

**THE SCIOTO SOCIETY, INC.**  
**FINANCIAL STATEMENTS**  
**OCTOBER 31, 2023**  
**(With Summarized Totals for 2022)**



*Whited Seigneur Sams & Rabe, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

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**THE SCIOTO SOCIETY, INC.**  
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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

January 15, 2024

To the Board of Trustees of  
The Scioto Society, Inc.  
Chillicothe, Ohio

We have reviewed the accompanying financial statements of The Scioto Society, Inc. (a nonprofit organization) (the Society), which comprise the statement of financial position as of October 31, 2023, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility 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.

### Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

### Summarized Comparative Information

We have previously reviewed the Society's 2022 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated February 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended October 31, 2022, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Respectfully submitted,

*Whited Seigneur Sams & Rahe*

WHITED SEIGNEUR SAMS & RAHE CPAs, LLP

**THE SCIOTO SOCIETY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**OCTOBER 31, 2023 and 2022**

| <b>ASSETS</b>                                    | <b>2023</b>         | <b>2022</b>         |
|--|---------------------|---------------------|
| <b>CURRENT ASSETS</b>                            |                     |                     |
| Cash and Cash Equivalents                        | \$ 1,227,334        | \$ 1,340,261        |
| Inventory  | 162,926             | 107,145             |
| Prepaid Expenses                                 | <u>26,081</u>       | <u>44,795</u>       |
| <b>TOTAL CURRENT ASSETS</b>                      | 1,416,341           | 1,492,201           |
| <b>PERMANENT &amp; DEPRECIABLE ASSETS, NET</b>   | 1,106,538           | 939,745             |
| <b>OTHER ASSETS</b>                              |                     |                     |
| Designated Endowment Funds                       | <u>115,059</u>      | <u>57,471</u>       |
| <b>TOTAL OTHER ASSETS</b>                        | <u>115,059</u>      | <u>57,471</u>       |
| <b>TOTAL ASSETS</b>                              | <u>\$ 2,637,938</u> | <u>\$ 2,489,417</u> |
| <b>LIABILITIES AND NET ASSETS</b>                |                     |                     |
| <b>CURRENT LIABILITIES</b>                       |                     |                     |
| Accounts Payable                                 | \$ 43,942           | \$ 44,549           |
| Accrued Payroll & Taxes                          | 17,520              | 13,985              |
| Accrued Property Taxes                           | 7,480               | 6,640               |
| Accrued Sales Tax                                | 976                 | 443                 |
| Accrued Interest Payable                         | -                   | 1,313               |
| Small Business Administration (SBA) Loan Current | <u>3,260</u>        | <u>3,172</u>        |
| <b>TOTAL CURRENT LIABILITIES</b>                 | <u>73,178</u>       | <u>70,102</u>       |
| <b>LONG TERM LIABILITIES</b>                     |                     |                     |
| Small Business Administration (SBA) Loan         | <u>117,493</u>      | <u>125,528</u>      |
| <b>TOTAL LIABILITIES</b>                         | 190,671             | 195,630             |
| <b>NET ASSETS</b>                                |                     |                     |
| Net assets without donor restrictions            | <u>2,447,267</u>    | <u>2,293,787</u>    |
| <b>TOTAL NET ASSETS</b>                          | <u>2,447,267</u>    | <u>2,293,787</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>          | <u>\$ 2,637,938</u> | <u>\$ 2,489,417</u> |

