

**CULTURAL SURVIVAL, INC.**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2023**  
**(WITH SUMMARIZED COMPARATIVE TOTALS**  
**FOR THE YEAR ENDED AUGUST 31, 2022)**



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**CULTURAL SURVIVAL, INC.**  
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**(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED AUGUST 31, 2022)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cultural Survival, Inc.  
Cambridge, Massachusetts

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Cultural Survival, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Cultural Survival, Inc., as of August 31, 2023, and the changes in its net assets and its cash flows for the year 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cultural Survival, 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.

#### ***Change In Accounting Principle***

As discussed in Note 1 to the financial statements, in 2023 the Organization adopted new accounting guidance for leases ASC 842. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 Cultural Survival, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 and Cultural Survival, 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 Cultural Survival, Inc.'s ability to continue as a going concern for a reasonable period of time.

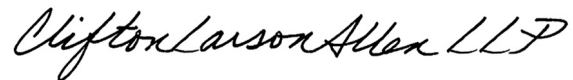
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Directors  
Cultural Survival, Inc.

**Other Matters**

*Report on Summarized Comparative Information*

We previously audited Cultural Survival, Inc.'s 2022 financial statements and our report dated February 27, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
May 17, 2024

**CULTURAL SURVIVAL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2023**  
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF AUGUST 31, 2022)

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 11,835,443	\$ 3,609,834
Investments	1,759,002	747,754
Grants Receivable, Current Portion	600,000	625,000
Prepaid Expenses and Other Assets	4,120	4,120
Total Current Assets	14,198,565	4,986,708
<b>GRANTS RECEIVABLE, NET OF CURRENT PORTION</b>	500,000	100,000
<b>PROPERTY AND EQUIPMENT</b>		
Equipment and Furniture	23,752	23,752
Software	19,720	19,720
Subtotal	43,472	43,472
Less: Accumulated Depreciation	43,472	43,472
Net Property and Equipment	-	-
<b>RIGHT-OF-USE (ROU) ASSET - OPERATING</b>	90,289	-
<b>ENDOWMENT INVESTMENTS</b>	56,054	51,054
Total Assets	\$ 14,844,908	\$ 5,137,762
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable	\$ 6,654	\$ 2,424
Accrued Expenses	147,599	103,111
ROU Lease Liability - Operating, Current Portion	28,068	-
Total Current Liabilities	182,321	105,535
<b>ROU LEASE LIABILITY, NET OF CURRENT PORTION</b>	62,510	-
Total Liabilities	244,831	105,535
<b>NET ASSETS</b>		
Without Donor Restrictions:		
Undesignated	10,403,692	2,620,781
Total Without Donor Restrictions	10,403,692	2,620,781
With Donor Restrictions:		
Purpose and Time Restrictions	4,140,331	2,360,392
Endowment Fund	56,054	51,054
Total With Donor Restrictions	4,196,385	2,411,446
Total Net Assets	14,600,077	5,032,227
Total Liabilities and Net Assets	\$ 14,844,908	\$ 5,137,762

See accompanying Notes to Financial Statements.

**CULTURAL SURVIVAL, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2023**

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restricted	Endowment Fund	
<b>REVENUE, SUPPORT, AND GAINS</b>				
Contributions and Subscriptions	\$ 6,516,880	\$ 550,000	\$ 5,000	\$ 7,071,880
Grant Revenue	1,821,979	6,641,209	-	8,463,188
Investment Income, Net	66,035	-	-	66,035
Realized and Unrealized Gains on Investments, Net	82,117	-	-	82,117
Sales of Publications	2,648	-	-	2,648
Total Support and Other Income	8,489,659	7,191,209	5,000	15,685,868
Net Assets Released from Restrictions	5,411,270	(5,411,270)	-	-
Total Revenue, Support, and Gains	13,900,929	1,779,939	5,000	15,685,868
<b>EXPENSES AND LOSSES</b>				
Program Services Expense:				
Programs and Publications	5,311,757	-	-	5,311,757
Supporting Services Expense:				
General and Administrative	575,795	-	-	575,795
Fundraising and Development	230,466	-	-	230,466
Total Supporting Services Expenses	806,261	-	-	806,261
Total Expenses	6,118,018	-	-	6,118,018
<b>CHANGE IN NET ASSETS</b>	7,782,911	1,779,939	5,000	9,567,850
Net Assets - Beginning of Year	2,620,781	2,360,392	51,054	5,032,227
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 10,403,692</u>	<u>\$ 4,140,331</u>	<u>\$ 56,054</u>	<u>\$ 14,600,077</u>

See accompanying Notes to Financial Statements.

