Pease Bell CPAs, LLC
peasebell.com

July 5, 2024

To the Finance and Investment Committee
Piano International Association of Northern Ohio

We have audited the financial statements of Piano International Association of Northern Ohio (dba Piano Cleveland) (the "Association") for the year ended December 31, 2023, and have issued our report thereon dated July 5, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 26, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Piano International Association of Northern Ohio (dba Piano Cleveland) are described in Note 1 to the financial statements. As described in Note 1, on January 1, 2023 the Association adopted accounting standards related to the measurement of credit losses on financial instruments by adopting Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-13, "Measurement of Credit Losses on Financial Instruments". Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the allowance for expected credit losses on promises to give is based on historical collection rates, an analysis of the collectability of individual promises, and forecasts. All promises to give were considered collectible and management therefore estimated the allowance at zero as of December 31, 2023. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
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> Management's estimated percentages used to allocate certain expenses between various program services and supporting services in the statement of functional expenses. We evaluated the key factors and assumptions used to develop the estimated percentages in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

> The disclosure of information and Association policies related to underwater endowment funds as of December 31, 2022 in Note 8 to the financial statements due to unfavorable market fluctuations that occurred during 2022 and the effect on the fair value of endowment assets.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 5, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Finance and Investment Committee of Piano International Association of Northern Ohio (dba Piano Cleveland) and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Pease Bell CPAs, LLC

Pease Bell CPAs, LLC

PIANO INTERNATIONAL ASSOCIATION
OF NORTHERN OHIO
(dba Piano Cleveland)

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Audited Financial Statements

PIANO INTERNATIONAL ASSOCIATION OF NORTHERN OHIO
(dba Piano Cleveland)

DECEMBER 31, 2023 AND 2022

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Pease Bell CPAs, LLC
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REPORT OF INDEPENDENT AUDITORS

To the Board of Directors
Piano International Association of Northern Ohio (dba Piano Cleveland)

Opinion

We have audited the accompanying financial statements of Piano International Association of Northern Ohio (a nonprofit organization) (dba Piano Cleveland), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Piano International Association of Northern Ohio as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Piano International Association of Northern Ohio and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Piano International Association of Northern Ohio'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 Piano International Association of Northern Ohio'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 Piano International Association of Northern Ohio'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.

Pease Bell CPAs, LLC

Cleveland, Ohio
July 5, 2024

PIANO INTERNATIONAL ASSOCIATION OF NORTHERN OHIO
(dba Piano Cleveland)

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and cash equivalents	$ 353,139	$ 396,601
Unconditional promises to give, net	160,295	141,530
Investments - endowment fund	1,157,157	1,051,930
Prepaid expenses	69,102	3,025
Property and equipment, net	12,389	30,174
Operating lease right-of-use assets, net	85,686	120,695
TOTAL ASSETS	$ 1,837,768	$ 1,743,955
LIABILITIES		
Accounts payable	$ 25,250	$ 11,637
Operating lease liabilities	93,477	130,457
TOTAL LIABILITIES	118,727	142,094
NET ASSETS		
Without donor restrictions:		
Operating	293,417	240,675
Invested in property and equipment	12,389	30,174
Total without donor restrictions	305,806	270,849
With donor restrictions:		
Purpose restrictions	160,428	191,052
Time-restricted for future periods	95,650	88,030
Donor-restricted endowment funds	1,157,157	1,051,930
Total with donor restrictions	1,413,235	1,331,012
TOTAL NET ASSETS	1,719,041	1,601,861
TOTAL LIABILITIES AND NET ASSETS	$ 1,837,768	$ 1,743,955

See notes to financial statements.

PIANO INTERNATIONAL ASSOCIATION OF NORTHERN OHIO
(dba Piano Cleveland)