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**THE SCIOTO SOCIETY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEARS ENDED OCTOBER 31, 2023 and 2022**

|  | <b>2023</b>         | <b>2022</b>         |
|--|---------------------|---------------------|
| <b>REVENUES, GAINS AND OTHER SUPPORT</b>       |                     |                     |
| Sales  |                     |                     |
| Tickets  | \$ 876,774          | \$ 949,584          |
| Haunted Mountain, Concerts & Events            | 169,697             | 123,798             |
| Retail Sales                                   | 260,305             | 322,976             |
| Tours  | 25,099              | 45,245              |
| Total Sales                                    | 1,331,875           | 1,441,603           |
| Sponsorship Program Revenue                    | 49,850              | 46,628              |
| Contributions                                  | 9,740               | 615                 |
| Concession Fees                                | 32,071              | 42,818              |
| Grants   | 210,562             | 140,034             |
| Rain Insurance & Fees                          | 194,316             | 218,427             |
| Miscellaneous Income                           | 10,827              | 10,813              |
| <b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b> | <b>1,839,241</b>    | <b>1,900,938</b>    |
| <b>EXPENSES</b>                                |                     |                     |
| Production                                     | 871,969             | 839,397             |
| Theater Operations                             | 439,577             | 464,880             |
| Retail   | 110,644             | 112,376             |
| Total Program Expense                          | 1,422,190           | 1,416,653           |
| Management & General                           | 470,200             | 348,523             |
| <b>TOTAL EXPENSES</b>                          | <b>1,892,390</b>    | <b>1,765,176</b>    |
| <b>CHANGE IN NET ASSETS FROM OPERATIONS</b>    | <b>(53,149)</b>     | <b>135,762</b>      |
| <b>OTHER CHANGES</b>                           |                     |                     |
| Interest                                       | 10,189              | -                   |
| Gain (Loss) on Disposal                        | 160,000             | (616)               |
| Unrealized Gain (Loss) on Endowment Fund       | 2,092               | (10,728)            |
| Employee Retention Credits                     | 34,348              | -                   |
| <b>TOTAL OTHER CHANGES</b>                     | <b>206,629</b>      | <b>(11,344)</b>     |
| <b>CHANGES IN NET ASSET</b>                    | <b>153,480</b>      | <b>124,418</b>      |
| <b>NET ASSETS, BEGINNING OF YEAR</b>           | <b>2,293,787</b>    | <b>2,169,369</b>    |
| <b>NET ASSETS, END OF YEAR</b>                 | <b>\$ 2,447,267</b> | <b>\$ 2,293,787</b> |

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**THE SCIOTO SOCIETY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSE**  
**YEAR ENDED OCTOBER 31, 2023**  
**(With Summarized Financial Information for the Year Ended October 31, 2022)**

|                              | Theatre           |                   |                   |
|------------------------------|-------------------|-------------------|-------------------|
|                              | Production        | Operations        | Retail            |
| Wages                        | \$ 304,236        | \$ 75,581         | \$ -              |
| Payroll Expenses             | 23,320            | 6,064             | -                 |
| <b>Total Personnel Costs</b> | <b>327,556</b>    | <b>81,645</b>     | <b>-</b>          |
| Advertising & Promotional    | 156,532           | -                 | -                 |
| Audit & Accounting Fees      | -                 | -                 | -                 |
| Audition                     | 12,265            | -                 | -                 |
| Interest/Banking Fees        | -                 | 33,840            | -                 |
| Board of Trustees            | -                 | -                 | -                 |
| Concerts & Events            | 83,534            | -                 | -                 |
| Depreciation                 | 71,214            | 33,006            | -                 |
| Employee/Cast Benefit        | 8,700             | -                 | -                 |
| Equine Husbandry             | 35,471            | -                 | -                 |
| Equipment Lease              | -                 | -                 | -                 |
| Fundraising                  | 16,762            | -                 | -                 |
| Inventory                    | -                 | -                 | 101,042           |
| Grounds & Maintenance        | -                 | 91,152            | -                 |
| Information Technology       | -                 | -                 | -                 |
| Insurance                    | -                 | -                 | -                 |
| Miscellaneous                | 12,578            | 15,750            | -                 |
| Postage                      | -                 | -                 | 352               |
| Real Estate Tax              | -                 | -                 | -                 |
| Rent                         | -                 | -                 | -                 |
| Royalties                    | 41,505            | -                 | -                 |
| Seasonal Professional Fees   | 49,619            | -                 | -                 |
| Supplies                     | 56,233            | 25,687            | 9,250             |
| Telephone                    | -                 | 8,669             | -                 |
| Ticketing Fees               | -                 | 86,927            | -                 |
| Travel & Meetings            | -                 | -                 | -                 |
| Utilities                    | -                 | 62,901            | -                 |
| Vehicle                      | -                 | -                 | -                 |
| <b>TOTAL</b>                 | <b>\$ 871,969</b> | <b>\$ 439,577</b> | <b>\$ 110,644</b> |