**CULTURAL SURVIVAL, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2022**

	Without Donor Restrictions	With Donor Restrictions		Total
		Purpose Restricted	Endowment Fund	
<b>REVENUE, SUPPORT, AND GAINS</b>				
Contributions and Subscriptions	\$ 754,119	\$ 223,275	\$ -	\$ 977,394
Grant Revenue	1,666,548	2,409,925	-	4,076,473
Investment Income	1,086	-	475	1,561
Realized and Unrealized Gains on Investments	(1,994)	-	-	(1,994)
Sales of Publications	5,908	-	-	5,908
Program Loans	-	-	-	-
Other Income	-	-	-	-
Total Support and Other Income	2,425,667	2,633,200	475	5,059,342
Net Assets Released from Restriction	1,761,830	(1,761,830)	-	-
Total Revenue, Support, and Gains	4,187,497	871,370	475	5,059,342
<b>EXPENSES AND LOSSES</b>				
Program Services Expense:				
Programs and Publications	2,381,384	-	-	2,381,384
Supporting Services Expense:				
Management and General	345,028	-	-	345,028
Fundraising and Development	172,631	-	-	172,631
Total Supporting Services Expenses	517,659	-	-	517,659
Total Expenses and Losses	2,899,043	-	-	2,899,043
<b>CHANGE IN NET ASSETS</b>	1,288,454	871,370	475	2,160,299
Net Assets - Beginning of Year	1,332,327	1,489,022	50,579	2,871,928
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,620,781</u>	<u>\$ 2,360,392</u>	<u>\$ 51,054</u>	<u>\$ 5,032,227</u>

See accompanying Notes to Financial Statements.



**CULTURAL SURVIVAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2023**  
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF AUGUST 31, 2022)

	Total Program Expenses	Supporting Services		Total 2023 Expenses	Total 2022 Expenses
		General and Administrative Expenses	Fundraising and Development		
Direct Support and Grants	\$ 3,058,831	\$ 7,500	\$ -	\$ 3,066,331	\$ 1,197,388
Salaries	1,157,201	279,310	112,378	1,548,889	791,395
Payroll Taxes and Benefits	175,317	28,356	37,517	241,190	252,031
Consultants	229,920	-	6,750	236,670	132,830
Postages and Shipping	5,079	1,619	11,458	18,156	14,184
Printing and Copying	14,486	244	9,212	23,942	29,908
Bank and Credit Card Fees	16,561	8,398	7,234	32,193	20,720
Dues and Subscriptions	-	-	3,700	3,700	7,187
Office Expenses	7,528	57,875	-	65,403	167,727
Professional Fees	99,101	65,239	1,969	166,309	39,800
Telephone	1,587	7,777	183	9,547	7,916
Marketing Expenses	9,183	-	-	9,183	38,092
Travel and Meals	454,658	49,310	37,572	541,540	163,177
Utilities and Internet	11,008	2,718	412	14,138	10,062
Insurance	-	14,375	-	14,375	12,560
Other Expenses	71,297	53,074	2,081	126,452	14,066
<b>Total Expenses</b>	<b>\$ 5,311,757</b>	<b>\$ 575,795</b>	<b>\$ 230,466</b>	<b>\$ 6,118,018</b>	<b>\$ 2,899,043</b>

See accompanying Notes to Financial Statements.

