CRAFT EMERGENCY RELIEF FUND, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

JMM & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

CRAFT EMERGENCY RELIEF FUND, INC.

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VT License #92-0000171

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Craft Emergency Relief Fund, Inc.
Montpelier, Vermont

Opinion

We have audited the accompanying financial statements of Craft Emergency Relief Fund, Inc. (a nonprofit organization) which comprise the statements of financial position as of September 30, 2024 and 2023, 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 Craft Emergency Relief Fund, Inc. as of September 30, 2024 and 2023, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Craft Emergency Relief Fund, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Craft Emergency Relief Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

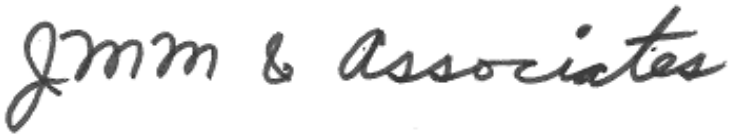
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Craft Emergency Relief Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Craft Emergency Relief Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



April 4, 2025

CRAFT EMERGENCY RELIEF FUND, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2024 AND 2023

A S S E T S

	2024	2023
CURRENT ASSETS		
Cash	$ 946,995	$ 373,846
Grants receivable	-	12,489
Current portion of pledges receivable	203,444	1,088,000
Current portion of loans receivable	4,381	6,000
Prepaid expenses	12,045	11,504
TOTAL CURRENT ASSETS	1,166,865	1,491,839
PROPERTY AND EQUIPMENT		
Equipment	15,313	15,313
Website	20,000	18,500
	35,313	33,813
Less accumulated depreciation	(15,314)	(32,542)
TOTAL PROPERTY AND EQUIPMENT	19,999	1,271
OTHER ASSETS		
Investments	2,596,793	2,262,191
Noncurrent pledges receivable	70,000	-
Noncurrent loans receivable, net	-	2,292
TOTAL OTHER ASSETS	2,666,793	2,264,483
TOTAL ASSETS	$ 3,853,657	$ 3,757,593

See accompanying notes.

L I A B I L I T I E S A N D N E T A S S E T S

	2024	2023
CURRENT LIABILITIES		
Accounts payable	$ 3,862	$ 57,261
Accrued salaries and related liabilities	27,116	20,827
TOTAL CURRENT LIABILITIES	30,978	78,088
TOTAL LIABILITIES	30,978	78,088
NET ASSETS		
Net assets without donor restrictions:		
Board designated:		
CERF+ At the Ready Fund	406,286	156,286
Board reserve	441,898	441,898
Sub-total - board designated	848,184	598,184
Undesignated	1,438,147	898,249
Total net assets without donor restrictions	2,286,331	1,496,433
Net assets with donor restrictions	1,536,348	2,183,072
TOTAL NET ASSETS	3,822,679	3,679,505
TOTAL LIABILITIES AND NET ASSETS	$ 3,853,657	$ 3,757,593

See accompanying notes.

CRAFT EMERGENCY RELIEF FUND, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Grants and contributions	$ 1,088,776	$ 934,092
Donated goods and materials	24,494	73,169
Investment income	501,568	256,941
Program fees and other income	25,523	6,098
	1,640,361	1,270,300
Net assets released from restrictions	1,274,396	1,040,988
TOTAL SUPPORT AND REVENUE	2,914,757	2,311,288
EXPENSES		
Program services:		
Emergency response	589,706	652,099
Education and training	846,574	810,175
Outreach, marketing and advocacy	222,975	142,160
Subtotal - program services	1,659,255	1,604,434
Support services:		
General and administrative	275,318	339,954
Fundraising	190,286	153,715
Subtotal - support services	465,604	493,669
TOTAL EXPENSES	2,124,859	2,098,103
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	789,898	213,185
BEGINNING NET ASSETS WITHOUT DONOR RESTRICTIONS	1,496,433	1,283,248
ENDING NET ASSETS WITHOUT DONOR RESTRICTIONS	$ 2,286,331	$ 1,496,433

See accompanying notes.

CRAFT EMERGENCY RELIEF FUND, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Grants and contributions	$ 627,672	$ 1,013,413
Net assets released from restrictions	(1,274,396)	(1,040,988)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(646,724)	(27,575)
BEGINNING NET ASSETS WITH DONOR RESTRICTIONS	2,183,072	2,210,647
ENDING NET ASSETS WITH DONOR RESTRICTIONS	$ 1,536,348	$ 2,183,072
TOTAL CHANGE IN NET ASSETS	$ 143,174	$ 185,610

See accompanying notes.

