IRYNA
Accountancy Corporation

PROSPERA

PROSPERA COMMUNITY DEVELOPMENT

(A CALIFORNIA NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

YEAR ENDED DECEMBER 31, 2023

PROSPERA COMMUNITY DEVELOPMENT

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DECEMBER 31, 2023

IRYNA Accountancy Corporation
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
PROSPERA COMMUNITY DEVELOPMENT

Opinion

We have audited the accompanying financial statements of PROSPERA COMMUNITY DEVELOPMENT (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, statement of functional expense, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PROSPERA COMMUNITY DEVELOPMENT as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 PROSPERA COMMUNITY DEVELOPMENT 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 PROSPERA COMMUNITY DEVELOPMENT'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 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 PROSPERA COMMUNITY DEVELOPMENT'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 PROSPERA COMMUNITY DEVELOPMENT'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.

Iryna Accountancy Corporation
Oakland, California
October 31, 2024

PROSPERA COMMUNITY DEVELOPMENT

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash and cash equivalents	$ 1,540,203	$ 1,151,083	$ 2,691,286
Short-term investment, CD	1,028,450	-	1,028,450
Accounts receivable	40,798	-	40,798
Pledges receivable	33,000	275,000	308,000
Prepaid expenses	19,087	-	19,087
TOTAL CURRENT ASSETS	2,661,538	1,426,083	4,087,621
TOTAL ASSETS	$ 2,661,538	$ 1,426,083	$ 4,087,621
LIABILITIES			
Accounts payable	8,212	-	8,212
Accrued payroll	36,451	-	36,451
Accrued vacation	58,968	-	58,968
Other current liabilities	17,899	-	17,899
TOTAL LIABILITIES	121,530	-	121,530
NET ASSETS			
Without donor restrictions			
Undesignated	2,290,008	-	2,290,008
Designated by the Board	250,000	-	250,000
With donor restrictions			
Purpose and time restrictions	-	1,426,083	1,426,083
TOTAL NET ASSETS	2,540,008	1,426,083	3,966,091
TOTAL LIABILITIES AND NET ASSETS	$ 2,661,538	$ 1,426,083	$ 4,087,621

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

PROSPERA COMMUNITY DEVELOPMENT

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants	$ 376,099	2,131,500	$ 2,507,599
Contributions	355,847	-	355,847
In-kind	-	-	-
Service and fee revenue	1,600	-	1,600
Investment return	43,971	-	43,971
Net assets released from restrictions	1,156,619	(1,156,619)	-
TOTAL SUPPORT AND REVENUE	1,934,136	974,881	2,909,017
EXPENSES			
Program services	883,519	-	883,519
Management and general	206,718	-	206,718
Fundraising	208,947	-	208,947
TOTAL EXPENSES	1,299,184	-	1,299,184
CHANGE IN NET ASSETS	634,952	974,881	1,609,833
NET ASSETS AT BEGINNING OF YEAR	1,905,056	451,202	2,356,258
NET ASSETS AT END OF YEAR	$ 2,540,008	$ 1,426,083	$ 3,966,091

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

PROSPERA COMMUNITY DEVELOPMENT

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program	Supporting		Total
		Management and General	Fundraising	
Salaries and wages	$ 578,457	$ 136,627	$ 137,939	$ 853,023
Payroll taxes	43,873	10,477	10,567	64,917
Employee benefits	53,109	11,716	11,618	76,443
Insurance	7,940	1,163	1,169	10,272
Professional services	145,090	28,899	37,745	211,734
Office expenses	12,243	3,681	2,670	18,594
Facility and equipment	15,644	6,367	2,059	24,070
Travel and meetings	6,533	1,649	1,195	9,377
Dues and fees	11,407	4,668	2,677	18,752
Meals	3,385	320	142	3,847
Rent	5,838	1,151	1,166	8,155
TOTAL EXPENSES	$ 883,519	$ 206,718	$ 208,947	$ 1,299,184