**CULTURAL SURVIVAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED AUGUST 31, 2023**

Expenses by Program:	Advocacy	Capacity Building	Communications	Community Media	Indigenous Rights Radio	Keepers of the Earth	Other Programs	Special Projects	Total Program Expenses
Direct Support and Grants	\$ 737,000	\$ 139,535	\$ -	\$ 476,064	\$ -	\$ 568,782	\$ -	\$ 1,137,450	\$ 3,058,831
Salaries	264,917	109,797	97,147	196,043	126,002	165,562	24,052	173,681	1,157,201
Payroll Taxes and Benefits	42,387	17,905	16,577	23,334	9,013	22,906	4,437	38,758	175,317
Consultants	116,848	54,301	24,035	3,769	450	900	29,617	-	229,920
Postages and Shipping	-	-	139	-	-	-	4,940	-	5,079
Printing and Copying	-	-	720	634	-	-	13,132	-	14,486
Bank and Credit Card Fees	2,686	2,415	1,924	4,258	1,644	3,064	500	70	16,561
Office Expenses	-	-	88	-	-	-	7,440	-	7,528
Professional Fees	7,879	14,536	26,022	760	48,074	30	1,800	-	99,101
Telephone	99	100	477	573	220	118	-	-	1,587
Marketing Expenses	-	-	9,183	-	-	-	-	-	9,183
Travel and Meals	205,063	71,109	5,060	78,971	5,728	22,288	66,439	-	454,658
Utilities and Internet	597	550	7,287	1,778	302	494	-	-	11,008
Other Expenses	8,387	699	21,335	560	2,484	1,007	5,743	31,082	71,297
<b>Total Program Expenses</b>	<b>\$ 1,385,863</b>	<b>\$ 410,947</b>	<b>\$ 209,994</b>	<b>\$ 786,744</b>	<b>\$ 193,917</b>	<b>\$ 785,151</b>	<b>\$ 158,100</b>	<b>\$ 1,381,041</b>	<b>\$ 5,311,757</b>

See accompanying Notes to Financial Statements.

**CULTURAL SURVIVAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED AUGUST 31, 2023**  
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF AUGUST 31, 2022)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 9,567,850	\$ 2,160,299
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Noncash Lease Expense	289	-
Contributed Stock	(12,672)	-
Unrealized (Gains) Losses on Investments	(21,317)	1,994
Changes in Operating Assets and Liabilities:		
Grants Receivable	(375,000)	(725,000)
Accrued Expenses and Accounts Payable	48,718	34,237
Net Cash Provided by Operating Activities	9,207,868	1,471,530
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(2,203,634)	(502,368)
Proceeds from Sales of Investments	1,221,375	-
Net Cash Used by Investing Activities	(982,259)	(502,368)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	8,225,609	969,162
Cash and Cash Equivalents - Beginning of Year	3,609,834	2,640,672
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 11,835,443	\$ 3,609,834

See accompanying Notes to Financial Statements.

**CULTURAL SURVIVAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**  
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF AUGUST 31, 2022)

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Cultural Survival, Inc. (the Organization) is a nonprofit 501 (c)(3) nongovernmental organization that was founded in 1972 to promote the rights, voices, and visions of Indigenous Peoples around the world. Through education forums, cutting-edge and widely read publications, research, projects, advocacy, partnerships, and an interactive web site. The Organization works towards a world in which Indigenous Peoples are able to determine their own futures on their own lands. It further works as a medium through which Indigenous Peoples can network with other groups facing similar problems and with other organizations that can help to ensure that their human rights, including their right to self-determination, are protected, and promoted.

**Basis of Accounting**

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Summarized Comparative Data**

The financial statements include certain prior year information in the statement of functional expenses by total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended August 31, 2022, from which the summarized information was derived.

**Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

**CULTURAL SURVIVAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**  
**(WITH SUMMARIZED COMPARATIVE TOTALS AS OF AUGUST 31, 2022)**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Promises to Give**

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At August 31, 2023 and 2022, there was no allowance for as management believed receivables were fully collectible.

**Property and Equipment**

The Organization records property and equipment additions over \$2,500 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended August 31, 2023 and 2022.

As of August 31, 2023 and 2022, all property and equipment was fully depreciated and, therefore, there was no depreciation expense incurred during the year.

**Investments**

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

**CULTURAL SURVIVAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**  
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF AUGUST 31, 2022)

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions that may be designated for specific purposes by action of the board of trustees (the board).

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purposes for which the resources was restricted has been fulfilled, or both. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintain in perpetuity.

Net Assets with donor restrictions are further classified as follows:

- Purpose and Time Restricted Funds – represent net assets subject to donor-imposed restrictions that will be met by the passage of events specified by the donor.
- Perpetual in Nature – represent net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

**Revenue and Revenue Recognition**

To determine revenue recognition for the arrangements that the Organization determines are within the scope of *Topic 606*, the Organization performs the following five steps: (1) identify the contract(s) with a customer, (2) identify the performance obligation(s) in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation(s) in the contract, and (5) recognize revenue when the Organization satisfies a performance obligation. Indigenous crafts bazaar income and sales of publications are recognized as revenue without restrictions over time when the goods, service, or event occurs. There were no contract assets or liabilities related to *Topic 606* revenue in 2023 or 2022.

