

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)
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PO Box 6356
Dothan, Alabama 36302

Independent Accountant's Review Report

To the Board of Directors
Radio Amateur Satellite Corporation (AMSAT)
Washington, D.C.

We have reviewed the accompanying financial statements of Radio Amateur Satellite Corporation ("AMSAT") (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the 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 error or fraud.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for 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.

We are required to be independent of Radio Amateur Satellite Corporation ("AMSAT") and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Basis for Qualified Conclusion

Accounting principles generally accepted in the United States of America (U.S. GAAP) requires that the financial statements include and disclose the value of the specialized services provided by volunteers. Management has elected not to record and make this disclosure due to the impracticability of developing the information. The effect of this departure from U.S. GAAP basis of accounting on financial position and change in net assets has not been determined.

Qualified Conclusion

Based on our review, except for the issue noted in the Basis for Qualified Conclusion paragraph, 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.

McDaniel & Associates, P.C.

Dothan, Alabama

October 22, 2024

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)
STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 176,706	\$ 268,731
Other receivables	5,208	6,595
Prepaid expenses	6,353	3,797
Total Current Assets	<u>188,267</u>	<u>279,123</u>
Property and equipment, net	-	1,682
Long-Term Investments		
Mutual funds	<u>1,521,980</u>	<u>1,219,887</u>
Total Long-Term Investments	<u>1,521,980</u>	<u>1,219,887</u>
Other Assets		
Licenses	<u>3,000</u>	<u>3,000</u>
Total Assets	<u>\$ 1,713,247</u>	<u>\$ 1,503,692</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 5,522	\$ 7,743
Accrued expense and other payables	214	1,479
Total Current Liabilities	<u>5,736</u>	<u>9,222</u>
Net Assets		
Without donor restrictions	1,585,666	1,385,904
With donor restrictions subject to purpose restrictions	121,845	108,566
Total Net Assets	<u>1,707,511</u>	<u>1,494,470</u>
Total Liabilities and Net Assets	<u>\$ 1,713,247</u>	<u>\$ 1,503,692</u>

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The accompanying notes are an integral part of these financial statements.

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support:			
Contributions - cash and in-kind	\$ 127,074	\$ 13,972	\$ 141,046
Dues	102,204	-	102,204
Interest and dividends, net	23,276	-	23,276
Gain on sale of investments, net	1,916	-	1,916
Unrealized gain on investments, net	177,443	-	177,443
Product-related income	18,679	-	18,679
Publications	2,734	-	2,734
Other	10,142	-	10,142
Net released from restrictions	693	(693)	-
Total Public Support and Revenue	464,161	13,279	477,440
Expenses and Losses:			
Program Services:			
Satellite development	159,486	-	159,486
Satellite Operations	2,650	-	2,650
Information and symposia	80,367	-	80,367
Publications and software	3,532	-	3,532
Total Program Expenses	246,035	-	246,035
Supporting Services:			
Management and general	14,733	-	14,733
Fundraising	3,631	-	3,631
Total Supporting Services	18,364	-	18,364
Total Expenses and Losses	264,399	-	264,399
Change in net assets	199,762	13,279	213,041
Net assets, beginning of year	1,385,904	108,566	1,494,470
Net assets, end of year	\$ 1,585,666	\$ 121,845	\$ 1,707,511

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The accompanying notes are an integral part of these financial statements.

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contributions and grants - cash and in-kind	\$ 176,544	\$ 104,007	\$ 280,551
Dues	106,954	-	106,954
Interest and dividends, net	11,308	-	11,308
Gain on sale of investments, net	57,997	-	57,997
Unrealized loss on investments, net	(178,890)	-	(178,890)
Product-related income	15,434	-	15,434
Publications	3,692	-	3,692
Annual general meeting	9,535	-	9,535
Other	220	-	220
Net released from restrictions	20,072	(20,072)	-
Total Public Support and Revenue	222,866	83,935	306,801
Expenses and Losses:			
Program Services:			
Satellite development	27,606	-	27,606
Satellite operations	894	-	894
Information and symposia	82,004	-	82,004
Publications and software	2,681	-	2,681
Total Program Expenses	113,185	-	113,185
Supporting Services:			
Management and general	8,624	-	8,624
Fundraising	7,452	-	7,452
Total Supporting Services	16,076	-	16,076
Total Expenses and Losses	129,261	-	129,261
Change in net assets	93,605	83,935	177,540
Net assets, beginning of year	1,292,299	24,631	1,316,930
Net assets, end of year	\$ 1,385,904	\$ 108,566	\$ 1,494,470

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The accompanying notes are an integral part of these financial statements.