CRAFT EMERGENCY RELIEF FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES - 2024

FOR THE YEAR ENDED SEPTEMBER 30, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Emergency Response	Education & Training	Outreach, Marketing & Advocacy	Total Program Services	General and Administrative	Fundraising	2024 Total	2023 Total
Salaries	$ 71,023	$ 207,993	$ 98,609	$ 377,625	$ 152,798	$ 106,232	$ 636,655	$ 648,244
Employee benefits	14,802	38,779	18,740	72,321	34,442	25,427	132,190	123,772
Payroll taxes	5,743	16,036	7,216	28,995	11,447	7,501	47,943	52,407
Subtotal - personnel costs	91,568	262,808	124,565	478,941	198,687	139,160	816,788	824,423
Grant expense - artists	473,000	318,376	-	791,376	-	-	791,376	736,803
Grant expense - organizations	1,280	167,510	10,515	179,305	2,493	1,702	183,500	210,900
Professional services	9,833	53,293	38,193	101,319	21,781	13,056	136,156	82,953
Information technology	9,564	12,591	18,375	40,530	9,502	13,209	63,241	45,576
Office expenses	1,204	10,801	14,431	26,436	6,375	9,323	42,134	32,968
Travel	702	6,307	12,648	19,657	3,210	6,884	29,751	42,051
In-kind expense	-	-	-	-	24,494	-	24,494	73,169
Conferences and workshops	1,260	1,940	2,464	5,664	5,248	2,443	13,355	4,420
Advertising and promotion	-	9,900	250	10,150	-	1,520	11,670	1,010
Bank and credit card fees	622	1,464	737	2,823	1,579	828	5,230	5,386
Insurance	572	1,346	677	2,595	1,114	761	4,470	6,156
Depreciation	-	-	-	-	1,272	-	1,272	2,811
Occupancy	101	238	120	459	197	135	791	25,375
Other expense	-	-	-	-	(634)	1,265	631	4,102
TOTAL EXPENSES	$ 589,706	$ 846,574	$ 222,975	$ 1,659,255	$ 275,318	$ 190,286	$ 2,124,859	$ 2,098,103

See accompanying notes.

CRAFT EMERGENCY RELIEF FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES - 2023

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Emergency Response	Education & Training	Outreach, Marketing & Advocacy	Total Program Services	General and Administrative	Fundraising	2023 Total
Salaries	$ 118,164	$ 222,379	$ 91,225	$ 431,768	$ 122,153	$ 94,323	$ 648,244
Employee benefits	21,852	37,100	13,292	72,244	31,901	19,627	123,772
Payroll taxes	9,340	16,781	6,800	32,921	12,663	6,823	52,407
Subtotal - personnel costs	149,356	276,260	111,317	536,933	166,717	120,773	824,423
Grant expense - artists	473,000	263,803	-	736,803	-	-	736,803
Grant expense - organizations	-	210,900	-	210,900	-	-	210,900
Professional services	3,923	8,700	2,109	14,732	67,923	298	82,953
In-kind expense	-	-	-	-	73,169	-	73,169
Information technology	8,743	8,427	12,542	29,712	5,069	10,795	45,576
Travel	6,718	24,077	7,967	38,762	2,190	1,099	42,051
Office expenses	2,952	8,255	2,321	13,528	4,947	14,493	32,968
Occupancy	4,593	7,617	3,337	15,547	6,052	3,776	25,375
Insurance	1,114	1,848	810	3,772	1,468	916	6,156
Bank and credit card fees	43	71	31	145	5,206	35	5,386
Conferences and workshops	1,657	217	1,616	3,490	300	630	4,420
Other expense	-	-	-	-	4,102	-	4,102
Depreciation	-	-	-	-	2,811	-	2,811
Advertising and promotion	-	-	110	110	-	900	1,010
TOTAL EXPENSES	$ 652,099	$ 810,175	$ 142,160	$ 1,604,434	$ 339,954	$ 153,715	$ 2,098,103

See accompanying notes.