The Organization receives grants and contributions from various donors and grantors, including unconditional promises to give, that are recognized as revenue in the period received. Conditional grants, contributions, and 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 have been met. There were no conditional grants as of August 31, 2023 and 2022.

**CULTURAL SURVIVAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**  
**(WITH SUMMARIZED COMPARATIVE TOTALS AS OF AUGUST 31, 2022)**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Donated Goods and Services**

Donated services are recognized as contributions in accordance with professional standards 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 Organization. The Organization receives donated services from a variety of unpaid volunteers assisting the Organization with administering its indigenous advocacy programs. However, none of this has been recognized in the accompanying statements of activities because the volunteer activities do not meet the criteria for recognition of such volunteer effort under auditing standards generally accepted in the United States of America.

**Advertising Costs**

Advertising costs are expensed as incurred and approximated \$9,183 and \$3,707 during the years ended August 31, 2023 and 2022, respectively.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, consultants, and other, which are allocated on the basis of estimates of time and effort.

**Leases**

The Organization leases office and storage space that are utilized in operating activities. The operating lease is included in operating right-of-use (ROU) assets, current operating lease liabilities, and long-term operating lease liabilities on the statements of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

**CULTURAL SURVIVAL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023**  
**(WITH SUMMARIZED COMPARATIVE TOTALS AS OF AUGUST 31, 2022)**

**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Leases (Continued)**

The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position. The Organization has elected not to separate non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component. In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

**Income Taxes**

Cultural Survival, Inc. is organized as a Massachusetts nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and has been determined not to be a private foundation under IRC Sections 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization does not believe it is subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. Management has evaluated the tax positions taken on returns for open years and those expected to be taken on the returns for the years ended August 31, 2023 and 2022. It is management's belief that such tax positions are more likely than not to be sustained upon examination by tax authorities. Accordingly, no liability for uncertain tax positions has been reflected in these financial statements. Returns for tax years beginning with those filed for the year ended August 31, 2020 are open to examination.

**Financial Instruments and Credit Risk**

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from foundations supportive of the mission.



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**NOTE 1 PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standard**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective September 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period. The Organization has not elected to adopt the package of practical expedients available in the year of adoption. The Organization has not elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

**Subsequent Events**

The Organization has evaluated subsequent events through May 17, 2024, the date the financial statements were available to be issued.

**NOTE 2 AVAILABLE RESOURCES AND LIQUIDITY**

The Organization monitors liquidity required to meet its operating needs. The Organization's sources of liquidity include cash and cash equivalents, grants receivable, and investments.

For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities to be general expenditures.

Financial assets are comprised of the following as of August 31:

	2023	2022
Cash and Cash Equivalents	\$ 11,835,443	\$ 3,609,834
Grants Receivable, Current Portion	600,000	625,000
Investments	1,815,056	798,808
Total Financial Assets	13,650,499	4,408,642
Less: Endowment Restricted Investments	(56,054)	(51,054)
Less: Net Assets with Purpose Restrictions	(3,040,331)	(1,640,392)
Financial Assets Available for Use in Operations	<u>\$ 10,554,114</u>	<u>\$ 2,717,196</u>

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**NOTE 3 FAIR VALUE MEASUREMENTS AND DISCLOSURES**

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

*Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

*Level 3* – Unobservable inputs for the asset or liability. In these situations, the Organization develop inputs using the best information available in the circumstances.

For purposes of financial reporting, the Organization has determined that the fair values of its financial instruments, which include cash and cash equivalents and publicly traded domestic mutual funds, approximate the carrying values under Level 1 at August 31, 2023 and 2022, based on their short maturities and/or the terms available to the Organization in the financial market.

The following table presents assets measured at fair value on a recurring basis at August 31:

	2023			
	Total	Level 1	Level 2	Level 3
Money Market Funds	\$ 1,812,483	\$ 1,812,483	\$ -	\$ -
Equities	2,573	2,573	-	-
Total	<u>\$ 1,815,056</u>	<u>\$ 1,815,056</u>	<u>\$ -</u>	<u>\$ -</u>
	2022			
	Total	Level 1	Level 2	Level 3
Money Market Funds	\$ 748,755	\$ 748,755	\$ -	\$ -
Exchange Traded Products	36,622	36,622	-	-
Equities	13,431	13,431	-	-
Total	<u>\$ 798,808</u>	<u>\$ 798,808</u>	<u>\$ -</u>	<u>\$ -</u>

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**NOTE 4 ENDOWMENT**

The Organization's endowment fund consists of donations with donor restrictions that are perpetual in nature. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of perpetual donor-imposed restrictions.

