# HEYDAY

## FINANCIAL STATEMENTS

### December 31, 2023

**(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2022)**

**HEYDAY**

**Contents**

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Heyday
Berkeley, California

## Opinion

We have audited the accompanying financial statements of Heyday (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows and functional expenses, 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 Heyday as of December 31, 2023, and the changes in 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we: Exercise professional judgment and maintain professional skepticism throughout the audit. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 the Organization'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.

**Report on Summarized Comparative Information**

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP

Alameda, California
July 30, 2024

**HEYDAY**

**Statement of Financial Position**
**December 31, 2023**
**(With Comparative Totals as of December 31, 2022)**

| | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| Assets | | |
| Cash and cash equivalents | $ 1,245,314 | $ 1,041,547 |
| Certificates of deposit | 73,043 | - |
| Accounts receivable, net (Note 3) | 448,375 | 645,092 |
| Contributions receivables | 5,000 | - |
| Inventory (Note 4) | 543,312 | 598,511 |
| Work in progress | 230,449 | 211,529 |
| Prepaid expenses, advances and deposits | 42,322 | 45,990 |
| Right of use asset - operating lease | 375,193 | 441,156 |
| Total Assets | $ 2,963,008 | $ 2,983,825 |
| **Liabilities and Net Assets** | | |
| Liabilities | | |
| Accounts payable and accrued expenses | $ 427,598 | $ 397,858 |
| Accrued vacation | 41,099 | 41,619 |
| Deferred revenue (Note 5) | 266,799 | 163,922 |
| Operating lease liability (Note 6) | 404,014 | 468,022 |
| Total Liabilities | 1,139,510 | 1,071,421 |
| Net Assets | | |
| Without donor restrictions | 1,549,924 | 1,647,422 |
| With donor restrictions (Note 8) | 273,574 | 264,982 |
| Total Net Assets | 1,823,498 | 1,912,404 |
| Total Liabilities and Net Assets | $ 2,963,008 | $ 2,983,825 |

**HEYDAY**

**Statement of Activities**
**For the Year Ended December 31, 2023**
**(With Comparative Totals for the Year Ended December 31, 2022)**

| | Without Donor Restrictions | With Donor Restrictions | Total 2023 | Total 2022 |
|---|---|---|---|---|
| **Support and Revenue** | | | | |
| Support | | | | |
| Foundation and individual contributions | $ 673,761 | $ 298,561 | $ 972,322 | $ 986,652 |
| Government | 55,111 | | 55,111 | - |
| In-kind support (Note 9) | 27,533 | | 27,533 | 13,658 |
| Total Support | 756,405 | 298,561 | 1,054,966 | 1,000,310 |
| Revenue | | | | |
| Book sales | 2,024,650 | | 2,024,650 | 2,246,285 |
| Co-publishing | - | | - | 38,000 |
| Conference | - | | - | 21,375 |
| Subscriptions and advertising | 39,098 | | 39,098 | 44,823 |
| Other | 22,497 | | 22,497 | 33,290 |
| Total Revenue | 2,086,245 | - | 2,086,245 | 2,383,773 |
| Support provided by expiring time and purpose restrictions | 289,969 | (289,969) | - | - |
| Total Support and Revenue | 3,132,619 | 8,592 | 3,141,211 | 3,384,083 |
| **Expenses** | | | | |
| Program | 2,639,320 | | 2,639,320 | 2,803,575 |
| Management and general | 376,793 | | 376,793 | 333,746 |
| Fundraising | 214,004 | | 214,004 | 227,384 |
| Total Expenses | 3,230,117 | - | 3,230,117 | 3,364,705 |
| Change in net assets | (97,498) | 8,592 | (88,906) | 19,378 |
| Net Assets, beginning of year | 1,647,422 | 264,982 | 1,912,404 | 1,893,026 |
| Net Assets, end of year | $ 1,549,924 | $ 273,574 | $ 1,823,498 | $ 1,912,404 |