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions and grants	$ 704,491	$ 115,991	$ 820,482
Application fees	52,205	-	52,205
Institute for Young Artists	61,967	-	61,967
Box office and retail sales	24,621	-	24,621
Gala income	396,995	-	396,995
Other income	18,771	-	18,771
Net assets released from restrictions	183,450	(183,450)	-
TOTAL REVENUE AND OTHER SUPPORT	1,442,500	(67,459)	1,375,041
OPERATING EXPENSES			
Program services:			
CIPC for Young Artists	536,215	-	536,215
Institute for Young Artists	257,217	-	257,217
Concerts and Events	128,891	-	128,891
Education/Outreach	106,685	-	106,685
Total program services	1,029,008	-	1,029,008
Management and general	161,796	-	161,796
Fund raising	143,392	-	143,392
Costs of direct benefit to donors	73,347	-	73,347
TOTAL OPERATING EXPENSES	1,407,543	-	1,407,543
CHANGE IN NET ASSETS FROM OPERATING ACTIVITES	34,957	(67,459)	(32,502)
NONOPERATING ACTIVITIES			
Interest and dividend income - endowment fund	-	32,566	32,566
Net realized and unrealized gains on investments - endowment fund	-	117,116	117,116
CHANGE IN NET ASSETS FROM NONOPERATING ACTIVITES	-	149,682	149,682
CHANGE IN NET ASSETS	34,957	82,223	117,180
NET ASSETS AT BEGINNING OF YEAR	270,849	1,331,012	1,601,861
NET ASSETS AT END OF YEAR	$ 305,806	$ 1,413,235	$ 1,719,041

See notes to financial statements.

PIANO INTERNATIONAL ASSOCIATION OF NORTHERN OHIO
(dba Piano Cleveland)

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Contributions and grants	$ 710,121	$ 177,701	$ 887,822
Application fees	47,773	-	47,773
Box office and retail sales	46,458	-	46,458
Gala income	333,925	-	333,925
Other income	7,558	-	7,558
Net assets released from restrictions	68,808	(68,808)	-
TOTAL REVENUE AND OTHER SUPPORT	1,214,643	108,893	1,323,536
OPERATING EXPENSES			
Program services:			
Concerts and Events	653,517	-	653,517
Education/Outreach	133,994	-	133,994
Total program services	787,511	-	787,511
Management and general	109,170	-	109,170
Fund raising	166,749	-	166,749
Costs of direct benefit to donors	74,047	-	74,047
TOTAL OPERATING EXPENSES	1,137,477	-	1,137,477
CHANGE IN NET ASSETS FROM OPERATING ACTIVITES	77,166	108,893	186,059
NONOPERATING ACTIVITIES			
Interest and dividend income - endowment fund	-	38,462	38,462
Net realized and unrealized gains on investments - endowment fund	-	(232,898)	(232,898)
CHANGE IN NET ASSETS FROM NONOPERATING ACTIVITES	-	(194,436)	(194,436)
CHANGE IN NET ASSETS	77,166	(85,543)	(8,377)
NET ASSETS AT BEGINNING OF YEAR	193,683	1,416,555	1,610,238
NET ASSETS AT END OF YEAR	$ 270,849	$ 1,331,012	$ 1,601,861

See notes to financial statements.

PIANO INTERNATIONAL ASSOCIATION OF NORTHERN OHIO
(dba Piano Cleveland)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services					Supporting Services		Costs of	
	CIPC for Young Artists	Institute for Young Artists	Concerts and Events	Education / Outreach	Total Program Services	Management and General	Fund Raising	Direct Benefit to Donors	Total
Advertising	$ 12,698	$ 15,238	$ 6,168	$ 2,177	$ 36,281	$ -	$ -	$ -	$ 36,281
Bank and credit card fees	4,882	5,859	2,372	837	13,950	1,993	3,986	-	19,929
Competition - production costs	22,446	-	-	-	22,446	-	-	-	22,446
Competition - social events	4,268	-	-	-	4,268	-	-	-	4,268
Concert expenses	-	-	45,896	-	45,896	-	-	-	45,896
Consulting	8,815	10,578	4,281	1,511	25,185	11,315	-	-	36,500
Contestant room and board	33,501	33,501	-	-	67,002	-	-	-	67,002
Contracted services	888	1,065	431	152	2,536	3,804		-	6,340
Depreciation	4,202	5,043	2,041	721	12,007	1,334	-	-	13,341
Dues	6,998	-	-	-	6,998	1,139	-	-	8,137
Education/Outreach	-	-	-	53,318	53,318	-	-	-	53,318
Gala expenses	-	-	-	-	-	-	25,019	73,347	98,366
Hospitality	-	-	-	-	-	9,350	597	-	9,947
Insurance	1,299	1,559	631	223	3,712	15,582	-	-	19,294
Jury expenses	77,032	-	-	-	77,032	-	-	-	77,032
Lease expense	9,809	11,771	4,764	1,682	28,026	7,006	8,758	-	43,790
Legal fees	15,268	-	-	-	15,268	6,860	-	-	22,128
Miscellaneous	-	-	-	-	-	348	67	-	415
Office supplies	718	861	348	123	2,050	12,503	5,944	-	20,497
Orchestra	55,300	-	-	-	55,300	-	-	-	55,300
Payroll service fees	-	-	-	-	-	2,787	-	-	2,787
Payroll taxes	8,694	6,915	1,778	2,371	19,758	4,940	6,174	-	30,872
Postage	1,128	1,354	549	193	3,224	403	403	-	4,030
Printing	35,229	42,274	17,111	6,039	100,653	-	-	-	100,653
Prizes - cash	29,556	1,556	-	-	31,112	-	-	-	31,112
Professional fees	6,437	7,725	3,127	1,103	18,392	8,264	-	-	26,656
Social events	7,464	8,957	3,625	1,280	21,326	-	-	-	21,326
Transcriptions	2,377	-	-	-	2,377	-	-		2,377
Travel	1,441	1,729	700	247	4,117	686	2,059	-	6,862
Utilities	-	-	-	-	-	1,174	-	-	1,174
Venue	14,374	-	-	-	14,374	-	-	-	14,374
Videography	44,128	-	9,038	-	53,166	-	-	-	53,166
Wages	127,263	101,232	26,031	34,708	289,234	72,308	90,385	-	451,927
	$ 536,215	$ 257,217	$ 128,891	$ 106,685	$ 1,029,008	$ 161,796	$ 143,392	$ 73,347	$ 1,407,543