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

PROSPERA COMMUNITY DEVELOPMENT

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	1,609,833
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in operating assets:		
Accounts receivable		(40,798)
Pledges receivable		(193,209)
Prepaid expenses		(8,516)
Increase (decrease) in operating liabilities:		
Accounts payable		(6,079)
Accrued payroll		9,827
Accrued vacation		27,677
Other current liabilities		11,555
NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES		1,410,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments		(1,028,450)
NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES		(1,028,450)
NET INCREASE (DECREASE) IN CASH		381,840
CASH AND CASH EQUIVALENTS, beginning of year		
With donor restrictions		376,203
Without donor restrictions		1,933,243
TOTAL CASH AND CASH EQUIVALENTS, beginning of the year		2,309,446
CASH AND CASH EQUIVALENTS, end of year		
With donor restrictions		1,151,083
Without donor restrictions		1,540,203
TOTAL CASH AND CASH EQUIVALENTS, ending of the year	$	2,691,286

See Independent Auditors’ Report and Accompanying Notes to Financial Statements.

PROSPERA COMMUNITY DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF ACTIVITIES

PROSPERA COMMUNITY DEVELOPMENT (the Organization), was founded July 20, 1994, as a non-profit organization under the name Women's Action to Gain Economic Security. Effective October 3, 2014, the Organization amended their name to Prospera Community Development, DBA Prospera, whose mission is to primarily serve Latina entrepreneur women through culturally appropriate programming, technical assistance, and community education programs to connect them with resources and develop the skills and leadership they need to launch businesses that foster cooperation, economic resilience, and well-being in immigrant communities.

NOTE 2 – PROGRAM SERVICES

The Organization has one program with several activities that include:

- ✓ *Explora* is a course on the fundamentals of cooperative business development. It is offered twice per year and covers skills development on topics including cooperative governance, effective communication, power and privilege and access to capital. We also organize public panel discussions around topics of accessing capital and cooperative experiences.

- ✓ *Crece Comunidad* offers Latinas support for personal and professional development, which combats the isolation and lack of access Latina entrepreneurs systemically face. This program provides culturally- and linguistically-specific workshops on business and cooperative development, financial literacy, leadership and technology, while creating a network of solidarity between entrepreneurs and worker-owners.

- ✓ *Planea tu Negocio* is a business plan development course offered twice a year from Prospera's own curriculum for business development with cooperative values. As part of this course, the Organization offers individualized support to participants who are ready to complete and implement their business plan.

- ✓ *Lanza tu Cooperativa* supports participants who are exploring the cooperative business model to obtain the necessary tools to realize their cooperative idea and/or convert their regular business into a worker cooperative. The course focuses on cooperative and business formalization, governance structure, and finances and taxes.

- ✓ *Acompaña* is a high-touch incubation program for projects beyond the concept phase. The most advanced entrepreneurs receive individualized support to stabilize and grow their businesses from specialized consultants skilled in the areas our participants choose to improve upon. This program includes a business needs assessment, monthly consulting hours, and technical assistance.

- ✓ *Vuela* is a 1–2-year fellowship program for our most advanced entrepreneurs and is designed to provide resources needed to accelerate the growth of their businesses. In the first year of the fellowship, recipients are eligible to receive a $1,500 monthly stipend which allows participants to focus on their business' development for at least 2 days per week. Over the course of the 2-year fellowship, participants receive tailored technical support, assistance accessing capital, one-on-one and group coaching, and leadership opportunities.

NOTE 2 – PROGRAM SERVICES (continued)

- ✓ *Raising our Voices Coalition* is a coalition of 15 organizations from the Bay Area we've organized to triple impact and work together for our community. The Coalition advances access and opportunity and deepens community involvement in services and activities.

- ✓ *Para Todas Podcast* is a Spanish-first storytelling platform which amplifies the voices of Latina immigrant communities. The podcast serves as a platform for women to come together to validate and uplift each other, cultivate a sense of belonging as well as engage in critical unlearning. The themes discussed include the power of community, power and privilege, and the importance of telling their stories. The podcast also serves as a communication channel to reach more women and increase accessibility to our programs and resources.