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	PROGRAM SERVICES					SUPPORTING SERVICES			TOTAL EXPENSES	
	Satellite Development	Satellite Operations	Information and Symposia	Publications and Software	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Bank and processing fees	\$ 85	\$ -	\$ 5,016	\$ -	\$ 5,101	\$ 264	\$ -	\$ 264	\$	5,365
Components	110,116	-	332	-	110,448	-	-	-		110,448
Depreciation	1,682	-	-	-	1,682	-	-	-		1,682
Computer and software	14,428	-	-	-	14,428	-	-	-		14,428
Insurance	173	130	908	173	1,384	173	173	346		1,730
IT and web services	1,465	370	5,969	493	8,297	493	592	1,085		9,382
Legal and accounting	2,140	1,605	11,235	2,140	17,120	2,140	2,140	4,280		21,400
Meetings and seminars	2,148	-	26,246	-	28,394	-	-	-		28,394
Outside Services	8,418	-	22,358	-	30,776	5,479	-	5,479		36,255
Postage and shipping	1,670	-	33	-	1,703	-	-	-		1,703
Printing and Reproductions	247	-	261	-	508	-	-	-		508
Rent	799	545	4,634	726	6,704	725	726	1,451		8,155
Supplies	117	-	245	-	362	-	-	-		362
Telephone	-	-	-	-	-	1,415	-	1,415		1,415
Travel	15,998	-	3,130	-	19,128	4,044	-	4,044		23,172
Total Functional Expenses	\$ 159,486	\$ 2,650	\$ 80,367	\$ 3,532	\$ 246,035	\$ 14,733	\$ 3,631	\$ 18,364	\$	264,399
Percent of Functional Expenses	60.32%	1.00%	30.40%	1.34%	93.06%	5.57%	1.37%	6.94%		100.00%

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The accompanying notes are an integral part of these financial statements.

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	PROGRAM SERVICES					SUPPORTING SERVICES			TOTAL EXPENSES		
	Satellite Development	Satellite Operations	Information and Symposia	Publications and Software	Total Program Services	Management and General	Fundraising	Total Supporting Services			
Bank and processing fees	\$ 113	\$ -	\$ 4,182	\$ -	\$ 4,295	\$ 225	\$ -	\$ 225	\$ 4,520		
Components	7,625	-	-	-	7,625	-	-	-		7,625	
Depreciation	210	-	-	-	210	-	-	-		210	
Event expense	-	-	29,513	-	29,513	-	-	-		29,513	
Insurance	137	34	687	103	961	138	275	413		1,374	
IT and web services	1,643	94	4,890	281	6,908	375	946	1,321		8,229	
Legal and accounting	2,138	535	10,690	1,604	14,967	2,138	4,276	6,414		21,381	
Meetings and seminars	1,142	-	-	-	1,142	-	-	-		1,142	
Outside Services	2,275	-	21,600	-	23,875	200	-	200		24,075	
Postage and shipping	280	-	-	-	280	-	-	-		280	
Rent	894	224	5,342	671	7,131	894	1,788	2,682		9,813	
Supplies	4,940	-	1,032	-	5,972	42	107	149		6,121	
Taxes - other	30	7	149	22	208	30	60	90		298	
Travel	6,179	-	3,919	-	10,098	4,582	-	4,582		14,680	
Total Functional Expenses	\$ 27,606	\$ 894	\$ 82,004	\$ 2,681	\$ 113,185	\$ 8,624	\$ 7,452	\$ 16,076		\$ 129,261	
Percent of Functional Expenses	21.36%	0.69%	63.44%	2.07%	87.56%	6.67%	5.77%	12.44%		100.00%	

SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The accompanying notes are an integral part of these financial statements.