See notes to financial statements.

PIANO INTERNATIONAL ASSOCIATION OF NORTHERN OHIO
(dba Piano Cleveland)

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	Program Services			Supporting Services		Costs of	
	Concerts and Events	Education / Outreach	Total Program Services	Management and General	Fund Raising	Direct Benefit to Donors	Total
Advertising	$ 19,190	$ 3,124	$ 22,314	$ -	$ -	$ -	$ 22,314
Bank and credit card fees	9,531	1,551	11,082	-	4,750	-	15,832
Concert expenses	215,441	-	215,441	-	-	-	215,441
Contracted services	10,942	1,781	12,723	670	-	-	13,393
Depreciation	7,431	1,210	8,641	1,080	1,080	-	10,801
Dues	3,821	622	4,443	2,392	-	-	6,835
Education/Outreach	-	41,121	41,121	-	-	-	41,121
Gala expenses	-	-	-	-	53,065	74,047	127,112
Hospitality	3,225	525	3,750	1,101	7,371	-	12,222
Insurance	2,493	406	2,899	10,346	-	-	13,245
Lease expense	22,620	3,682	26,302	6,210	4,018	-	36,530
Miscellaneous	-	-	-	15,696	19	-	15,715
Office supplies	2,545	414	2,959	17,754	8,877	-	29,590
Payroll service fees	-	-	-	1,853	-	-	1,853
Payroll taxes	16,153	4,038	20,191	2,804	5,048	-	28,043
Postage	2,502	407	2,909	364	364	-	3,637
Printing	85,284	13,884	99,168	-	-	-	99,168
Professional fees	5,800	944	6,744	6,999	6,866	-	20,609
Social events	7,724	1,257	8,981	-	-	-	8,981
Travel	4,227	688	4,915	819	2,457	-	8,191
Utilities	3,524	574	4,098	967	626	-	5,691
Wages	231,064	57,766	288,830	40,115	72,208	-	401,153
	$ 653,517	$ 133,994	$ 787,511	$ 109,170	$ 166,749	$ 74,047	$ 1,137,477

See notes to financial statements.

PIANO INTERNATIONAL ASSOCIATION OF NORTHERN OHIO
(dba Piano Cleveland)

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 117,180	$ (8,377)
Adjustments to reconcile increase (decrease) in net assets to net cash (used for) provided by operating activities:		
In-kind contributions of donated pianos	-	(13,400)
Gain on disposal of donated piano	(3,556)	-
Depreciation	13,341	10,801
Realized and unrealized (gains) losses on investments	(117,116)	232,898
Cash contributions restricted for investment in endowment	-	(1,000)
Amortization of discount on unconditional promises to give	(1,191)	(1,171)
Changes in assets and liabilities:		
Prepaid expenses	(66,077)	8,486
Unconditional promises to give	(17,574)	(57,964)
Operating lease right-of-use asset and liability, net	(1,971)	9,762
Accounts payable	13,613	1,803
NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	(63,351)	181,838
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(241,098)	(373,138)
Proceeds from the sales of investments	252,987	377,048
Proceeds from the sale of donated piano	8,000	-
Purchases of computer equipment	-	(4,615)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	19,889	(705)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash contributions restricted for investment in endowment	-	1,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	1,000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(43,462)	182,133
CASH AND CASH EQUIVALENTS, beginning of year	396,601	214,468
CASH AND CASH EQUIVALENTS, end of year	$ 353,139	$ 396,601

See notes to financial statements.