- ✓ *The Latina Entrepreneur Resiliency Fund* is a community-governed fund originally launched to meet emergency needs due to the COVID-19 pandemic. The Fund has since launched a Wellness Fund and campaign to encourage self-care among the women in the programs, and Organization is currently developing a rotating fund to provide non-extractive seed capital to businesses and cooperatives within the community.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Lease

The Organization adopted Accounting Standards Codification ("ASC") 842, "Leases" ("ASC 842"). The Organization made a policy election not to separate non-lease components from lease components, therefore, the Organization accounts for lease and non-lease components as a single lease component. The Organization elected the short-term lease recognition exemption for all leases that qualify. The Organization determines if a contract contains a lease at inception of the arrangement based on whether there is the right to obtain substantially all of the economic benefits from the use of an identified asset and whether the Organization have the right to direct the use of an identified asset in exchange for consideration.

Right of use ("ROU") assets represents the Organization 's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets are recognized as the lease liability, adjusted for lease incentives received. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date.

The interest rate used to determine the present value of the future lease payments is risk-free discount rate, which is determined using a period comparable with lease term, because the interest rate implicit in most of the leases is not readily determinable. Lease payments may be fixed or variable; however, only fixed payments or in-substance fixed payments are included in the lease liability calculation. Variable lease payments may include costs such as common area maintenance, utilities, real estate taxes or other costs.

Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating leases are included in operating lease ROU assets, operating lease liabilities, current and operating lease liabilities, non-current on the statement of financial position. Finance leases are included in property and equipment, net, accrued and other current liabilities, and other long-term liabilities on the statement of financial position. For operating leases, lease expense is recognized on a straight-line basis in operations over the lease term. For finance leases, lease expense is recognized as depreciation and interest; depreciation on a straight-line basis over the lease term and interest using the effective interest method.

The Organization has evaluated its lease situation under the standard and found it to be not applicable at December 31, 2023.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash accounts with a maturity of three months or less to be cash equivalents.

Net Assets

Financial statement presentation follows the requirement of the Financial Accounting Standard Board. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board can designate, from net assets without donor restrictions, net assets for an operating reserve or board-designated endowment. There were $250,000 board-designated net assets for an operating reserve as of December 31, 2023.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. There were no donor-imposed restrictions perpetual in nature as of December 31, 2023.

All expenses and net losses are reported as decreases in net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing various programs and other activities are summarized on a functional basis in the 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 benefited based on the management estimate. 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. Salaries and related expenses are allocated based on employees' direct time spent on program or support activities or the best estimate of time spent. Given the collaborative manner in which the Organization delivers its programs, rents are allocated based on staff hours devoted to each program or function. Expenses, other than salaries and related expenses, which are not directly identifiable by program or support services, are allocated based on the management's best estimate.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

The main categories of expenses are allocated as the following:

Expense	Method of Allocation
Salaries, wages and related	Time and effort
Professional service	Time and effort
Facility, equipment and rent	Function and usage

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal income tax on income under Section 501(c)(3) of the Internal Revenue Code and from state franchise tax under California Revenue and Taxation Code Section 23701 (d). However, income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. There was no tax on unrelated business income for year ended December 31, 2023.

Effective October 1, 2009, the Organization adopted Accounting for Uncertainty in Income Tax guidance *FASB ASC 740* – Accounting for Uncertainty in Income Taxes. Accordingly, the Organization recognizes the effect of income tax positions only when those positions are more likely than not of being sustained.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Property, Equipment and Depreciation

All acquisitions of property and equipment in excess of $5,000 and all expenditures for repairs, maintenance, or improvements that significantly prolong the useful lives of the assets are capitalized. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Property and equipment are depreciated using the straight-line method over estimated useful lives of three to seven years.

Contributions and Contributions Receivable

Contributions are recognized as revenue when received or unconditionally promised. Contributions received are recorded as without donor restrictions or with donor restriction support, depending on the existence and/or nature of any donor restrictions.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Conditional pledges are recognized as receivables and revenue when the conditions on which they depend are substantially met. Contributions receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization uses the allowance method to determine uncollectible receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. The Organization charges off uncollectible contributions receivable when management determines amounts are not collectable.