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**THE SCIOTO SOCIETY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSE**  
**YEAR ENDED OCTOBER 31, 2023**  
**(With Summarized Financial Information for the Year Ended October 31, 2022)**

|                             | <u>Total</u><br><u>Program</u> | <u>Management</u><br><u>&amp; General</u> | <u>2023</u>         | <u>2022</u>         |
|-----------------------------|--------------------------------|---|---------------------|---------------------|
| Wages                       | \$ 379,817                     | \$ 242,625                                | \$ 622,442          | \$ 525,457          |
| Payroll Expenses & Benefits | <u>29,384</u>                  | <u>63,033</u>                             | <u>92,417</u>       | <u>55,914</u>       |
| Total Personnel Costs       | 409,201                        | 305,658                                   | 714,859             | 581,371             |
| Advertising & Promotional   | 156,532                        | -   | 156,532             | 167,430             |
| Audit & Accounting Fees     | -                              | 12,689                                    | 12,689              | 13,254              |
| Audition                    | 12,265                         | -   | 12,265              | 1,926               |
| Bank/Credit Card Fees       | 33,840                         | 9,947                                     | 43,787              | 47,717              |
| Board of Trustees           | -                              | 1,805                                     | 1,805               | 1,406               |
| Concerts & Events           | 83,534                         | -   | 83,534              | 183,741             |
| Depreciation                | 104,220                        | 6,944                                     | 111,164             | 109,629             |
| Employee/Cast Benefit       | 8,700                          | -   | 8,700               | 10,781              |
| Equine Husbandry            | 35,471                         | -   | 35,471              | 21,667              |
| Equipment Lease             | -                              | 4,385                                     | 4,385               | 3,736               |
| Fundraising                 | 16,762                         | 2,961                                     | 19,723              | 21,974              |
| Inventory                   | 101,042                        | -   | 101,042             | 106,102             |
| Grounds & Maintenance       | 91,152                         | 255                                       | 91,407              | 94,157              |
| Information Technology      | -                              | 19,100                                    | 19,100              | 16,022              |
| Insurance                   | -                              | 33,848                                    | 33,848              | 26,744              |
| Miscellaneous               | 28,328                         | 8,876                                     | 37,204              | 16,187              |
| Postage                     | 352                            | 1,708                                     | 2,060               | 1,649               |
| Real Estate Tax             | -                              | 8,320                                     | 8,320               | 6,640               |
| Rent                        | -                              | -   | -                   | -                   |
| Royalties                   | 41,505                         | -   | 41,505              | 46,279              |
| Seasonal Professional Fees  | 49,619                         | -   | 49,619              | 27,521              |
| Supplies                    | 91,170                         | 2,646                                     | 93,816              | 53,037              |
| Telephone                   | 8,669                          | 4,922                                     | 13,591              | 13,545              |
| Ticketing Fees              | 86,927                         | -   | 86,927              | 95,632              |
| Travel & Meetings           | -                              | 21,577                                    | 21,577              | 10,570              |
| Utilities                   | 62,901                         | 8,782                                     | 71,683              | 73,396              |
| Vehicle                     | -                              | 15,777                                    | 15,777              | 13,063              |
| <b>TOTAL</b>                | <u>\$ 1,422,190</u>            | <u>\$ 470,200</u>                         | <u>\$ 1,892,390</u> | <u>\$ 1,765,176</u> |