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities: Piano International Association of Northern Ohio (dba Piano Cleveland and hereinafter referred to as the "Association") is a nonprofit charitable corporation located in Cleveland, Ohio that presents the Cleveland International Piano Competition (CIPC), the CIPC and Institute for Young Artists, concerts, festivals, community performances, and music education programs. In addition to admission fees, the Association receives governmental grants and contributions from individuals, businesses, and foundations to support its activities. The CIPC, CIPC and Institute for Young Artists, and a series of concerts and events referred to as the "Festival" are conducted on a three-year rotation. The CIPC is a high-level, international piano competition for people ages 18-32. The CIPC is presented every 3 years and was/is scheduled to take place in 2021, 2024, and 2027. The CIPC for Young Artists is a high-level, international piano competition for ages 12-18. The CIPC for Young Artists is presented every 3 years and was/is scheduled to take place in 2023, 2026, and 2029. The Institute for Young Artists is an exceptional educational pre-collegiate experience for young pianists. The Institute is presented every 3 years and runs concurrently with the CIPC for Young artists. It was/is scheduled to take place in 2023, 2026, and 2029. In addition, the Association presented Galas in 2023 and 2022, special events taking place in connection with the CIPC and Institute for Young Artists and Festival, respectively.

Basis of accounting: The financial statements of the Association are prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of presentation: The financial statements of the Association have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified as follows:

Net asset classes: The accompanying financial statements present information regarding the Association's financial position and activities according to two classes of net assets:

> ***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 Association. The Association's Board may designate assets without restrictions for specific operational purposes from time to time.
>
> ***Net assets with donor restrictions***: Net assets subject to stipulations imposed by donors and grantors. Donor restrictions can be temporary in nature and those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions can be perpetual in nature, whereby the donor stipulates that the funds be maintained in perpetuity.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue recognition: Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Association recognizes contributions as revenue in the period in which an unconditional pledge (promise to give) is received. This includes, when applicable, promises to provide services and usage of facilities. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Promises to give which are expected to be collected in more than one year are discounted to net present value using a risk-free rate of return at the time the promises were made, based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection period. The amortization of such discounts is recorded as contribution revenue with or without donor restrictions depending on the existence and nature of donor restrictions.

Revenues from exchange transactions, including application fees, the Institute for Young Artists, box office, retail sales, community performances (such as the ArtsConnect program), and music education programs are recognized when earned. Ticket sales revenue is included in box office and retail sales revenue and is recognized when the performance occurs and is recorded net of service fees. Revenue from consignment ticket sales is recognized net of the ticket purchase price. Revenues of $8,300 and $5,760 earned from the ArtsConnect program in 2023 and 2022, respectively, are included in other income.

Cash and cash equivalents: The Association considers all demand deposits and money market funds with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents held as a part of the long-term investment strategy for the Association's endowment are not considered cash and cash equivalents and are included in investments - endowment fund.

Investments: Investments in marketable securities are stated at fair value. Realized and unrealized gains and losses, dividend and interest income (collectively, investment income or loss) are included in the change in net assets in the accompanying statements of activities. Such amounts are reported as a change in net assets without donor restrictions unless the appreciation (depreciation) is restricted by explicit donor-imposed stipulations or by law.

Concentrations of credit risk: Financial instruments that potentially subject the Association to concentrations of credit risk consist of cash and cash equivalents and investments. The Association places its cash with a creditworthy, high-quality financial institution. Cash balances, at times, may exceed federally-insured limits; however, the Association has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk.

Investments are managed by investment managers whose performance is monitored by management and the Investment Subcommittee of the Board of Directors. The Investment Subcommittee makes recommendations to, and for approval by, the Finance Committee. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Association.