Accounts Receivable

Accounts receivable is primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance contracts. The Organization considers all accounts 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.

Revenue Recognition

The Organization recognizes revenue on the accrual basis of accounting. Service income is recognized as revenue in the period in which the service is provided. Grants are recognized as revenue in the period in which they are awarded in writing, if not conditional. The Organization's primary revenue sources are grants.

The Organization recognizes revenue as performance obligations are satisfied.

Revenue is recognized over time when any of the following conditions are met: the customer receives and consumes the benefits provided by the Organization's performance as the Organization performs; the Organization's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or the work does not create an asset with an alternative use to the Organization and the entity has a right to payment for performance completed to date.

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. Revenue from agreements based on hourly rates are recognized over time as time is expended if the Organization expects it will have an enforceable right to payment for such amounts. Revenue is recognized based on estimated progress towards complete satisfaction of the performance obligation if the Organization can reasonably measure such progress. 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. Revenue from the sales of goods or merchandise are recognized at the point in time when the goods or merchandise are provided to the customer.

The Organization tracks contract assets representing earned amounts that are not yet receivable separately from accounts receivable, if any. 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.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Organization carries investments with readily determinable fair values in the statement of financial position. Dividends, interest, investment fees and taxes, unrealized gains and losses, and realized gains and losses are all included in investment return in the accompanying statement of activities.

Fair Value of Financial Instruments

The following methods and assumptions were used by the Organization in establishing the fair value of its financial statements: the carrying amounts of cash, pledges and accounts receivables, prepaid expenses, deposits and accounts payable, accrued expenses, and other current liabilities approximate fair value because of the short maturity of these instruments. The carrying amounts of long-term receivables and payables are approximate fair value as these receivables and payables earn or are charged interest based on the prevailing rates.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses a fair value hierarchy which is categorized into three levels as follows:
Level 1 – Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities that The Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in active markets, valuation of these balances does not entail a significant degree of judgment.
Level 2 – Valuations are based on quoted prices for similar assets or liabilities in active markets from those willing to trade that are not active or for which other inputs can be corroborated by market data.
Level 3 – Valuations are based on inputs that are unobservable and significant to the overall fair value measurement and represent The Organization's best estimate of what hypothetical market participants would use to determine a transaction price for an asset or liability.

The Organization's investments measured at fair value at December 31, 2023 were as follows:

	Level 1	Total
Certificates of Deposit	$ 1,028,450	$ 1,028,450

Contributions In-kind

Donated goods are recorded at their estimated fair market value on the day of donation. Contributed services, which require specialized skills and which the Organization would have paid for if not donated, are recorded at their market value at the time the services are rendered. Donated services that do not meet the criteria for recognition, but which are, nonetheless, central to the Organization's operations are not reflected in the financial statements.

Prepaid Expenses

Prepaid expenses are amortized over the period of future benefit.

Advertising Expenses

Non-direct-response advertising costs are expensed when the advertising first occurs. There were no advertising expenses for the year ended December 31, 2023.

NOTE 4 – CONCENTRATION OF CREDIT RISK

FASB ASC 825 requires disclosure of significant concentrations of credit risk arising from all financial instruments. Financial instruments that potentially subject the Organization to concentrations of credit risk are primarily cash and accounts receivable. The Organization places its cash in banks that are insured in limited amounts by the U.S. Government. Due to operational requirements, the Organization's checking and other deposit accounts may be maintained with a balance in excess of the $250,000 federally insured limit.

As of December 31, 2023, cash deposits in amount of $100,234 were not FDIC insured.

NOTE 5 – CONTRIBUTIONS IN-KIND

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization did not receive donated professional services and donated items for the year ended December 31, 2023.

During the years ended December 31, 2023, the Organization received donated services from unpaid volunteers who provided various administrative and program support that do not satisfy the criteria for recognition under *FASB ASC 958-605-25-16.*

The Organization received 41 hours of volunteer services that were provided by 10 volunteers for events and 270 hours of volunteer services that were provided by 8 board members.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Cash and cash equivalents	$	2,691,286
Short-term investment, CD		1,028,450
Accounts receivable		40,798
Pledges receivable		308,000
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions		1,426,083
Financial assets available for general expenditure within one year	$	2,642,451

$2,642,451 of financial assets are available to cover the Organization's liquidity needs.