The board of directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considered the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

For the fiscal year ended August 31, 2023, the endowment consisted of the corpus of \$50,300 and appreciation on the corpus \$5,754. During the year ended August 31, 2023, changes in the endowment balance consisted of contributions of \$5,000.

For the fiscal year ended August 31, 2022, the endowment consisted of the corpus of \$45,300 and appreciation on the corpus of \$5,754. During the year ended August 31, 2022, changes in the endowment balance consisted of earnings of \$986.

As of August 31, 2023 and 2022, the endowment consisted of money market funds.

**Fund 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 UPMIFA requires the Organization to retain as a fund of perpetual duration. There are no such fund deficiencies as of August 31, 2023 or 2022. The Organization has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

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**NOTE 4 ENDOWMENT (CONTINUED)**

**Return Objectives and Risk Parameters**

The Organization has not adopted formal investment policies; however, has taken a conservative approach to investments to minimize risk. The strategy and portfolio are reviewed by the board and management during the year. All funds selected are relatively liquid.

**Strategies Employed for Achieving Objectives**

To satisfy objectives, the Organization targets a conservative asset allocation that places a greater emphasis on investments with readily available markets to achieve its long-term objectives within prudent constraints. The Organization's governing body reviews the portfolio and investments regularly during the year.

**Spending Policy**

The Organization has adopted a policy to allow this fund to grow and decided not to use the endowment income (interest, dividends, realized gains and losses and changes in unrealized appreciation). Appropriations for expenditure from this fund will be subject to board approval.

**NOTE 5 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES**

Net assets with donor restrictions are as follows for the year ended August 31, 2023:

	Beginning of Year	Additions	Releases	Ending Balance
Purpose Restricted:				
Community Media	\$ 419,924	\$ 304,337	\$ 665,722	\$ 58,539
Indigenous Rights Radio	87,507	-	87,507	-
Special Projects	85,883	2,241,200	1,717,850	609,233
Xavante	-	500,000	31,035	468,965
Other	19,014	-	19,014	-
Advocacy	202,498	735,736	365,614	572,620
Capacity Building	78,965	1,002,336	495,065	586,236
Keepers of the Earth	648,101	495,100	679,275	463,926
Indigenous Bazaar	33,000	5,000	-	38,000
Communications	65,500	407,500	230,188	242,812
Total	1,640,392	5,691,209	4,291,270	3,040,331
Time Restricted:				
Grants for Future Periods	720,000	1,500,000	1,120,000	1,100,000
Perpetual in Nature				
Endowment Fund	45,300	5,000	-	50,300
Investment Income	5,754	-	-	5,754
Total	51,054	5,000	-	56,054
Total Net Assets with Donor Restrictions	\$ 2,411,446	\$ 7,196,209	\$ 5,411,270	\$ 4,196,385

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**NOTE 5 RESTRICTIONS AND LIMITATIONS ON NET ASSET BALANCES (CONTINUED)**

Net assets with donor restrictions are as follows for the year ended August 31, 2022:

	Beginning of Year	Additions	Releases	Ending Balance
Purpose Restricted:				
Community Media	\$ 380,614	\$ 454,400	\$ 415,090	\$ 419,924
Indigenous Rights Radio	75,000	33,425	20,918	87,507
Special Projects	9,608	76,275	-	85,883
Other	9,014	80,000	70,000	19,014
Advocacy	49,998	254,500	102,000	202,498
Keepers of the Earth	-	95,500	30,000	65,500
Indigenous Bazaar	-	170,200	91,235	78,965
Endangered Languages	260,788	744,900	357,587	648,101
Total	129,500	4,000	100,500	33,000
	<u>63,000</u>	<u>-</u>	<u>63,000</u>	<u>-</u>
	977,522	1,913,200	1,250,330	1,640,392
				-
Time Restricted:				
Grants for Future Periods	511,500	720,000	511,500	720,000
Perpetual in Nature				
Endowment Fund	45,300	-	-	45,300
Investment Income	5,279	475	-	5,754
Total	<u>50,579</u>	<u>475</u>	<u>-</u>	<u>51,054</u>
Total Net Assets with Donor Restrictions	<u>50,579</u>	<u>475</u>	<u>-</u>	<u>51,054</u>
	<u>\$ 1,539,601</u>	<u>\$ 2,633,675</u>	<u>\$ 1,761,830</u>	<u>\$ 2,411,446</u>