Property and equipment: Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of donation. Expenditures for major additions and improvements are capitalized, and minor replacements, maintenance, and repairs are charged to expense as incurred. The Association's policy is to capitalize property and equipment purchases over $1,000 except for items donated to the Association's Piano and Keyboard Donation Program wherein the policy is to capitalize items donated with a fair value of $5,000 or more. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent explicit donor stipulations about how long such property and equipment must be maintained, the Association reports expirations of donor restrictions when the donated or acquired property and equipment are placed in service.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Depreciation of pianos donated to the Association as a part of the Association's program to provide such pianos to eligible recipients is computed using the straight-line method over a three-year period as the recipient has the option to take ownership of the piano after three years. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

Donated services, facilities, and assets: Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Association. Free use of facilities is recorded as a contribution at estimated fair value. Donated assets are recorded at the estimated fair market value at the date of donation. Facilities, services, and assets contributed by corporations and organizations have been recognized in the financial statements for 2023 and 2022, and are as follows:

		2023	2022
Revenue:	Contributions	$ 14,010	$ 17,257
Assets:	Donated pianos	$ -	$ 13,400
Expenses:	Concert expenses:		
	Piano related expenses	14,010	-
	Venue	-	2,224
	Food	-	1,158
	Photography	-	325
	Entertainment	-	150
		$ 14,010	$ 17,257

In addition, many individuals volunteer their time and perform a variety of tasks to assist the Association in fund raising and conducting its activities. No amounts have been recognized in the financial statements for these donated services since they do not meet the above criteria and are not susceptible to objective measurement or valuation.

Advertising: The Association uses advertising to promote its piano competitions, concerts, and other events. Advertising costs are expensed as incurred and totaled $36,281 and $22,314 in 2023 and 2022, respectively.

Allocation of expenses by function: 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 wages, payroll taxes, office supplies, dues, insurance, postage, consulting, legal, advertising, bank and credit card fees, contracted services, printing, social events, travel, and professional fees, which are allocated on the basis of estimates of time and effort, as well as depreciation, lease expense, and utilities, which are allocated on a square footage basis.

Fair value measurements: Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. Note 4 provides a description of the valuation methodologies used by the Association for assets measured at fair value.

Leases: The Association determines whether an agreement contains a lease at inception based on the Association's right to obtain substantially all of the economic benefits from the use of the identified asset and its right to direct the use of the identified asset. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the Association's statements of financial position.

ROU assets represent the Association's right to use an underlying asset for the lease term and operating lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized on the commencement date based on the present value of lease payments over the lease term. Lease payments are discounted using the rate implicit in the lease or, if not readily available, the Association's incremental borrowing rate based on information available at the lease commencement date. The incremental borrowing rate for a lease is the rate of interest the Association would have to pay on a collateralized basis to borrow an amount equal to the lease payments for the asset under similar terms. The Association uses its line of credit interest rate at the lease commencement date. The operating lease ROU assets are increased by any prepaid lease payments and initial direct costs and reduced by any lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Association will exercise such options. Variable lease payments that depend on an index or a rate are included in the determination of ROU assets and lease liabilities using the index or rate at the lease commencement date. Variable lease payments that do not depend on an index or rate or resulting from changes in an index or rate subsequent to the lease commencement date, are recorded as lease expense in the period in which the obligation for the payment is incurred. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term and is included in operating expenses in the Association's statements of activities.

The Association's leases do not contain any residual value guarantees or material restrictive covenants.

The Association elected the short-term lease practical expedient, which allows the Association to not record an operating lease ROU asset and operating lease liability for any lease with a term of twelve months or less at lease commencement, and also elected the single component practical expedient for all asset classes, which allows the Association to include both lease and non-lease components associated with a lease as a single lease component when determining the value of the operating lease ROU asset and operating lease liability.

Reclassifications: Certain items in the 2022 financial statements have been reclassified to conform to the presentation in the 2023 financial statements. The reclassifications have no impact on the previously reported change in net assets, in total or by class and relate exclusively to expanded presentation of program service expenses on the statements of activities and statements of functional expenses.

Recently adopted accounting standards: In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, "*Measurement of Credit Losses on Financial Instruments"*, which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the current expected credit loss model ("CECL"). Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Association that are subject to this standard are unconditional promises to give. The Association adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements.

Subsequent events: In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through July 5, 2024, the date the financial statements were available to be issued.

NOTE 2 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2023 and 2022 are as follows:

	2023	2022
Receivable in less than one year	$ 161,505	$ 41,901
Receivable in one to five years	-	102,030
Total unconditional promises to give	161,505	143,931
Less discount to net present value	1,210	2,401
Net unconditional promises to give	$ 160,295	$ 141,530

The discount rate used for long-term promises to give is 1.64% at December 31, 2023 and 2022. All amounts are considered collectible at December 31, 2023 and 2022.