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)
STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 213,041	\$ 177,540
Adjustments to reconcile change in net assets to cash flows from operating activities		
Depreciation	1,682	210
(Gain) loss on sale of investments	(1,916)	(57,997)
Unrealized (gain) loss on investments	(177,443)	178,890
Changes in assets and liabilities		
Other receivables	2,956	13,280
Prepaid expenses	(2,556)	5,792
Accounts payable	(2,221)	2,664
Accrued expenses	(1,265)	1,479
Net cash flows provided by operating activities	<u>32,278</u>	<u>321,858</u>
Cash flows from investing activities:		
Purchase of investments	(2,505,442)	(843,823)
Purchase of property and equipment	-	(1,892)
Proceeds from sale of investments	<u>2,381,139</u>	<u>325,156</u>
Net cash flows used by investing activities	<u>(124,303)</u>	<u>(520,559)</u>
Net change in cash and cash equivalents	(92,025)	(198,701)
Cash and cash equivalents - beginning	<u>268,731</u>	<u>467,432</u>
Cash and cash equivalents - ending	<u>\$ 176,706</u>	<u>\$ 268,731</u>

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 1—Organization and business

Nature of Activities – Radio Amateur Satellite Corporation (“AMSAT”) is a non-profit educational and scientific organization that designs and produces satellites for world-wide amateur radio communication and experimentation, encourages the development of skills and the advancement of knowledge in the field of amateur radio communications, and disseminates scientific, technical, and operational information derived from such communications and experimentation. The organization is supported primarily through membership dues and contributions from members.

Note 2—Summary of significant accounting policies

Basis of Accounting and Presentation – The financial statements of AMSAT have been prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). AMSAT reports 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.

Net Assets Without Donor Restriction – Net assets without donor restriction are not subject to donor-imposed stipulations. These net assets are available for the overall operations at the discretion of the Board of Directors.

Net Assets With Donor Restriction – Net assets with donor restriction are subject to donor-imposed stipulations that will be met either by actions of the organization and/or the passage of time. Other restrictions are those which are contributed with donor restrictions requiring that they be held in perpetuity.

Cash and Cash Equivalents – AMSAT considers highly liquid debt investments with an original maturity of less than or equal to three months to be cash equivalents. AMSAT places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts. AMSAT from time to time may have amounts on deposit in excess of the insured limits. As of December 31, 2023 and 2022, AMSAT had an amount of \$0 and \$3,836, respectively, on deposit in excess of these insured amounts. AMSAT’s management does not believe AMSAT is exposed to any substantial risk.

Fair Value Measurement – The carrying amounts reflected in the statements of financial position for current assets and current liabilities approximate their respective fair values due to the short maturities on those instruments.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Realized gains and losses on securities sold during the year and held at the beginning of the year are recognized to the extent sales proceeds exceed the security’s fair market value at the beginning of the year.

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 2—Summary of significant accounting policies (continued)

Recognition of Dues and Contributions – AMSAT recognizes annual dues as income when earned. Contributions are not generally pledged in advance of collection and are recognized upon receipt.

Accounting Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of any contingent 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.

Functional Expenses – The costs of providing program and other 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. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis, which is based on time spent on the various program services and supporting services by the manager.

Contributed Services – Volunteers worked for AMSAT in various capacities for the years ended December 31, 2023 and 2022. Volunteers and their contributed services are essential to all aspects of AMSAT's mission. They provide services including the writing, editing, and publishing of various educational materials including the Journal. Volunteers mentor university students on satellite projects and assist schools with contacts between the International Space Station and students. Volunteers design, build, and test AMSAT's satellites. They provide outreach and support for hams and potential hams. U.S. GAAP requires management to record and disclose services that create or enhance non-financed assets or those that require special skills. Management has elected not to record and disclose the information. The valuation of their work and its effect on the financial statements has not been determined.

Income Taxes – AMSAT is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, AMSAT has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. AMSAT evaluates uncertainty in income tax positions based on a more likely than not recognition standard. If that threshold is met, the tax position is then measured at the largest amount that is greater than 50% likely of being realized upon ultimate settlement. As of December 31, 2023, AMSAT has evaluated its material tax positions and determined that no accruals for uncertain tax positions are required on AMSAT's financial statement as AMSAT has no tax obligation at this time. If applicable, AMSAT records interest and penalty expense as a component of income tax expense. Returns filed for tax periods ended after December 31, 2020 are open to examination and any changes by the taxing authorities may affect AMSAT's income tax liability.