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT



**THE SCIOTO SOCIETY, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEARS ENDED OCTOBER 31, 2023 AND 2022**

|  | <u>2023</u>        | <u>2022</u>        |
|--|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                    |
| Change in Net Assets   | \$ 153,480         | \$ 124,418         |
| Adjustments to Reconcile Change in Net Assets<br>to Net Cash Provided by Operating Activities: |                    |                    |
| Depreciation   | 111,164            | 109,629            |
| Unrealized (Gain)/Loss on Investments  | (2,092)            | 10,728             |
| (Gain) Loss on Disposal  | (160,000)          | 616                |
| Change in Operating Assets and Liabilities   |                    |                    |
| (Increase) Decrease in Inventory   | (55,781)           | (4,345)            |
| (Increase) Decrease in Prepaid Expenses  | 18,714             | (29,855)           |
| (Increase) Decrease in Endowment   | (55,497)           | -                  |
| Increase (Decrease) in Accounts Payable &<br>Accrued Expenses                                  | (1,920)            | (10,058)           |
| Increase (Decrease) in Accrued Payroll & Taxes   | <u>4,908</u>       | <u>626</u>         |
| <b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>  | 12,976             | 201,759            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                    |
| Purchase of Property, Plant, & Equipment   | (277,956)          | (244,223)          |
| Sale of Timber   | <u>160,000</u>     | <u>-</u>           |
| <b>NET CASH PROVIDED/ (USED) BY INVESTING ACTIVITIES</b>                                       | <u>(117,956)</u>   | <u>(244,223)</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                    |                    |
| Principal Payments on SBA Loan   | <u>(7,947)</u>     | <u>(1,300)</u>     |
| <b>NET CASH PROVIDED/ (USED) BY FINANCING ACTIVITIES</b>                                       | <u>(7,947)</u>     | <u>(1,300)</u>     |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH<br/>EQUIVALENTS</b>                                | (112,927)          | (43,764)           |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>  | <u>1,340,261</u>   | <u>1,384,025</u>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>  | <u>\$1,227,334</u> | <u>\$1,340,261</u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>  |                    |                    |
| Cash Paid During the Year for Interest   | \$ 9,947           | \$ 5,570           |

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**THE SCIOTO SOCIETY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- **Nature of Activities**

The Society promotes the arts primarily through the annual presentation of an outdoor drama depicting the life of the Shawnee Indian leader, Tecumseh. The drama runs from June through August. The Society also maintains an office building outside Chillicothe, Ohio where the administration functions are performed. The Society also hosts other concerts or events utilizing their facilities.

- **Basis of Accounting**

The financial statements of the Society have been prepared in accordance with U.S. generally accepted accounting principles, which now require the Society to report information regarding its financial position and activities according to the following net asset classifications:

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

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

Donor restricted contributions are reports as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Society has no net assets with donor restrictions.

- **Cash and Cash Equivalents**

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

- **Account Receivables**

Account receivables are recorded net of allowance for expected losses. The allowance is estimated from historical performance and projection of trends.

- **Inventory**

Inventory of gift shop items and recordings are valued at the lower of cost (FIFO, first-in, first-out) or market.

- **Donated Services**

Donated professional services, supplies, materials, and equipment are recorded as contribution income at their estimated fair market values. Volunteer time is not recorded since the value of this time is not determinable.

**THE SCIOTO SOCIETY, INC.  
NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **Property and Depreciation**

Property and equipment are carried at cost. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred.