At December 31, 2023 and 2022, $73,790 and $72,599, respectively, of net unconditional promises to give are donor restricted for prizes for future competitions.

NOTE 3 – INVESTMENTS – ENDOWMENT FUND

The endowment fund investments held by a financial institution at December 31, 2023 and 2022 are stated at fair value and consist of the following:

	2023		2022	
	Cost	Market Value	Cost	Market Value
Money market funds	$ 46,767	$ 46,767	$ 62,498	$ 62,498
Mutual funds	647,823	645,193	773,507	722,869
Exchange-traded funds	313,318	465,197	194,618	266,563
	$ 1,007,908	$ 1,157,157	$ 1,030,623	$ 1,051,930

Net realized and unrealized gains (losses) on investments for 2023 and 2022 totaled $124,562 and $(226,042), respectively. Such amounts are reported in the accompanying financial statements net of investment management fees.

NOTE 4 – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a 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 this framework are defined as follows:

Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association 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;
- 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.

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

The asset's 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.

The Association's endowment fund investments, reported at fair value within the fair value hierarchy, as of December 31, 2023 and 2022 are as follows:

	December 31, 2023			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Money market funds	$ 46,767	$ -	$ -	$ 46,767
Mutual funds:				
Domestic	549,507	-	-	549,507
Foreign	95,686	-	-	95,686
Exchange-traded funds:				
Domestic	434,927	-	-	434,927
Foreign	30,270	-	-	30,270
Total	$ 1,157,157	$ -	$ -	$ 1,157,157

	December 31, 2022			
Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total
Money market funds	$ 62,498	$ -	$ -	$ 62,498
Mutual funds:				
Domestic	637,736	-	-	637,736
Foreign	85,133	-	-	85,133
Exchange-traded funds:				
Domestic	239,907	-	-	239,907
Foreign	26,656	-	-	26,656
Total	$ 1,051,930	$ -	$ -	$ 1,051,930

The following is a description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such items pursuant to the fair value hierarchy:

Level 1 Fair Value Measurements

The fair values of the mutual funds and the money market funds are based on quoted net asset values of the shares held by the Association at year-end. The fair value of exchange-traded funds is based on quoted market prices.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 and 2022 consists of the following:

	2023	2022
Furniture and fixtures	$ 1,994	$ 1,994
Office and computer equipment	22,784	27,153
Pianos (Piano and Keyboard Donation Program)	28,300	36,300
	53,078	65,447
Less – accumulated depreciation	40,689	35,273
Property and equipment, net	$ 12,389	$ 30,174

Depreciation expense in 2023 and 2022 totaled $13,341 and $10,801, respectively.

NOTE 6 – LINE OF CREDIT

The Association has available a $300,000 demand bank line of credit under which the Association may borrow, subject to certain terms and conditions described in the loan agreement. Borrowings under the line bear interest at the prime rate (8.50% and 7.50% as of December 31, 2023 and 2022, respectively) plus 1.35%. All borrowings are secured by the Association's endowment fund investments. The agreement with the bank contains certain restrictions and covenants. As of December 31, 2023 and 2022, the Association was in compliance with the restrictions or covenants. There was no outstanding balance on the line as of December 31, 2023 and 2022. The line is available to the Association on an annually renewable basis, and the next expiration date will be in September 2024.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2023 and 2022 are restricted for the following purposes or periods:

	2023	2022
Subject to expenditure for specified purpose:		
Prizes for future competitions	$ 127,128	$ 106,880
Arts Entrepreneurship	30,000	-
2024 CIPC jury expenses	3,300	-
Listening Series	-	5,000
Orchestra for 2023 CIPC for Young Artists	-	10,000
2023 CIPC for Young Artists	-	14,062
Strategic Planning	-	15,000
Education/Outreach	-	37,610
2023 Naples Event	-	2,500
	160,428	191,052
Subject to the passage of time:		
General support in subsequent years	95,650	88,030
Donor-restricted endowment funds:		
Original gift amounts required to be maintained in perpetuity:		
General operating support	542,653	542,653
Prize endowment	481,433	481,433
CIPC for Young Artists	100,000	100,000
Accumulated investment gains	33,071	-
Endowment deficiencies	-	(72,156)
	1,157,157	1,051,930
	$ 1,413,235	$ 1,331,012