Adopted Pronouncements – In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard rep most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which defers the effective date of ASU 2014-09 one-year making it effective for

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022****Note 2—Summary of significant accounting policies (continued)**

annual reporting periods beginning after December 15, 2018, for all non-SEC filers, including not-for-profit entities. The standard had no effect on the financial statements.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 provides a more detailed framework for determining whether a grant or similar contract should be accounted for as a contribution or as an exchange transaction. ASU 2018-08 also provides additional guidance to help determine whether a contribution is conditional, and better distinguish between a donor-imposed condition and a donor-imposed restriction. The ASU has been applied on a modified prospective basis.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), requiring lessees to recognize lease assets and liabilities on the balance sheet for all arrangements with terms longer than 12 months. Lessor accounting remains consistent with current U.S. GAAP. This ASU is effective for fiscal years beginning after December 15, 2021. The standard had no effect on the financial statements.

Note 3—Liquidity

The table below represents financial assets available for general expenditures within one year at December 31:

	2023	2022
Financial assets at year-end:		
Cash	\$ 176,706	\$ 268,731
Investments	<u>1,521,980</u>	<u>1,219,887</u>
Total financial assets at year-end	<u>1,698,686</u>	<u>1,488,618</u>
Less amounts not available to be used for general expenditures within one-year:		
Donor restricted with purpose restrictions	<u>121,845</u>	<u>108,566</u>
Financial assets available to meet general expenditures within one-year:	<u>\$ 1,576,841</u>	<u>\$ 1,380,052</u>

General expenditures include general and administrative and fundraising expenses expected to be paid in the subsequent year. As part of AMSAT's liquidity management plan, cash in excess of monthly expenditure requirements is invested in corporate stocks and mutual funds. AMSAT solicits general contributions on an ongoing basis to maintain an operating reserve.

Note 4—Cash and cash equivalents

Cash and cash equivalents as of December 31 are summarized as follows:

	2023	2022
Eagle Bank Checking account	\$ 162,783	\$ 253,836
Cash on hand	54	-
Merrill Lynch Cash account	<u>13,869</u>	<u>14,895</u>
	<u>\$ 176,706</u>	<u>\$ 268,731</u>

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022****Note 5—Net assets with donor restrictions**

AMSAT received net assets with donor restriction contributions during the years ended December 31, 2023 and 2022 as follows:

	2023	2022
Information and Symposia	\$ 1,200	\$ -
Publications	-	-
Satellite Development	12,772	104,007
Satellite Operation	-	-
Management	-	-
Total with donor restriction contributions	\$ 13,972	\$ 104,007

Net assets with donor restrictions as of December 31, 2023 and 2022 are available for the following:

	2023	2022
Satellite Development	\$ 111,074	\$ 99,795
Satellite Operations	-	-
Education and Youth Initiatives	7,271	5,271
Legal Defense Fund	3,500	3,500
Total with donor restriction contributions	\$ 121,845	\$ 108,566

Note 6—Program services

Satellite Development – AMSAT designs, constructs, and launches satellites for amateur radio communication, research, and education in the space sciences. AMSAT owns and controls some of the orbiting satellites under license by the Federal Communications Commission. Some satellites are designed, constructed, and operated in collaboration with similar amateur satellite groups in other parts of the world.

Publications and Software – AMSAT develops, publishes, prints, and distributes educational materials related to communication satellites, amateur radio, and scientific, educational, and technological programs. Included are the AMSAT Journal, Proceedings of the AMSAT-NA Space Symposium, a series of beginners and satellite information guides, and a variety of computer programs and related hardware for computing and tracking orbiting satellites.

Information and Symposia – AMSAT distributes world-wide regular and special information bulletins about amateur satellites and space science activities using amateur packet radio networks, amateur radio voice networks by way of amateur satellite and high frequency radio, and the internet. AMSAT sponsors and promotes technological discussions on amateur spacecraft and space science on all of its networks. AMSAT also sponsors technical symposia and provides telephone information services. Information services are available to over 700,000 licensed amateur radio operators and to educators and students.

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022****Note 6—Program services (continued)**

Satellite Operations – AMSAT, through members who are licensed amateur radio operators, takes care of the day-to-day operation of its satellites. These satellites are available for use by any properly licensed amateur radio operator world-wide. Satellite operations involve the technical command and control of on-board systems to insure proper operation and its long-term well-being. AMSAT operations personnel disseminate data and information to users for effective and timely use of satellite systems.

