992,561

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 9: Agency Obligations

The Foundation currently administers agency funds for various beneficiary organizations as of December 31, 2023 and 2022. These organization specified themselves as the beneficiary of the agency funds.

The Beneficiary Organization may request principal distributions, within the terms of each agency's fund agreement, to cover expenses associated with the designated purpose of the funds.

The following activity occurred during the years ended December 31,

	2023	2022
Faith in Action Caregivers		
Balance, January 1,	\$ 262,639	\$ 320,408
Contributions	-	-
Distributions	(276,702)	-
Allocation of gain on investment	14,720	(54,936)
Fees	(657)	(2,833)
Balance, December 31,	-	262,639
Williamson County Children's Advocacy Center		
Balance, January 1,	\$ 364,406	\$ 444,559
Contributions	-	-
Allocation of gain on investment	65,497	(76,222)
Fees	(3,842)	(3,931)
Balance, December 31,	426,061	364,406
The Georgetown Project Endowment		
Balance, January 1,	\$ 102,895	\$ 234,973
Contributions	250,000	-
Distributions	-	(105,000)
Allocation of gain on investment	34,878	(25,782)
Fees	(2,312)	(1,296)
Balance, December 31,	385,461	102,895
Friends of Georgetown Public Library		
Balance, January 1,	\$ 114,377	\$ 139,535
Contributions	-	-
Allocation of gain on investment	20,559	(23,924)
Fees	(1,206)	(1,234)
Balance, December 31,	133,730	114,377
Total	\$ 945,252	\$ 844,317

**CHISHOLM TRAIL COMMUNITIES FOUNDATION AND ITS AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

Note 10: Cost Allocation

The financial statements report certain categories of expenses that are attributable to both program and administrative functions. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Wages and payroll tax expense is allocated based on hours worked for each employee reported on the employee's timecard.

Note 11: Property and Equipment

Property and equipment consist of the following:

	2023	2022
Land	\$ 240,100	\$ 240,100
Buildings	502,655	462,810
Property and Equipment	61,895	61,895
	804,650	764,805
Accumulated Depreciation	(224,232)	(207,852)
	\$ 580,418	\$ 556,953

Note 12: Endowment Funds

Under FASB ASC 958, *Not-for-Profit Entities*, net assets associated with endowment funds, including funds designated by the Foundation to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions.

The Foundation's approved spending policy was created to protect the values of the endowments. Distribution of funds is determined by the Board of Directors. To achieve the objectives of the endowments, the Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make distributions, as needed, while growing the fund. Accordingly, the Foundation expects its endowment assets, over time, to produce an average rate of return in-line with the Foundation's investment policy. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investments assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

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Note 12: Endowment Funds (continued)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

The Foundation has determined that no donor-restricted endowment funds exist. Rather the endowment funds are voluntary board designated funds which are classified as net assets without donor restrictions on the financials.

Changes in endowment net assets are as follows for the years ended December 31, 2023 and 2022.

	Without Donor Restrictions	With Donor Restrictions	Total
#	\$ 576,821	\$ -	\$ 576,821
Investment return:			
Net realized and unrealized gains	(95,682)	-	(95,682)
Investment fees	(6,114)	-	(6,114)
Grants to others	(27,000)	-	(27,000)
Contributions	855	-	855
Endowment net assets, December 31, 2022	<u>\$ 448,880</u>	<u>\$ -</u>	<u>\$ 448,880</u>
Endowment net assets, January 1, 2023	\$ 448,880	\$ -	\$ 448,880
Investment return:			
Net realized and unrealized gains	119,349	-	119,349
Investment fees	(6,538)	-	(6,538)
Grants to others	-	-	-
Contributions	426,279	-	426,279
Endowment net assets, December 31, 2023	<u>\$ 987,970</u>	<u>\$ -</u>	<u>\$ 987,970</u>

Note 13: Restricted Cash and Cash Equivalents

The Foundation has no cash or cash equivalents restricted as of years ending December 31, 2023 or 2022.

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Note 14: Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for the general use because of contractual restrictions within one year of the balance sheet date.

	2023	2022
Financial assets at year-end	\$ 33,029,052	\$ 31,602,988
Less those unavailable for general expenditures within one year, due to:		
Restricted for grants, scholarships, relief payments, and capital expenditures	127,000	8,000
Financial assets available to meet cash needs for general expenditure within one year	\$ 32,902,052	\$ 31,594,988

Note 15: Subsequent Events

The Foundation's management has evaluated events through December 30, 2024, the date which the consolidated financial statements were available to be issued.