# SUNSET DISTRICT COMMUNITY DEVELOPMENT

## dba: Sunset Youth Services

# FINANCIAL STATEMENTS

## June 30, 2023

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2022)

CROSBY & KANEDA
Certified Public Accountants
for Nonprofit Organizations

**SUNSET DISTRICT COMMUNITY DEVELOPMENT**
**dba: Sunset Youth Services**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sunset District Community Development
dba: Sunset Youth Services
San Francisco, California

### Opinion

We have audited the accompanying financial statements of Sunset District Community Development dba: Sunset Youth Services (the Organization), which comprise the statement of financial position as of June 30, 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 Sunset District Community Development dba: Sunset Youth Services as of June 30, 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.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 February 8, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Crosby + Kaneda CPAs LLP

Oakland, California
February 20, 2024

**SUNSET DISTRICT COMMUNITY DEVELOPMENT**
**dba: Sunset Youth Services**

**Statement of Financial Position**
**For the Year Ended June 30, 2023**
**(With Comparative Totals as of June 30, 2022)**

| | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| Assets | | |
| Cash and cash equivalents | $ 2,441,029 | $ 893,370 |
| Accounts receivable | 704,096 | 372,216 |
| Contributions receivable (Note 3) | 139,068 | 168,868 |
| Prepaid expenses and deposits | 95,430 | 112,493 |
| Property and equipment, net (Note 4) | 117,069 | 123,822 |
| Right of use asset - operating | 467,574 | - |
| Total Assets | $ 3,964,266 | $ 1,670,769 |
| **Liabilities and Net Assets** | | |
| Liabilities | | |
| Accounts payable and accrued expenses | $ 119,660 | $ 74,619 |
| Accrued vacation | 71,204 | 71,078 |
| Operating lease liability (Note 5) | 468,704 | - |
| Total Liabilities | 659,568 | 145,697 |
| Net Assets | | |
| Without donor restrictions | 1,550,427 | 1,211,887 |
| With donor restrictions (Note 8) | 1,754,271 | 313,185 |
| Total Net Assets | 3,304,698 | 1,525,072 |
| Total Liabilities and Net Assets | $ 3,964,266 | $ 1,670,769 |

**SUNSET DISTRICT COMMUNITY DEVELOPMENT**
**dba: Sunset Youth Services**

**Statement of Activities**
**For the Year Ended June 30, 2023**
**(With Comparative Totals for the Year Ended June 30, 2022)**

| | Without Donor Restrictions | With Donor Restrictions | Total 2023 | Total 2022 |
|---|---|---|---|---|
| **Support and Revenue:** | | | | |
| Government awards | $ 1,836,261 | $ 1,500,000 | $ 3,336,261 | $ 1,678,328 |
| Foundation and corporate support | 135,946 | 127,611 | 263,557 | 276,868 |
| Individual donations | 229,364 | 5,000 | 234,364 | 167,990 |
| In-kind contributions (Note 9) | 152,566 | | 152,566 | 51,332 |
| Fundraising event, net | | | - | 52,101 |
| Program service fees | 30,000 | | 30,000 | - |
| Parks program and other | 10,017 | | 10,017 | 33,070 |
| COVID funding | 68,090 | | 68,090 | - |
| Support provided by expiring time and purpose restrictions | 191,525 | (191,525) | - | - |
| Total Support and Revenue | 2,653,769 | 1,441,086 | 4,094,855 | 2,259,689 |
| **Expenses** | | | | |
| Programs | 1,880,529 | | 1,880,529 | 1,736,629 |
| Management and general | 265,418 | | 265,418 | 204,386 |
| Fundraising | 169,282 | | 169,282 | 174,112 |
| Total Expenses | 2,315,229 | - | 2,315,229 | 2,115,127 |
| Change in Net Assets | 338,540 | 1,441,086 | 1,779,626 | 144,562 |
| Net Assets, beginning of year | 1,211,887 | 313,185 | 1,525,072 | 1,380,510 |
| Net Assets, end of year | $ 1,550,427 | $ 1,754,271 | $ 3,304,698 | $ 1,525,072 |

**SUNSET DISTRICT COMMUNITY DEVELOPMENT**
**dba: Sunset Youth Services**

**Statement of Cash Flows**
**For the Year Ended June 30, 2023**
**(With Comparative Totals for the Year Ended June 30, 2022)**

