

The Dressage Foundation
STATEMENT OF CASH FLOWS
For the year ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 1,012,934
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	5,366
Realized and unrealized (gain)/loss on investments	(440,220)
Change in promises to give	84,594
Change in prepaid expenses	(416)
Change in accounts payable	(7,691)
Change in grants payable	(39,773)
Change in payroll taxes payable	1,097
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>615,891</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Adjustments to reconcile change in net assets to net cash used in investing activities:	
Purchase of furniture and equipment	(3,424)
Proceeds from sales of investments	530,216
Purchases of investments	<u>(1,234,930)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(708,138)</u>
NET CHANGE IN CASH	(92,247)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	168,897
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 76,650</u>

See accompanying notes and independent auditor's report.

The Dressage Foundation
NOTES TO FINANCIAL STATEMENTS – CONTINUED
For the year ended December 31, 2023

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Implemented Accounting Standards - Continued

The purpose of this memo is to document management’s considerations for current expected credit losses (CECL) including financial assets applicable to the standard, pooling that was used or if any assets were evaluated individually, identified risk characteristics, and how those risk characteristics are monitored, and all methods used to calculate CECL, if applicable.

NOTE B. CASH AND CREDIT RISK

The Foundation maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. The Organization has not experienced any loss in such accounts. As of December 31, 2023, the Foundation’s bank balance amount was fully insured by the FDIC limit.

The Financial assets held by the organization that are subject to the guidance in FASB ASC 326 are cash and cash equivalents.

- Cash and cash equivalents – The Foundation considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents. Cash and cash equivalents are measured at amortized cost, thus included in the scope of ASC 326, however, management has not historically experienced any losses on such accounts, and is not aware of current events or scenarios that would lead management to believe an expected credit loss is likely, and also does not have any information that would provide for a reasonable or supportable forecast of expected credit loss and therefore believes these financial assets have a current expected credit loss of zero.

Assets not subject to the guidance in FASB ASC 326 are Investments and Contributions Receivable.

- Investments - Investments in marketable securities, including equity and debt securities, with readily determinable fair values are reported at their fair values in the statement of financial position. Changes in the fair value of marketable securities on the undesignated accounts are reported in net earnings. As these assets are valued at fair value, they do not meet the definition of a financial asset under ASC 326.
- Contributions receivable – Measured at the present value of future cash flows and therefore do not meet the definition of a financial asset under ASC 326.

The Dressage Foundation
 NOTES TO FINANCIAL STATEMENTS – CONTINUED
 For the year ended December 31, 2023

NOTE C. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of donor pledges due in the following periods:

2024	\$	156,756
2025		47,383
2026		25,000
2027		25,000
		25,000
	\$	254,139

NOTE D. PROPERTY AND EQUIPMENT

Property and equipment for the year ended December 31, 2023 consist of:

Buildings	\$	181,843
Furniture and fixtures		11,567
Office equipment		13,684
		207,094
Less accumulated depreciation		(84,217)
	\$	122,877

NOTE E. INVESTMENTS

Investments for the year ended December 31, 2023 consists of:

	Cost	Market
Cash and cash equivalents	\$ 390,784	\$ 533,585
Certificates of deposit	1,374,460	1,390,613
Marketable securities	1,761,856	4,352,754
	\$3,527,100	\$6,276,952

NOTE F. FAIR VALUE MEASUREMENTS

The Foundation reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