Depreciation of property and equipment is provided under the estimated useful lives of the respective assets on a straight-line basis as follows:

|                             | Years   |
|-----------------------------|---------|
| Buildings at Sugarloaf      | 10 - 40 |
| Parking Lots & Access Roads | 10 - 40 |
| Office Building             | 40      |
| Equine                      | 10      |
| Equipment                   | 5 - 12  |
| Properties & Scenery        | 5 - 12  |
| Costumes                    | 3       |

- **Revenue Recognition**

In accordance with Topic 606, the Society recognizes revenue when its' customer obtains control of promised goods or services in an amount that reflects the consideration which the Society expects to receive in exchange for those goods or services. To determine revenue recognition for the arrangements that the Society determines are within the scope of Topic 606, the Society performs the following 5 steps:

- Identify the contract(s) with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract,
- Recognize revenue when (or as) the entity satisfies a performance obligation.

The Society promotes the arts. The performance obligation of providing these services is simultaneously received and consumed by the customers; therefore, the revenue is recognized over time as these services are provided. Sales are reported net of all refunds and discounts. The 2020 season was cancelled due to the Coronavirus (COVID-19) pandemic.

The Society recognizes revenue from grants and contracts in accordance with ASU 2018-08, Not-For-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In accordance with ASU 2018-08, the Society evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Society applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the Society evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Society is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

**THE SCIOTO SOCIETY, INC.  
NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- **Revenue Recognition (Continued)**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction 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 restriction, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

- **Functional Expenses**

Expenses are charged to each program based upon direct expenditures incurred.

- **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.

- **Income Tax**

The Internal Revenue Service has determined that the Society is exempt from federal income taxes under section 509(a)(1) of the Internal Revenue Code as a public charity described in Section 501(c)(3). Accordingly, no provision for federal or state income taxes has been made in the financial statements. All IRS Form 990, *Return of Organization Exempt from Income Tax*, have been filed and are subject to examination by the IRS, generally for three years after they are filed.

- **Advertising Costs**

The Society expenses advertising costs as incurred. Advertising costs was \$156,532 for the year ended October 31, 2023.

- **Date of Management's Review of Subsequent Events**

In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through January 15, 2024, the date the financial statements were available to be issued

**THE SCIOTO SOCIETY, INC.  
NOTES TO THE FINANCIAL STATEMENTS**

**2. CASH AND CASH EQUIVALENTS**

Cash and Cash Equivalents are comprised of the following at October 31, 2023 and 2022:

|                 | <u>2023</u>         | <u>2022</u>         |
|-----------------|---------------------|---------------------|
| Petty Cash      | \$ 200              | \$ 200              |
| Operating Funds | <u>1,227,134</u>    | <u>1,340,061</u>    |
| Total           | <u>\$ 1,227,334</u> | <u>\$ 1,340,261</u> |

The Society did not have any restricted cash as of October 31, 2023 or 2022.

**3. LIQUIDITY AND AVAILABILITY**

| Financial assets at year end: | <u>2023</u>         | <u>2022</u>         |
|-------------------------------|---------------------|---------------------|
| Cash and cash equivalents     | \$ 1,227,334        | \$ 1,340,261        |
| Accounts receivable           | -                   | -                   |
| Total                         | <u>\$ 1,227,334</u> | <u>\$ 1,340,261</u> |

**4. PERMANENT AND DEPRECIABLE ASSETS**

Permanent and depreciable property and accumulated depreciation at October 31, 2023 and 2022, is as follows:

|                                    | <u>2023</u>         | <u>2022</u>        |
|------------------------------------|---------------------|--------------------|
| Buildings                          | \$ 1,806,887        | \$ 1,575,983       |
| Parking Lot & Access Roads         | 179,128             | 153,966            |
| Props & Scenery                    | 35,960              | 35,960             |
| Equipment                          | 234,992             | 213,102            |
| Horses                             | 3,500               | 3,500              |
| Vehicles                           | <u>33,505</u>       | <u>33,505</u>      |
| Total Depreciable Assets           | 2,293,972           | 2,016,016          |
| Less: Accumulated Depreciation     | <u>(1,237,024)</u>  | <u>(1,125,861)</u> |
| Net Depreciable Assets             | 1,056,948           | 890,155            |
| Land                               | <u>49,590</u>       | <u>49,590</u>      |
| Net Permanent & Depreciable Assets | <u>\$ 1,106,538</u> | <u>\$ 939,745</u>  |