| | 2023 | 2022 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Change in net assets | $ 1,779,626 | $ 144,562 |
| Adjustments to reconcile change in net assets to cash provided (used) by operating activities: | | |
| Depreciation | 35,400 | 49,381 |
| Funds raised for capital projects | 1,500,000 | - |
| Changes in assets and liabilities: | | |
| Accounts receivable | (331,880) | (17,542) |
| Contributions receivable | 29,800 | (9,800) |
| Prepaid expenses and deposits | 17,063 | (1,957) |
| Operating lease assets and liabilities | 1,130 | - |
| Accounts payable and accrued expenses | 45,041 | 17,006 |
| Accrued vacation | 126 | 7,411 |
| Net cash provided (used) by operating activities | 3,076,306 | 189,061 |
| **Cash flows from investing activities:** | | |
| Purchase or property and equipment | (28,647) | (29,548) |
| Net cash provided (used) by investing activities | (28,647) | (29,548) |
| **Cash flows from financing activities:** | | |
| Capital project contributions | (1,500,000) | - |
| Net cash provided (used) by financing activities | (1,500,000) | - |
| Net change in cash and cash equivalents | 1,547,659 | 159,513 |
| Cash and cash equivalents, beginning of year | 893,370 | 733,857 |
| Cash and cash equivalents, end of year | $ 2,441,029 | $ 893,370 |
| Supplemental information | | |
| Right-of-use assets obtained in exchange for lease liabilities | $ 482,324 | $ - |
| Cash paid on operating leases | $ 98,890 | $ - |

See Notes to the Financial Statements

**SUNSET DISTRICT COMMUNITY DEVELOPMENT**
**dba: Sunset Youth Services**

**Statement of Functional Expenses**
**For the Year Ended June 30, 2023**
**(With Comparative Totals for the Year Ended June 30, 2022)**

| | Program | Management and General | Fundraising | Total 2023 | Total 2022 |
|---|---|---|---|---|---|
| Salaries | $ 935,514 | $ 177,206 | $ 114,714 | $ 1,227,434 | $ 1,264,352 |
| Employee benefits | 107,605 | 11,948 | 8,688 | 128,241 | 148,660 |
| Payroll taxes | 65,263 | 12,160 | 8,433 | 85,856 | 90,538 |
| Total Personnel | 1,108,382 | 201,314 | 131,835 | 1,441,531 | 1,503,550 |
| Professional fees | 112,026 | 21,985 | 8,501 | 142,512 | 89,594 |
| Advertising and promotion | - | - | - | - | 2,475 |
| Supplies and office expenses | 112,385 | 5,981 | 2,666 | 121,032 | 69,979 |
| Occupancy | 121,464 | 21,009 | 17,707 | 160,180 | 147,222 |
| Travel and meals | 136,013 | 2,953 | 59 | 139,025 | 100,975 |
| Training | 15,120 | - | - | 15,120 | 8,269 |
| Depreciation | 34,293 | 641 | 466 | 35,400 | 49,381 |
| Insurance | 13,488 | 2,390 | 1,739 | 17,617 | 18,496 |
| Dues, licenses, service fees | 4,923 | 1,900 | 3,509 | 10,332 | 8,279 |
| Participant incentives | 99,507 | - | - | 99,507 | 64,656 |
| Donated food and supplies | 122,928 | - | - | 122,928 | 51,332 |
| Other | - | 7,245 | 2,800 | 10,045 | 919 |
| Expenses by Function | 1,880,529 | 265,418 | 169,282 | 2,315,229 | 2,115,127 |
| Expenses reported on a net basis on statement of | | | | | |
| Direct donor benefit | - | - | - | - | 53,493 |
| Total Expense | $ 1,880,529 | $ 265,418 | $ 169,282 | $ 2,315,229 | $ 2,168,620 |

## NOTE 1: NATURE OF ACTIVITIES

Sunset District Community Development dba: Sunset Youth Services (the Organization) is a California nonprofit public benefit corporation. The Organization seeks to facilitate positive transformation in the lives of the high-need, systems involved youth, young adults and families in San Francisco by providing the following supportive programs:

- Justice Services: offers a liaison and advocacy service for systems involved young people.
- Family Support: provides group and one-on-one support for parents of teens and teen parents.
- Workforce Development: offers basic employment readiness and opportunities for employment, skills building, educational support, financial education and training in digital arts and restaurant-readiness.
- Digital Arts and Technology: offers young people access to digital film and audio recording technology to record their stories.
- Healing Arts Program: supports youth and young adults through life's constant struggles and challenges by providing spaces to process, unlearn harmful patterns and integrate healing patterns.

## 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-imposed 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-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

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-imposed 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.

**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.

**Parks Program**

The Organization bills the San Francisco Parks Alliance for certain services provided in relationship to a community park. Services are charged on an hourly basis and billed quarterly. The Organization recognizes revenue when the service is performed.

**Accounts Receivable**

Accounts receivable are primarily unsecured non-interest bearing amounts due from grantors on a cost reimbursement or performance grants. The Organization considers all accounts receivable to be fully collectible at June 30, 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.

**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 considers all contributions receivable to be fully collectible at June 30, 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.

**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 of June 30, 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 June 30, 2023.

**Concentration of Credit Risk**

At times, the Organization may have deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

**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:

| | |
|---|---|
| Improvements | 10 years |
| Vehicles | 5 years |
| Furniture and equipment | 3 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.