The Organization has a goal to maintain sufficient financial assets on hands, which consists of cash and receivables and short-term investments, to meet the total of projected management/general and fundraising expenses, which are expected to be consistent next year, thus approximately $415,665 (based on the total supporting expenses for the year ended December 31, 2023).

Based on the projected estimate, the Organization has sufficient liquid assets to cover its current liabilities.

NOTE 7 – RELATED PARTIES TRANSACTIONS

During the year ending on December 31, 2023, the Organization entered into several arm's length transactions with several board members, who provided valuable professional services, including training, coaching, and the production and editing of podcasts.

As of December 31, 2023, the Organization paid $5,650 in professional fees to these board members in exchange for their services.

NOTE 8 – OPERATING LEASE

The Organization entered into a lease agreement for storage space on March 1, 2020. The lease is renewed monthly and costs $200 per month. The storage space is in Oakland, CA.

For the year ended December 31, 2023, the lease with related maintenance expenses were $8,155.

NOTE 9 – CONTINGENCIES

Conditions contained within the various contracts awarded to the Organization are subject to the funding agencies' criteria and regulations under which expenditures may be charged against and are subject to audit under such regulations and criteria.

Occasionally, such audits may determine that certain costs incurred against the grants may not comply with the established criteria governing them. In such cases, the Organization could be held responsible for repayments to the funding agency or be subject to reductions of future funding. Management does not anticipate any material questioned costs for the contracts and grants administered during the period.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barriers and a right of return - are not recognized until the conditions on which they depend have been met.

During the year ended December 31, 2023, the total contingent revenue and the barriers were as following:

Appropriate use of funds	$	147,202

NOTE 10 – ACCRUED VACATION

Accrued vacation consists of accrued unpaid employee vacation benefits which are recognized as liabilities of the Organization. As of December 31, 2023, the estimated accrued vacation amounts to $58,968, calculated from the combination of earned vacation hours and current pay rates.

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulate sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the Organization since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenses in the period sick leave is taken.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, 2023 the Organization's net assets with donor restriction were as follows:

Funder (Purpose)	12/31/2022	Additions	Releases	12/31/2023
Bank of America (Neighbors Builders) (Time)	$ 75,000	$ -	$ (75,000)	$ -
General Motors (Program)	150,000	-	(150,000)	-
LERF (Program)	5,250	-	(5,250)	-
LERF (Program)	1,759	-	(1,759)	-
The Rockefeller Foundation (Time) (Program)	87,528	50,000	(137,528)	-
Kaiser Permanente (Program)	75,000	75,000	(75,000)	75,000
New Profit (Time)	16,665	-	(16,665)	-
Latino Community Foundation (Time) (Program)	40,000	-	(40,000)	-
Latino Community Foundation (Program)	-	5,000	(5,000)	-
JP Morgan Chase Foundation	-	395,000	(126,667)	268,333
Rapidan Foundation (Time)	-	30,000	(15,000)	15,000
Impact Assets - Kataly (Time)	-	300,000	(150,000)	150,000
The Brookings Institution (Program)	-	1,250	(1,250)	-
Impact Assets - Kataly (Program)	-	1,000	(1,000)	-
Latino Community Foundation (Program)	-	5,000	-	5,000
Cal Wellness (Time)	-	394,000	(11,250)	382,750
Sergey Brin (Time)	-	300,000	(200,000)	100,000
Latino Community Foundation (Program)	-	50,000	(5,000)	45,000
JP Morgan Chase Foundation (Program)	-	20,000	(10,000)	10,000
Block (Program)	-	5,250	(5,250)	-
CZI (Time)	-	500,000	(125,000)	375,000
Total	$ 451,202	$ 2,131,500	$ (1,156,619)	$ 1,426,083

NOTE 12 – SUBSEQUENT EVENTS

Management of the Organization has reviewed the results of operations for the period of time from its year end, December 31, 2023 through October 31, 2024 the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

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