**NOTE 6 RETIREMENT ARRANGEMENT WITH STAFF EMPLOYEES**

The Organization offers staff employees the opportunity for participation in a Simple IRA contributory retirement plan approved by the Internal Revenue Service (IRS). The Organization matches employees' contributions at 6% of their regular salary, up to the amount of their contribution. The expense to the Organization under this plan for the years ended August 31, 2023 and 2022 was \$53,346 and \$24,722, respectively.

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**NOTE 7 CONCENTRATION OF CREDIT RISK**

Financial Instruments that potentially subject the Organization to significant concentrations of credit risk consists primarily of cash, cash equivalents and short-term investments.

The Organization maintains its cash and cash equivalents in banks and investment brokerage deposit and money market accounts which, at times, may exceed federally insured limits. As of August 31, 2023 and 2022, the Organization had approximately \$11,591,896 and 3,376,874, respectively, in cash that exceed the Federal Deposit Insurance Corporation limit. The Organization has not experienced any losses in such accounts. The Organization's management believes it is not exposed to any significant credit risk on cash and cash equivalents.

For the year ended August 31, 2023, 38%, or \$3,250,000, of grant income was obtained from one grantor, which was fully collected during 2023. In addition, 50% of contributions, or \$725,300, was received from one contributor. For the year ended August 31, 2022, 62%, or \$1,933,000, of grant income was obtained from two grantors, and 92% of contributions, or \$7,071,880, was received from two contributors.

**NOTE 8 LEASES – ASC 842**

The Organization leases office and storage spaces used in operating activities under long-term noncancelable operating lease agreements. The leases expire at varying dates through 2028. Operating lease costs are included in office expenses in the accompanying statements of functional expenses.

The following tables provide quantitative information concerning the Organization 's leases for the year ended August 31, 2023:

	2023
Lease Costs:	
Operating Lease Costs	\$ 46,498
Total Lease Costs	\$ 46,498
Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 46,209
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 134,687
Weighted-Average Remaining Lease Term - Operating Leases	4.0 Years
Weighted-Average Discount Rate - Operating Leases	3.31%

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**NOTE 8 LEASES – ASC 842 (CONTINUED)**

A maturity analysis of annual undiscounted cash flows for lease liabilities as of August 31, 2023, is as follows:

<u>Year Ending August 31,</u>	<u>Operating Leases</u>
2024	\$ 30,342
2025	17,478
2026	17,915
2027	18,363
2028	12,444
Total Lease Payments	96,542
Less: Interest	(5,964)
Present Value of Lease Liabilities	<u>\$ 90,578</u>

**NOTE 9 LEASES – ASC 840**

On April 27, 2018, the Organization signed a noncancelable lease for its office in Cambridge with expiration date December 31, 2021. The rent was payable in monthly installments of \$3,255, which did not include costs for rental of parking lot. The lease was extended through December 31, 2023, at a rate of \$3,360 per month in calendar year 2022 and \$3,465 per month in calendar year 2023.

On February 1, 2015, the Organization signed a noncancelable lease for its storage space with expiration date April 30, 2023. The lease includes annual base rent plus Common Area Maintenance (CAM) escalator totaling \$1,099 a month.

The Organization currently leases some of its office equipment. Equipment lease expense under these leases was \$3,060 for the year ended August 31, 2022.

Future minimum rental payments for all leases were as follows as of August 31, 2022:

<u>Year Ending August 31,</u>	<u>Amount</u>
2023	\$ 52,760
2024	14,562
Total	<u>\$ 67,322</u>

For the year ended August 31, 2022, total lease expense was \$60,965.

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**NOTE 10 GRANTS RECEIVABLE**

The Organization has unconditional grants receivable from grantors. Future payments of grants receivable are due as follows as of August 31:

	<u>2023</u>	<u>2022</u>
Due within One Year	\$ 600,000	\$ 625,000
Due in 2-5 Years	500,000	100,000
Total	<u>\$ 1,100,000</u>	<u>\$ 725,000</u>

The grants are expected to be fully collected and, therefore, there is no allowance on the accounts. Further, the present value discount of the receivables aged over one year was not recorded as it was deemed immaterial by the Organization.





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