CRAFT EMERGENCY RELIEF FUND, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants and contributions	$ 2,543,493	$ 1,339,842
Cash received from interest and dividends	86,065	45,584
Cash received from loans receivable	3,911	4,348
Other operating receipts	25,523	6,098
Cash paid for personnel	(810,499)	(866,028)
Cash paid to suppliers for goods and services	(1,336,245)	(1,167,534)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	512,248	(637,690)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(20,000)	-
Sales of investments	944,287	1,340,961
Purchases of investments	(863,386)	(1,186,722)
NET CASH PROVIDED BY INVESTING ACTIVITIES	60,901	154,239
INCREASE (DECREASE) IN CASH	573,149	(483,451)
BEGINNING CASH	373,846	857,297
ENDING CASH	$ 946,995	$ 373,846

See accompanying notes.

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations and activities

Incorporated in New York in 1985 and now headquartered in Brattleboro, Vermont, Craft Emergency Relief Fund, Inc. (CERF+ or the Organization) is a national artists' service organization whose mission is to serve artists who work in craft disciplines by providing a safety net to support strong and sustainable careers. CERF+'s core services are education programs, advocacy, network building, and emergency relief. Emergency relief consists of: (a) Emergency Preparedness & Recovery Resources, (b) Emergency Preparedness Educational Programs, (c) Artist Preparedness Campaign, (d) National Coalition for Arts Preparedness & Emergency Response, and (e) Research on the Needs & Status of Working Artists. CERF+ fulfills its mission by making direct grants to craft artists facing career-threatening emergencies, coordinating a booth fee waiver and supply discount program with participating craft shows and suppliers, providing promotional, marketing and business development assistance, and by offering training and education in health, safety, insurance, and disaster preparedness. The Organization's support comes primarily from contributions from individuals, businesses and foundations.

Income taxes

CERF+ is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on income related to its exempt purpose as a public charity pursuant to Section 501(a) of the Code. CERF+ believes that it has appropriate support for any tax position taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts on deposit in financial institutions and other short-term investments with original maturities of three months or less. Cash and cash equivalents are stated at cost, which approximates market value.

CERF+ maintains all of its cash in Vermont banks. Amounts on deposit are insured up to $250,000 per depositor per bank. Amounts on deposit in excess of the applicable FDIC limit were approximately $687,000 and $124,000 as of September 30, 2024 and 2023, respectively. During fiscal year 2024, CERF+ opened an automated investment sweep account to mitigate the risk of balances in excess of the FDIC limit.

Basis of accounting

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

Financial statement presentation

CERF+ is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

If a contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of an identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. ROU assets are also adjusted for any lease prepayments made, lease incentives received and initial direct costs incurred.

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

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

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

CERF+ has elected to use the practical expedient to not separate lease and non-lease components for all leases and has elected to use the risk-free rate to determine the discount rate for all leases. CERF+ has elected to use the portfolio approach to record similar leases.

CERF+ has elected the option to separate right-of-use assets and liabilities for operating leases from right-of-use assets and lease liabilities for financing leases in the Statements of Financial Position.

CERF+ has adopted a capitalization policy of $60,000 for all long-term leases.

Management has determined that there were no material leases as of September 30, 2024 or 2023 that required reporting a right-of-use asset or lease liability.

Reclassification

Portions of the 2023 financial statements have been reclassified to conform to the 2024 financial statement presentation. As described in Note 9, $774,888 reported as unrestricted, board-designated for long-term investment as of September 30, 2023 has been reclassified to undesignated net assets without donor restrictions.

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

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

Support

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase 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 Statements of Activities as net assets released from restrictions.

CERF+ recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend are met.

Pledges receivable

CERF+ uses the allowance method for recording uncollectible pledges receivable. Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Those expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts, if material, are computed using estimated market interest rates applicable to the years in which the promises are received. Any amortization of these discounts would be reflected in contribution revenue. Conditional promises to give are not recorded until the conditions are met.

Provision for credit losses and adoption of new accounting standard

On October 1, 2023, the Organization adopted Accounting Standards Update (ASU) 2016-13 *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. ASU 2016-13 requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

Credit losses on accounts receivables and loans receivable as of September 30, 2024 and 2023 were not material to the financial statements. As a result, there was no material cumulative effect on net assets as of October 1, 2022 resulting from the adoption of ASU 2016-13.

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable

CERF+ uses the allowance method for recording uncollectible accounts receivable. Balances still outstanding after management uses reasonable collection efforts are written off as bad debt. Management provides an allowance for doubtful accounts based on prior experience, review of individual accounts and current economic conditions. Management has determined that no allowance for doubtful accounts was necessary as of September 30, 2024 or 2023.