Net assets released from donor restrictions by incurring expenses satisfying the purpose restriction or by expiration of the time restriction for 2023 and 2022 are as follows:

	2023	2022
Endowment amounts appropriated and expended	$ 21,440	$ 20,918
General support	73,880	30,000
Education/Outreach	37,610	17,890
2023 Naples event	2,500	-
Orchestra for 2023 CIPC for Young Artists	10,000	-
2023 CIPC for Young Artists	18,020	-
Listening Series	5,000	-
Strategic Planning	15,000	-
	$ 183,450	$ 68,808

NOTE 8 – ENDOWMENT FUNDS

The Association's endowment consists of ten individual donor-restricted funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Association is subject to the Ohio Prudent Management of Institutional Funds Act ("OPMIFA") and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors of the Association has interpreted OPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Association considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Association has interpreted OPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with OPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Association and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and appreciation of investments
6. Other resources of the Association
7. The investment policies of the Association

Endowment net assets comprised the following as of December 31, 2023:

	With Donor Restrictions		
	Accumulated Investment Gains	Perpetual in Nature	Total Net Endowment Assets
General operating support	$ 15,965	$ 542,653	$ 558,618
Prize endowment	14,164	481,433	495,597
CIPC for Young Artists	2,942	100,000	102,942
Donor-restricted endowments	$ 33,071	$ 1,124,086	$ 1,157,157

Endowment net assets comprised the following as of December 31, 2022:

	With Donor Restrictions		
	Endowment Deficiencies	Perpetual in Nature	Total Net Endowment Assets
General operating support	$ (34,833)	$ 542,653	$ 507,820
Prize endowment	(30,904)	481,433	450,529
CIPC for Young Artists	(6,419)	100,000	93,581
Donor-restricted endowments	$ (72,156)	$ 1,124,086	$ 1,051,930

The following table summarizes the changes in the endowment funds during 2023:

	With Donor Restrictions			
	Accumulated Investment Gains	Endowment Deficiencies	Perpetual in Nature	Total Net Endowment Assets
Beginning balance at December 31, 2022	$ -	$ (72,156)	$ 1,124,086	$ 1,051,930
Investment return (loss):				
Interest and dividend income	16,867	15,699	-	32,566
Net appreciation (realized and unrealized)	60,659	56,457	-	117,116
Total investment return	77,526	72,156	-	149,682
Amounts appropriated for expenditure	(23,015)	-	-	(23,015)
Amounts appropriated and expended	(21,440)	-	-	(21,440)
Ending balance at December 31, 2023	$ 33,071	$ -	$ 1,124,086	$ 1,157,157

The following table summarizes the changes in the endowment funds during 2022:

	With Donor Restrictions			
	Accumulated Investment Gains	Endowment Deficiencies	Perpetual in Nature	Total Net Endowment Assets
Beginning balance at December 31, 2021	$ 165,652	$ -	$ 1,123,086	$ 1,288,738
Investment return (loss):				
Interest and dividend income	32,768	5,694	-	38,462
Net depreciation (realized and unrealized)	(198,420)	(34,478)	-	(232,898)
Total investment loss	(165,652)	(28,784)	-	(194,436)
Contributions	-		1,000	1,000
Amounts appropriated for expenditure	-	(22,454)	-	(22,454)
Amounts appropriated and expended	-	(20,918)	-	(20,918)
Ending balance at December 31, 2022	$ -	$ (72,156)	$ 1,124,086	$ 1,051,930

Endowment Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or OPMIFA requires the Association to retain as a fund of perpetual duration. Deficiencies of this nature existed as of December 31, 2022 in each of the donor restricted endowment funds, which together had an original gift value of $1,124,086, a fair value of $1,051,930, and a deficiency of $72,156 as of December 31, 2022. This deficiency resulted from unfavorable market fluctuations that occurred during 2022. As a result of investment gains during 2023, the fair value of the endowment funds has increased and, as of December 31, 2023, exceeds the amount required to be maintained in perpetuity.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that ensures safety through diversification while obtaining a competitive rate of return. The Association expects its endowment funds, over time, to provide a minimum target return of 5%. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Currently the Association has an annual distribution policy that is based upon a rolling thirty-six (36) month average of the endowment fund's fair value. The distribution rate was 4% for both 2023 and 2022. This policy is evaluated on an annual basis in order to provide the Association the ability to adjust the spending policy based upon extreme economic conditions or events and/or recognition of multiple years of endowment deficiencies. In establishing this policy, the Association considered the long-term expected return on its endowment. Accordingly, over the long-term, the Association expects the current spending policy to allow its endowment to grow at an average rate equal to or greater than 1%. The Association recognizes that this policy may allow distributions to be made at points in time when endowment deficiencies may exist, unless otherwise precluded by donor intent or relevant laws and regulations. The governing board appropriated for expenditure $44,455 and $43,372 from endowment funds during 2023 and 2022, respectively.