**5. DESIGNATED ENDOWMENT FUNDS**

In September 2014, the Society opened the Herbert and Bettie Friedman Tecumseh Endowment Fund with Chillicothe-Ross Community Foundation for endowment purposes with an initial investment of \$10,000. The Foundation manages the funds for a 0.75% annual administration fee and notifies the Society of the amount of funds that can be granted each year. The Scioto Society did not grant variance power to the Chillicothe-Ross Community Foundation. Disbursements from the Endowment Fund are in accordance with the spending policy established by the Board of the Chillicothe-Ross Community Foundation. At October 31, 2023, the Endowment Fund's fair market value was \$115,059, reflecting an increase of \$57,588 for the year.

**THE SCIOTO SOCIETY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**6. NOTE PAYABLE – LINE OF CREDIT**

The Society has a line of credit with Kingston National Bank, collateralized by all of the real property. Interest is a variable rate based upon the Prime Rate published in the Wall Street Journal plus 0.5 percentage points calculated monthly. Interest is paid monthly and the rate was 9% at October 31, 2023. Maximum credit available is \$380,000 with an outstanding balance of \$0 at October 31, 2023. Maturity of this line of credit is September 15, 2026.

**7. SMALL BUSINESS ADMINISTRATION LOAN**

On May 22, 2020, the Society received loan proceeds in the amount of \$130,000 to alleviate economic injury caused by the Coronavirus (COVID-19) pandemic. The terms of the loan call for 2.75% interest from the date loan was received and monthly payments of \$556 beginning in May 2021 and continuing for thirty years. The balance of the loan was \$120,753 as of October 31, 2023.

Maturities of long-term debt are reflected as follows for the years ended October 31:

|            |    |                       |
|------------|----|-----------------------|
| 2024       | \$ | 3,260                 |
| 2025       |    | 3,351                 |
| 2026       |    | 3,445                 |
| 2027       |    | 3,540                 |
| 2028       |    | 3,639                 |
| Thereafter |    | <u>103,518</u>        |
| Total      | \$ | <u><u>120,753</u></u> |

**8. GROSS PROFIT**

The following is a gross profit analysis for the years then ended. Sales are reflected in support and revenue. Cost of sales are included in the theatre expenses.

| <u>Retail Sales</u>      | <u>2023</u>              | <u>2022</u>              |
|--------------------------|--------------------------|--------------------------|
| Gross Sales              | \$ 260,305               | \$ 322,976               |
| Less: Cost of Goods Sold | <u>(101,042)</u>         | <u>(106,102)</u>         |
| Gross Profit             | <u><u>\$ 159,263</u></u> | <u><u>\$ 216,874</u></u> |

**9. CONCENTRATION OF RISK**

The Society maintains cash balances at several financial institutions. Accounts for each institution are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At October 31, 2023 and 2022, the Society had uninsured cash balances of \$81,200 and \$251,570, respectively.

**10. RELATED PARTY TRANSACTIONS**

The Society receives commission fees from a business owned by a member of the Board of Trustees. Fees received under this arrangement were \$48,023 and \$42,818 for the years ended October 31, 2023 and 2022, respectively.

**THE SCIOTO SOCIETY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

**11. COMPARATIVE FINANCIAL INFORMATION**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended October 31, 2022, from which the summarized information was derived.

**12. NEW ACCOUNTING STANDARDS**

The Financial Accounting Standards Board (FASB) has adopted the following accounting standard updates (ASU) that will be effective in the coming years. The Society has not early implemented these changes.

Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, will require that lessees record nearly all leases on the balance sheet. Lessors will see some changes too, largely made to align with the revised lessee model and the FASB's new revenue recognition guidance. This ASU is effective for periods beginning after December 31, 2022.