Revenue recognition

Contract revenue is recognized as performance obligations under the contract agreements are met. Any unearned funds are considered deferred revenue and reported as a liability. CERF+ earns administrative fees for managing emergency grant programs for artists on behalf of others, and other fee for service activities. CERF+ received $25,523 and $6,098 in revenue from contracts with customers in fiscal years 2024 and 2023, respectively. There were no material contract assets, receivables or liabilities as of the beginning or end of September 30, 2024 or 2023.

Advertising and promotion

Indirect response advertising is expensed when incurred.

Property and equipment

Property and equipment are stated at cost. Donations of property and equipment are recorded as support at their estimated market value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports the expiration of donor restrictions when donated assets are placed into service as instructed by the donor, and reclassifies net assets with restrictions to net assets without donor restrictions at that time.

The cost of maintenance and repairs is charged to expense as incurred; renewals and betterments costing greater than $3,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives.

Donated materials and services

Donated materials, when received, are reflected as contributions at the fair value on the date of receipt. CERF+ receives various types of in-kind support, including software licensing fees and miscellaneous goods. Contributed professional services are recognized at fair value if the services rendered (a) create or enhance long-lived assets or (b) require specialized skills, and would typically need to be purchased if not provided by donation. No amounts have been recognized for donated services, as there were no amounts which satisfied the criteria for recognition.

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Loans receivable

Loans receivable are stated at unpaid balances, less an allowance for credit losses. CERF+ estimates credit losses for the remaining estimated life of the loans receivable by using historical experience, current conditions, and reasonable and supportable forecasts. Financial assets measured at amortized cost are presented at the net amount expected to be collected by using an allowance for loan losses.

Functional allocation of expenses

The costs of providing various programs and activities have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Salaries have been allocated to the various functional classes based on employee time records. Indirect costs that benefit multiple functional areas are allocated based on these payroll allocation percentages.

Investments and fair value measurements

CERF+ reports investments in marketable securities with readily determinable fair values, and all investments in debt securities at their fair values in the Statements of Financial Position. Fair value is determined by "Level 1" inputs by reference to quoted market prices. Unrealized gain and loss are included in the Statements of Activities.

Generally accepted accounting principles for fair value measurements emphasize a market-based approach to fair value, and require disclosures about valuation techniques used in the preparation of financial statements. The framework establishes a hierarchy that prioritizes the inputs used in measuring fair value (with Level 1 given the highest priority and Level 3 the lowest):

- Level 1 inputs are quoted prices available in active markets.

- Level 2 inputs are other than quoted prices in active markets which are "observable" as of the reporting date (such as published life expectancy tables used for valuing an annuity).

- Level 3 measurements use "significant unobservable inputs" and include net present value calculations of estimated future cash flows.

2) LIQUIDITY

CERF+ regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, and marketable debt and equity securities.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, CERF+ considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

2) LIQUIDITY (continued)

In addition to financial assets available to meet general expenditures over the next 12 months, CERF+ operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following table shows the total financial assets held by CERF+, and the amounts of those financial assets that could readily be made available within one year of the dates of the Statements of Financial Position to meet general expenditures:

	2024	2023 (As restated)
Financial assets at year-end:		
Cash	$ 946,995	$ 373,846
Grants receivable	-	12,489
Pledges receivable	273,444	1,088,000
Loans receivable, net	4,381	8,292
Investments	2,596,793	2,262,191
Total financial assets at year-end	3,821,613	3,744,818
Less amounts not available to meet general expenditures over the next 12 months:		
Noncurrent loans receivable, net	-	(2,292)
Board-designated net assets	(848,184)	(598,184)
Net assets with donor restrictions	(1,536,348)	(2,183,072)
Financial assets available to meet general expenditures over the next 12 months	$ 1,437,081	$ 961,270

3) PLEDGES RECEIVABLE

Included in pledges receivable are the following donor-restricted unconditional promises to give as of September 30:

	2024	2023
Emergency preparedness	$ 140,000	$ -
Emerging artists technical assistance	-	240,000
Emergency relief	-	735,000
Future periods and programs	133,444	113,000
	$ 273,444	$ 1,088,000

3) PLEDGES RECEIVABLE (continued)

Promises to give are expected to be collected as follows at September 30:

	2024	2023
Receivable in less than one year	$ 203,444	$ 1,088,000
Receivable in two to five years	70,000	-
	$ 273,444	$ 1,088,000

Pledges receivable are reported in the Statements of Financial Position at September 30 as follows:

	2024	2023
Current	$ 203,444	$ 1,088,000
Noncurrent	70,000	-
	$ 273,444	$ 1,088,000

Pledges receivable at September 30, 2024 included two pledges from two foundations that accounted for 88% of total pledges. Pledges receivable at September 30, 2023 included pledges from two foundations that accounted for 99.9% of total pledges. Due to the nature of pledges receivable, no allowance is deemed necessary. Management has deemed the discount of pledges receivable to net present value to be immaterial.

In August 2024, CERF+ received conditional promises to give totaling $200,000. Receipt of these funds is conditional upon CERF+ raising $100,000 of eligible matching funds in each of fiscal years 2025 and 2026. No amounts were recognized in the 2024 financial statements as none of the conditions had been met as of September 30, 2024.

4) LOANS RECEIVABLE

Until May 2018, CERF+ made loans to craft artists facing career-threatening emergencies. All loans were 60-month, interest-free, unsecured, and ranged from $500 to $9,000. CERF+ continues to collect payments on those outstanding loans. CERF+ reviews delinquent loans annually and writes off those at the end of their terms unless a loan is deemed clearly uncollectible prior to the end of the term. CERF+ estimates an allowance for loan loss using historical experience, current conditions, and reasonable and supportable forecasts.

In response to the COVID-19 pandemic, CERF+ deferred loan payments from April 2020 through December 2022. There were 7 and 8 loans outstanding at September 30, 2024 and 2023, respectively. There were $7,362 and $4,102 in write-offs in fiscal years 2024 and 2023, respectively. Past due amounts at September 30, 2024 and 2023 were immaterial.

4) LOANS RECEIVABLE (Continued)

Loans receivable consisted of the following at September 30:

	2024	2023
Loans receivable	$ 7,019	$ 18,292
Less allowance for loan losses	(2,638)	(10,000)
	4,381	8,292
Less current portion	(4,381)	(6,000)
	$ -	$ 2,292

5) INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization's investments include both funds with donor restrictions and funds without donor restrictions. Investments in debt securities and equity securities with readily determinable fair values are carried at fair value as determined by reference to quoted market prices and other relevant information generated by active market transactions (Level 1 inputs).

Investments consisted of the following at September 30:

	2024	2023
Mutual funds and exchange-traded funds:		
Equity securities:		
Issuers with small to medium market capitalization (a)	$ 16,419	$ 43,670
Entities in developed markets (b)	-	151,676
Index approach investments (c)	446,625	256,915
Total equity securities	463,044	452,261
Fixed income securities:		
Investment grade or unrated (d)	101,885	447,263
Total fixed income securities	101,885	447,263
Total mutual funds and exchange-traded funds	564,929	899,524
Other investments:		
Cash and equivalents	316,611	389,684
Common stocks	1,106,568	761,352
Other assets	4,153	32,743
U.S. Treasury notes and U.S. corporate bonds	604,532	178,888
Total other investments	2,031,864	1,362,667
	$ 2,596,793	$ 2,262,191

5) INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Further analysis of the Organization's investments:

(a) These investments seek to provide long-term growth of capital primarily through investing net assets in equity securities, such as common stocks, of issuers with small to medium market capitalization.

(b) These investments seek to achieve long-term capital appreciation through purchasing securities of companies associated with developed market countries that the advisor has designated as approved markets.

(c) These investments are managed using an indexing investment approach by which the advisor attempts to approximate, before expenses, the performance of the index over the long term. The advisor will typically invest net assets in equity securities comprising the index in approximately the same proportions as they are represented in the index.

(d) These investments seek to maximize long-term return by investing its net assets in investment-grade fixed income securities, or unrated securities, that are deemed to be of comparable quality by the advisor.

Additional analysis of the fair value and cost of investments by category were as follows as of:

	Fair Value	Cost	Unrealized Appreciation (Depreciation)
September 30, 2024:			
Cash and equivalents	$ 316,611	$ 316,611	$ -
Fixed income	719,441	703,767	15,674
Equities	1,556,588	1,126,888	429,700
Other	4,153	4,503	(350)
	$ 2,596,793	$ 2,151,769	$ 445,024
September 30, 2023:			
Cash and equivalents	$ 389,684	$ 389,684	$ -
Fixed income	626,151	695,969	(69,818)
Equities	1,213,613	1,124,686	88,927
Other	32,743	33,864	(1,121)
	$ 2,262,191	$ 2,244,203	$ 17,988

Included in investments are funds transferred into a separate "board-designated reserve fund" at the discretion of the Board, earnings from which are for the long-term benefit of the Organization.

5) INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Investment return is summarized as follows for the years ended September 30:

	2024	2023
Interest and dividends	$ 86,065	$ 45,584
Realized gain	10,267	7,957
Unrealized gain	427,036	224,800
Investment fees	(21,800)	(21,400)
	$ 501,568	$ 256,941

6) LEASES

The Organization signed an agreement to terminate its office lease effective December 31, 2022 and all employees began working remotely. Lease expenses were $0 and $16,748 for the years ended September 30, 2024 and 2023, respectively, with approximately $13,000 of the fiscal year 2023 lease expense consisting of early termination penalties.

7) EMPLOYEE RETIREMENT PLAN

The Organization sponsors a 403(b) pension plan that covers substantially all employees. There are no minimum age or service requirements for employees to make contributions to the plan. For employees who work more than 1,000 hours per year and have completed one year of service, the Organization makes a discretionary contribution (3% of total compensation in 2024 and 2023). Employees can also make salary deferrals up to prescribed annual limits. Employer contributions to the plan were $25,840 and $25,326 for the years ended September 30, 2024 and 2023, respectively.

8) DONATED GOODS AND MATERIALS

The values of donated goods and materials included as contributions in the financial statements and in the corresponding expenses, benefited the following purposes for the years ended September 30:

	2024	2023
Internal purposes:		
Software licensing fees	$ 5,760	$ 24,000
Other goods	13,734	46,669
	19,494	70,669
Brokered assistance	5,000	2,500
	$ 24,494	$ 73,169

8) DONATED GOODS AND MATERIALS (continued)

Brokered assistance is in-kind support consisting of items that are donated to benefit craft artists. CERF+ serves as a conduit for the donations by spreading the word that an artist is seeking a particular item.

CERF+ estimates the fair value of the goods and services based on retail values. Donated gift certificates and credits on goods or services are based on their cash values.

In addition to the amounts shown above, the Organization received hundreds of hours of donated time benefitting programs and supporting services that were not recorded in the financial statements because the services do not meet the criteria for recognition under U.S. generally accepted accounting principles.

9) NET ASSETS

Board-designated net assets consisted of investments designated for the long-term benefit of the Organization, including funds designated for the CERF+ "At the Ready Fund". During fiscal year 2024, CERF+ determined that the amounts reported as board-designated for long-term investment as of September 30, 2023 did not meet the criteria for board designation under the Organization's policies. As a result, $744,888 previously reported on the Statements of Financial Position as board-designated for long-term investment as of September 30, 2023 have been reclassified to undesignated net assets without donor restrictions. The reclassification had no effect on total net assets, or on the change in net assets as of, and for the year ended September 30, 2023.

Net assets with donor restrictions are available to support a future period or a specific activity not completed by CERF+ prior to the fiscal year end. Net assets with donor restrictions are as follows as of September 30:

	2024	2023
Emergency and disaster relief	$ 497,234	$ 910,355
Emergency preparedness	137,741	356,379
Emerging artist technical assistance	264,665	480,345
Etsy Sellers Fund	366,455	308,955
Board development	14,794	14,794
Artist legacy planning	5,425	6,925
COVID-19 emergency relief	34	5,319
Future periods and programs	250,000	100,000
	$ 1,536,348	$ 2,183,072

10) COMMITMENTS AND CONTINGENCIES

Grants and contracts require the fulfillment of certain conditions as set forth in the instrument of the grant or contract. Failure to fulfill the conditions could result in the return of funds to the grantors. Although that is a possibility, management deems the contingency remote since by accepting the awards and their terms, it has accommodated objectives to the provisions of the gift.

11) SUBSEQUENT EVENTS

In October 2024, CERF+ was approved for a $100,000 line of credit from M&T Bank with an interest rate of the Wall Street Prime Rate plus 3.5%. The line of credit is secured by cash accounts held at the same bank.

CERF+ has evaluated events and transactions for potential recognition or disclosure through April 4, 2025, the date the financial statements were available to be issued.