Note 7—Long-term investments

AMSAT classifies its investments in marketable equity securities and mutual funds as available-for-sale investments and are shown at fair market values. The cost basis method used by the investment company is average cost for open-end mutual funds and first-in, first-out for all other securities. The gross proceeds from sales of mutual funds and other marketable securities for the years ended December 31, 2023 and 2022 were \$2,381,139 and \$325,156, respectively.

The following tables summarize the available-for-sale investments:

	December 31, 2023				
	Cost	Gross		Unrealized Losses	Fair Value
		Unrealized Gains	Unrealized Losses		
Equities	\$ 909,527	\$ 103,243	\$ (12,112)	\$ 1,000,658	
Exchange-Traded Bond Funds:					
Corporate Bonds	87,124	3,947	-	91,071	
Emerging Market Bonds	11,194	1,075	-	12,269	
Foreign Government Bonds	46,406	1,182	-	47,588	
Government Bonds	47,172	2,880	-	50,052	
High-Yield Bonds	3,635	164	-	3,799	
Real Estate Bonds	95,428	3,920	-	99,348	
U.S. Treasury Bonds	69,141	1,033	-	70,174	
U.S. Government Securities	145,367	1,654	-	147,021	
 Total Marketable Securities	 \$ 1,414,994	 \$ 119,098	 \$ (12,112)	 \$ 1,521,980	

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 7—Long-term investments (continued)

	December 31, 2022				
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	
				 	
Exchange-Traded Equity Funds:					
Equity Large Cap Blend	\$ 272,632	\$ 13,152	\$ (27,185)	\$ 258,599	
Equity Large Cap Growth	104,165	6,265	(8,066)	102,364	
Equity Large Cap Value	19,263	6,366	-	25,629	
Equity Multi-Cap Blend	7,251	325	-	7,576	
Equity Multi-Cap Growth	274,691	3,490	(19,479)	258,702	
Equity Multi-Cap Value	26,210	1,294	(934)	26,570	
Equity Small Cap Growth	39,503	-	(2,979)	36,524	
Preferred Stock Micro-Cap Blend	8,832	-	(1,408)	7,424	
Exchange-Traded Real Estate Funds:					
Real Estate Multi-Cap Blend	12,592	-	(848)	11,744	
Real Estate Multi-Cap Growth	7,238	-	(825)	6,413	
Exchange-Traded Bond Funds:					
Corporate Bonds	159,703	47	(16,437)	143,313	
Emerging Market Bonds	15,282	-	(2,437)	12,845	
Government Bonds	191,822	-	(8,599)	183,223	
Intermediate-Term Bonds	4,022	-	(662)	3,360	
Long-Term Bonds	<u>146,230</u>	<u>-</u>	<u>(10,629)</u>	<u>135,601</u>	
Total Marketable Securities	<u>\$ 1,289,436</u>	<u>\$ 30,939</u>	<u>\$ (100,488)</u>	<u>\$ 1,219,887</u>	

The following table presents the gross realized gains and losses as of December 31:

	2023	2022
Gross realized gains	\$ 113,227	\$ 72,968
Gross realized losses	<u>(111,311)</u>	<u>(14,971)</u>
Total	<u>\$ 1,916</u>	<u>\$ 57,997</u>

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)**NOTES TO THE FINANCIAL STATEMENTS**

DECEMBER 31, 2023 AND 2022

Note 7—Long-term investments (continued)

Fair Value Measurements – The fair value of financial assets and liabilities is measured according to the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification. Fair value is required to be evaluated and adjusted according to the following valuation techniques.

Level 1 – Fair value is determined using quoted market prices in active markets for identical assets and liabilities.

Level 2 – Fair value is determined using quoted market prices in active markets for similar assets and liabilities.

Level 3 – Fair value is determined using unobservable market prices in a market that is typically inactive.