**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 hourly tracking by program in timesheets per pay period.

Occupancy, depreciation and amortization, and interest are allocated based on employees' full-time equivalents for each program.

Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis of employee full time equivalents for each program.

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.

### Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update supersedes much of the existing authoritative guidance for leases. The update requires lessees, among other things, to recognize right-of-use assets and liabilities on their balance sheet for all leases with lease terms longer than twelve months. Further related updates included *ASU No. 2018-01*, *ASU No. 2021-05* and additional modifications and clarifications. The adoption of this standard increased the Organization's right of use asset balances as well as related operating lease liability balance. The Organization opted to adopt the following expedients and elections with respect to these updates: To adopt this ASU on a modified retrospective basis; To not reassess prior conclusions with respect to (i) whether an arrangement is or contains a lease, (ii) lease classification and (iii) initial direct costs for leases that commence prior to the adoption date of the new standard; To use hindsight with respect to determining the lease term; To exclude leases that (a) have a lease term of 12 months or less and (b) do not contain a reasonably certain purchase option; To combine non-lease components with related lease components. The adoption of this update increased assets and liabilities by $482,324 and had no material impact on the Organization's net assets.

### 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 June 30, 2022, from which the summarized information was derived.

### 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 February 20, 2024, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

## NOTE 3: CONTRIBUTIONS RECEIVABLE

Contributions receivable are recorded at their net realizable value and consist of the following at June 30, 2023:

| | |
|---|---|
| Less than one year | $ 100,000 |
| One to four years | 40,000 |
| Less discount to present value | (932) |
| Total | $ 139,068 |

## NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

| | 2023 | 2022 |
|---|---|---|
| Furnishings and equipment | $ 200,370 | $ 194,822 |
| Leasehold improvements | 50,536 | 29,536 |
| Vehicles | 122,574 | 122,574 |
| Construction in progress | 6,900 | 4,800 |
| Less accumulated depreciation | (263,311) | (227,910) |
| Total | $ 117,069 | $ 123,822 |

## NOTE 5: OPERATING LEASE LIABILITY

The Organization is party to a lease for office space in San Francisco expiring April 2028. Future minimum operating lease payments are as follows for the years ending June 30:

| | |
|---|---|
| 2024 | $ 99,622 |
| 2025 | 102,420 |
| 2026 | 105,248 |
| 2027 | 110,196 |
| 2028 | 95,680 |
| Less amounts representing interest | (44,462) |
| Total | $ 468,704 |
| Weighted-average remaining lease term – operating leases | 5 years |
| Weighted-average discount rate | 3.64% |

Operating lease costs were $100,020 for the year ended June 30, 2023.

## NOTE 6: CONTINGENCIES

Grant awards and COVID funding 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 7: CONCENTRATION

The Organization receives approximately 88% of its support and revenue from the State of California and Dept of Children, Youth and Families. In addition, approximately 80% of receivables were due from two sources. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's program and activities.

## NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of June 30:

| | 2023 | 2022 |
|---|---|---|
| Programs | $ 1,643,773 | $ 124,487 |
| Hardship and benevolent funds | 30,498 | 28,698 |
| Future use | 80,000 | 160,000 |
| Total | $ 1,754,271 | $ 313,185 |

## NOTE 9: IN-KIND CONTRIBUTIONS

The Organization received the following contributions of nonfinancial assets during the year ended June 30, 2023:

| Type | Utilized or monetized | Donor Restriction | Valuation method | Value |
|---|---|---|---|---|
| Donated computers | Utilized | No further donor restrictions | FMV based on retail price | $ 29,639 |
| Donated food and supplies | Utilized | No further donor restrictions | FMV based on retail price | 122,927 |
| | | Total | | $ 152,566 |

## NOTE 10: RETIREMENT CONTRIBUTIONS

The Organization has a defined contribution plan as established under Internal Revenue Code Section 401(k) (the Plan). All full-time employees are eligible for participation in the Plan. The Organization did not make contributions to the plan during the years ended June 30, 2023 and 2022.

## NOTE 11: RESTATEMENT

Subsequent to the issuance of the Organization's June 30, 2022, financial statements, the Organization's management determined that it did not record donated supplies received during the year ended June 30, 2022. As a result, the Organization has restated its June 30, 2022 financial statements to increase both in-kind contributions and expense by $51,332. The adjustment did not have an effect on net assets with donor restriction, net assets without donor restriction, and total net assets as of June 30, 2022.

## NOTE 12: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 are:

| | |
|---|---|
| Cash and cash equivalents | $ 2,441,029 |
| Accounts receivable | 704,096 |
| Contributions receivable | 139,068 |
| Less purpose-restricted net assets | (1,674,271) |
| Less non-current contributions receivable | (39,068) |
| Total | $ 1,570,854 |

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in cash and cash equivalents.