**HEYDAY**

**Statement of Cash Flows**
**For the Year Ended December 31, 2023**
**(With Comparative Totals for the Year Ended December 31, 2022)**

| | 2023 | 2022 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Change in net assets | $ (88,906) | $ 19,378 |
| Adjustments to reconcile change in net assets to cash provided (used) by operating activities: | | |
| Changes in assets and liabilities: | | |
| Accounts receivable | 196,717 | (261,141) |
| Contributions receivable | (5,000) | 53,855 |
| Inventory | 55,199 | (106,468) |
| Work in progress | (18,920) | (95,392) |
| Prepaid expenses, advances and deposits | 3,668 | 87,050 |
| Operating lease assets and liabilities | 1,955 | 26,866 |
| Accounts payable and accrued expenses | 29,740 | 123,497 |
| Accrued vacation | (520) | 1,142 |
| Deferred revenue | 102,877 | 68,840 |
| Net cash provided (used) by operating activities | 276,810 | (82,373) |
| **Cash flows from investing activities** | | |
| Purchase of certificates of deposit, net | (73,043) | - |
| Net cash provided (used) by investing activities | (73,043) | - |
| Net change in cash and cash equivalents | 203,767 | (82,373) |
| Cash and cash equivalents, beginning of year | 1,041,547 | 1,123,920 |
| Cash and cash equivalents, end of year | $ 1,245,314 | $ 1,041,547 |
| Supplemental Information | | |
| Right-of-use assets obtained in exchange for lease liabilitie | $ - | $ 504,308 |
| Cash paid for amounts included in operating lease liabilitie | $ 88,525 | $ 83,904 |

**HEYDAY**

**Statement of Functional Expenses**
**For the Year Ended December 31, 2023**
**(With Comparative Totals for the Year Ended December 31, 2022)**

| | Program | Management and General | Fundraising | Total 2023 | Total 2022 |
|---|---|---|---|---|---|
| Salaries | $ 610,087 | $ 240,502 | $ 135,239 | $ 985,828 | $ 892,445 |
| Benefits | 43,484 | 16,418 | 9,819 | 69,721 | 111,300 |
| Payroll taxes | 48,717 | 18,858 | 11,001 | 78,576 | 72,864 |
| Total Personnel | 702,288 | 275,778 | 156,059 | 1,134,125 | 1,076,609 |
| Grants | - | - | - | - | 205,880 |
| Accounting fees | - | 30,783 | - | 30,783 | 43,321 |
| Contract services | 34,882 | 3,245 | 21,893 | 60,020 | 97,616 |
| Advertising and commissions | 18,329 | - | 12,251 | 30,580 | 23,105 |
| Supplies and office expense | 31,173 | 14,035 | 7,365 | 52,573 | 107,074 |
| Information technology | 21,072 | 7,304 | 1,610 | 29,986 | 31,489 |
| Travel and meals | 22,010 | 18,941 | - | 40,951 | 36,832 |
| Occupancy | 65,660 | 18,822 | 14,826 | 99,308 | 121,095 |
| Conferences and meetings | 6,448 | 55 | - | 6,503 | 6,880 |
| Insurance | 1,289 | 7,830 | - | 9,119 | 6,069 |
| Royalties to authors | 334,983 | - | - | 334,983 | 277,787 |
| Warehouse and distribution fees | 679,244 | - | - | 679,244 | 608,455 |
| Cost of goods sold - inventory | 680,490 | - | - | 680,490 | 610,119 |
| Inventory and WIP writedowns | 41,452 | - | - | 41,452 | 107,394 |
| Other | - | - | - | - | 4,980 |
| Total Expenses | $ 2,639,320 | $ 376,793 | $ 214,004 | $ 3,230,117 | $ 3,364,705 |

## NOTE 1: NATURE OF ACTIVITIES

Heyday (the Organization), a California nonprofit corporation, is an independent, nonprofit publisher and unique cultural institution promoting awareness and celebration of California's many cultures, landscapes and boundary-breaking ideas. Heyday is building a community of readers, writers and thinkers through books, public events and innovative outreach programs. Sources of revenue are primarily donations and book sales.