NOTE 9 – FEDERAL INCOME TAXES

The Association operates as an Ohio nonprofit charitable corporation and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements. The Association has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

NOTE 10 – COMMITMENTS

The Association leases its office facility from an unrelated entity under an operating lease agreement. During 2022, the Association entered into a new lease agreement with its current landlord for new office space with a lease term of October 2022 through February 2026, with the first payment beginning January 2023. During 2022 prior to the new lease, the lease for the old office space was under lease terms of one year or less. The monthly base rent payment required under the new lease is $3,418, which increases to $3,521 effective April 2024 and $3,627 effective April 2025. For financial reporting purposes, the lease expense is recorded on a straight-line basis considering total lease expense over the term of the lease including the free rent period and including escalations in lease payments. The Association also pays the cost of certain utilities for the office facility. Lease expense in 2023 for the new office lease was $38,690. Lease expense in 2022 for the new office lease and the old office was $9,762 and $22,028, respectively.

The Association also leases certain office equipment under an operating lease through November 2025. Lease expense for the office equipment totaled $4,740 in both 2023 and 2022, respectively.

The following table summarizes the components of the lease expense recognized for the year ended December 31, 2023 and 2022:

	2023	2022
Operating lease expense	$ 43,430	$ 36,530
Variable lease expense	-	-
Total operating lease expense	$ 43,430	$36,530

As of December 31, 2023, the future minimum lease payments required under the operating leases are as follows:

Years ending December 31,	Amount
2024	$ 46,684
2025	47,547
2026	7,253
Total minimum lease payments	101,484
Less: present value discount	8,007
Present value of minimum lease payments	$ 93,477

The Company does not have any material leases that have been signed but have yet to commence as of December 31, 2023.

The following table presents other supplemental lease information at December 31, 2023 and 2022:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities	$ 43,430	$ 26,768
ROU assets obtained in exchange for new lease liabilities	-	153,793
Weighted average remaining lease term (years)	2.14	3.14
Weighted average discount rate	8%	8%

NOTE 11 – SIGNIFICANT DONORS

In certain years, the Association receives a significant portion of its contribution and grant revenue from certain grantors and donors. In 2023 and 2022, no individual donors accounted for more than 10% of total contributions and grants revenue. As of December 31, 2023 and 2022, $73,790 and $72,599, respectively, of the total unconditional promises to give reflected on the accompanying statements of financial position are due from a single donor related to multi-year promises to give primarily recognized in 2012.

NOTE 12 – RISKS AND UNCERTAINTIES

Investments: Through its endowment fund, the Association invests in various investment securities, bonds, mutual funds, and alternative investments. These investment vehicles are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

NOTE 13 – LIQUIDITY

The following reflects the Association's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the statements of financial position dates.

	2023	2022
Financial assets, at year-end	$ 1,670,591	$ 1,590,061
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions due to time or purpose restrictions	256,078	279,082
Donor-restricted endowment funds	1,157,157	1,051,930
Financial assets available to meet cash needs for general expenditures within one year	$ 257,356	$ 259,049

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position dates, comprise the following:

	2023	2022
Cash and cash equivalents	$ 235,001	$ 247,148
Unconditional promises to give	22,355	11,901
	$ 257,356	$ 259,049

The Association is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Association must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Association'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. As described in Note 8, the Association has a fund for general operating support within its endowment funds. Currently, the Association has an annual distribution policy that is based upon a rolling thirty-six (36) month average of the endowment fund's fair value. The distribution rate was 4% for both 2023 and 2022. These distributions are used to fund the general operating support of the Association. This policy is evaluated on an annual basis in order to provide the Association the ability to adjust the spending policy based upon extreme economic conditions or events and/or recognition of multiple years of endowment deficiencies. In the event of an unanticipated liquidity need, the Association could also draw upon its line of credit (as further discussed in Note 6).