The following tables sets forth by level, within the fair value hierarchy, marketable securities at fair value as of December 31, 2023 and 2022:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Equities	\$ 1,000,658	\$ -	\$ -	\$ 1,000,658
Exchange-Traded Bond Funds:				
Corporate Bonds	91,071	-	-	91,071
Emerging Market Bonds	12,269	-	-	12,269
Foreign Government Bonds	47,588	-	-	47,588
Government Bonds	50,052	-	-	50,052
High-Yield Bonds	3,799	-	-	3,799
Real Estate Bonds	99,348	-	-	99,348
U.S. Treasury Bonds	70,174	-	-	70,174
U.S. Government Securities	<u>147,021</u>	<u>-</u>	<u>-</u>	<u>147,021</u>
Total Marketable Securities	<u>\$ 1,521,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,521,980</u>

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

Note 7—Long-term investments (continued)

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Exchange-Traded Equity Funds:				
Equity Large Cap Blend	\$ 258,599	\$ -	\$ -	\$ 258,599
Equity Large Cap Growth	102,364	-	-	102,364
Equity Large Cap Value	25,629	-	-	25,629
Equity Multi-Cap Blend	7,576	-	-	7,576
Equity Multi-Cap Growth	258,702	-	-	258,702
Equity Multi-Cap Value	26,570	-	-	26,570
Equity Small Cap Growth	36,524	-	-	36,524
Preferred Stock Micro-Cap Blend	7,424	-	-	7,424
Exchange-Traded Real Estate Funds:				
Real Estate Multi-Cap Blend	11,744	-	-	11,744
Real Estate Multi-Cap Growth	6,413	-	-	6,413
Exchange-Traded Bond Funds:				
Corporate Bonds	143,313	-	-	143,313
Emerging Market Bonds	12,845	-	-	12,845
Government Bonds	183,223	-	-	183,223
Intermediate-Term Bonds	3,360	-	-	3,360
Long-Term Bonds	<u>135,601</u>	<u>-</u>	<u>-</u>	<u>135,601</u>
Total Marketable Securities	<u>\$ 1,219,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,219,887</u>

Note 8—Lease commitments

Rent of \$8,155 and \$7,651 was paid for storage facilities in Maryland, Ohio, and Virginia for the years ended December 31, 2023 and 2022, respectively. The rent for the storage facilities in Ohio is paid six months in advance and Maryland and Virginia on a month-to-month basis. Management has determined that the deferred rent is immaterial as of December 31, 2023 and 2022.

On March 20, 2019, AMSAT entered into a five-year rental agreement of a postage metering machine with quarterly rent payments of \$464. At the end of the rental period, the equipment must be returned. Postage machine rent expenses for the years ended December 31, 2023 and 2022, was \$0 and \$1,946, respectively. On May 18, 2023, this rental agreement was terminated with a penalty payment of \$2,078.

RADIO AMATEUR SATELLITE CORPORATION (AMSAT)**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022**

Note 9—Net product-related income

Net product-related income is comprised of the following:

	2023	2022
Product related revenues	\$ 60,933	\$ 74,760
Cost of revenues	(42,254)	(59,326)
Total	\$ 18,679	\$ 15,434

Note 10—Property and equipment

Furniture and equipment are recorded at cost or at fair market value at the time of purchase or donation, respectively. Assets are depreciated using the straight-line method over their estimated useful life of 5 to 7 years. Software is recorded at cost and is amortized using the straight-line method over 3 years.

Property and equipment is comprised of the following:

	2023	2022
Equipment	\$ 1,962	\$ 1,962
Software	-	1,892
	<hr/> 1,962	<hr/> 3,854
Less accumulated depreciation and amortization	<hr/> (1,962)	<hr/> (2,172)
Total	\$ -	\$ 1,682

Note 11—Commitments and contingencies

AMSAT is subject to legal proceedings and claims, which arise in the ordinary course of business. In the opinion of management, there is no pending or threatened litigation or administrative proceeding that is expected to have a material adverse impact on AMSAT's financial position or change in net assets.

AMSAT has entered into numerous contracts with various hotels and convention center facilities for future planned conferences. Some of these contracts contain penalty clauses for cancellation, which could be material depending upon the particular contract and the date of cancellation. The penalties are based upon rooms reserved; anticipated hotel, food, and beverage revenues; and other damages. The potential liability for such damages, if all the contracts were cancelled, is \$25,247. At October 22, 2024, AMSAT does not intend to cancel any of these commitments.

Note 12—Subsequent events

The date to which events occurring after December 31, 2023, the date of the most recent statement of financial position has been evaluated for possible adjustment to the financial statements or disclosure is October 22, 2024, which is the date on which the financial statements were available to be issued.