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

### Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net assets without donor restrictions* – are resources available to support operations. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* – are resources that are restricted by a donor for use for a particular purpose or in a particular period. Some donor restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor restrictions are perpetual in nature; there were no restrictions of this nature as of December 31, 2023.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of building or equipment (or less commonly, the contribution of those net assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

### Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

**Accounts Receivable**

Accounts receivable are unsecured non-interest bearing trade receivables. The Organization uses historical loss information adjusted for management's expectations about current and future economic conditions and the aging of receivables relative to expected payment dates as the basis to determine expected credit losses. If amounts become uncollectible, they are charged to the valuation allowance for credit losses if any, with any excess amounts charged to expense in the period in which that determination is made. The Organization considers all accounts receivable to be fully collectible at December 31, 2023, less the allowance for sales returns. Accordingly, no allowance for doubtful accounts was deemed necessary. The Organization expects to collect all accounts receivable within one year.

**Contributions Receivable**

Contributions receivable including pledges and grants receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. That fair value is computed using a present value technique applied to anticipated cash flows. The Organization has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at December 31, 2023. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made.

**Accounting for Revenue**

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time for cost reimbursement contracts as eligible expenses are incurred if other conditions of the contract are satisfied. Revenue from agreements that include milestones and milestone payments are recognized over time as milestones are reached. If the Organization's efforts are expended evenly throughout the performance period, the Organization may recognize revenue on a straight-line basis over such a period.

Revenue is recognized at a point in time when goods or services are provided to customers and the Organization is not required to provide additional goods or services or if the above criteria are not met. As a practical expedient the Organization disregards the effects of potential financing components if the period between payment and performance is one year or less.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless related to a donor specified restriction for a particular purpose or future period.

### Accounting for Book Sales

Book sales are recorded upon delivery to booksellers and distributors. The Organization includes an allowance for sales return as part of and adjustments to the allowance are netted against book sales. Returns are only accepted on print titles within one year of the delivery date of the purchase. Payment terms vary from pay at time of order for certain individual orders to Net 90 for larger institution accounts.

### Cost of Goods Sold

Cost of goods sold include cost of inventory sold including production costs, printing and freight-in charges.

### Co-Publishing Revenue

The Organization works with authors and other organizations to publish books. Fees collected in co-publishing agreements are recorded as progress towards project milestones and deliverables are met.

### Conferences

Conference revenues consist of registration fees and other proceeds for the Wild Wonder conference. The Organization recognizes conference revenue as the related events occur. In general, registration for events opens in the same year as the event occurs. In the event that registration is opened in a year prior to the event year, the Organization defers recognition of such revenue until the year of the event.

### Subscription and Advertising

Subscription and advertising revenue consist of subscription fees collected for the quarterly News from Native California (NNC) publication and related advertising fees. The Organization records subscription and advertising revenue upon delivery of quarterly publications.

### Royalty Advances

Royalty advances represent advance payments to authors during the production phase of books to be earned against future book sales. The Organization reviews royalty advances for impairment annually as part of its review of slow-moving inventory.

### Work in Progress

Work in progress consists of production costs associate with books which have not been published as of December 31, 2023.

### Property and Equipment

Property and equipment purchased by the Organization is recorded at cost. The Organization capitalizes all expenditures for property and equipment over $2,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms as follows:

| | |
|---|---|
| Furniture and equipment | 5-7 years |
| Computer equipment | 5 years |

Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Management reviews long-lived assets for impairment when circumstances indicate the carrying amount of the asset may not be recoverable. As of December 31, 2023, all property and equipment was fully depreciated.

**Income Taxes**

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under IRC 501(c)(3) and California RTC 23701(d). The Organization has evaluated its current tax positions as December 31, 2023 and is not aware of any significant uncertain tax positions for which a reserve would be necessary. The Organization's tax returns are generally subject to examination by federal and state taxing authorities for three and four years, respectively, after they are filed.

**Contributed Services**

Contributed services are reflected in the financial statements at the fair value of the services received only 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.

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

**Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 - Inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the assets or liability.

The Organization had no assets or liabilities recorded at fair value on December 31, 2023.

### Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on percentages per employee.

Occupancy, depreciation, and amortization, and interest are allocated on the overall allocations for all employees.

Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis above (percentage allocations per employee).

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgments contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred. All expenses and net losses are reported as decreases in net assets without donor restrictions.

### Prior Year Summarized 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 GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

### Recent Account Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the probable incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses on financial instruments and other commitments to extend credit. In November 2019, the FASB issued ASU No. 2019-10 which delayed the effective date of ASU No. 2016-13. The adoption of this update did not have a material impact on the Organization's financial statements.

### Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

### Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of July 30, 2024, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

## NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Accounts receivable | $ 555,217 | $ 736,308 |
| Less: Allowance for sales returns | (106,842) | (91,216) |
| Total | $ 448,375 | $ 645,092 |

## NOTE 4: INVENTORY

Inventory consists of books which are carried at cost. Items are reviewed annually for impairment and are written off if deemed slow-moving or damaged. Inventory is considered slow-moving if less than 250 units are sold in a year. Inventory activity consisted of the following for the year ended December 31, 2023:

| | |
|---|---|
| Opening inventory | $ 598,511 |
| Purchases | 656,965 |
| Inventory writedowns | (29,817) |
| Cost of goods sold | (682,347) |
| Total | $ 543,312 |

## NOTE 5: DEFERRED REVENUE

Deferred revenue consists of the following as of December 31:

| | 2023 | 2022 |
|---|---|---|
| Publishing fees | $ 75,000 | $ 50,000 |
| Co-publishing fees | 14,450 | 500 |
| Ethnic Media Grant - NNC Roving Reporter | 3,889 | - |
| Contract - Marketing NNC | 100,000 | - |
| Internship – Roundhouse | 41,078 | 76,015 |
| Subscriptions | 32,382 | 37,407 |
| Total | $ 266,799 | $ 163,922 |

## NOTE 6: OPERATING LEASE LIABILITY

The Organization leases office space under a non-cancelable lease in Berkeley, California that expires December 2028. The Organization uses the risk-free rate of 4.5% as its discount rate in order to determine present value. Minimum future payments due under this lease were as follows for the years ended December 31:

| | |
|---|---|
| 2024 | $ 86,273 |
| 2025 | 88,861 |
| 2026 | 91,527 |
| 2027 | 94,273 |
| 2028 | 91,619 |
| Less amounts representing interest | (48,539) |
| Total | $ 404,014 |
| Weighted-average remaining lease term – operating leases | 5 years |

Rent for the years ended December 31, 2023 and 2022 was $88,525 and $110,766, respectively.

## NOTE 7: CONTINGENCIES

### Compliance with Donor Restrictions

Grant awards require the fulfillment of certain conditions as set forth in the instrument of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

## NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for book projects totaling $273,574 and $264,982 as of December 31, 2023 and 2022, respectively.

## NOTE 9: IN-KIND SUPPORT

The Organization received the benefit of the following in-kind support during the year ended December 31, 2023:

| Type | Utilized or monetized | Donor Restriction | Valuation method | Value |
|---|---|---|---|---|
| Advertising Services | Utilized | No further donor restrictions | Estimated FMV based on similar services | $ 18,251 |
| Royalties | Utilized | No further donor restrictions | Estimated FMV based on similar services | 9,282 |
| | | Total | | $ 27,533 |

## NOTE 10: CONDITIONAL PROMISES TO GIVE

In addition to the activity on the financials, the Organization may receive grants with future payments subject to certain conditions, performance barriers or rights of revocation. It is the Organization's policy to defer revenue recognition of conditional amounts until such conditions have been satisfied. As of December 31, 2023, conditional grants outstanding totaled $9,000. The Organization expects to meet the conditions of these grants through December 2024.

## NOTE 11: LINE OF CREDIT

The Organization has a secured line of credit with a bank for a total of $250,000 to be drawn down upon as needed, with a variable interest rate at the Wall Street Journal Prime Rate + .75%. As of December 31, 2023, there was no outstanding balance.

## NOTE 12: CONCENTRATIONS

### Concentration of Credit Risk

At times, the Organization may have deposits in excess of federally insured limits. As of December 31, 2023, funds in excess of federally insured limits were approximately $1,061,603.

## NOTE 13: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 are:

| | |
|---|---|
| Cash and cash equivalents | $ 1,245,314 |
| Certificate of deposit | 73,043 |
| Accounts receivable, net | 448,375 |
| Contributions receivable | 5,000 |
| Less purpose-restricted net assets | (273,574) |
| Total | $ 1,498,158 |

As part of the Organization's liquidity management plan, the Organization deposits funds in cash in excess of daily requirements in cash and cash equivalents. The Organization maintains a revolving line of credit of $250,000 to cover short-term cash needs.