



PROSPERA

PROSPERA COMMUNITY DEVELOPMENT *(A CALIFORNIA NONPROFIT ORGANIZATION)*

FINANCIAL STATEMENTS

WITH

INDEPENDENT ACCOUNTANT'S REVIEW

YEAR ENDED DECEMBER 31, 2024

PROSPERA COMMUNITY DEVELOPMENT

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DECEMBER 31, 2024

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INDEPENDENT ACCOUNTANT’S REVIEW REPORT

To the Board of Directors of
PROSPERA COMMUNITY DEVELOPMENT
Oakland, California

We have reviewed the accompanying financial statements of PROSPERA COMMUNITY DEVELOPMENT (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant’s Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of PROSPERA COMMUNITY DEVELOPMENT and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant’s Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



Irinya Accountancy Corporation

Oakland, California
August 31, 2025

PROSPERA COMMUNITY DEVELOPMENT

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Cash and cash equivalents	\$ 1,653,221	\$ 538,936	\$ 2,192,157
Short-term investment, CD	1,071,258	-	1,071,258
Accounts receivable	97,046	-	97,046
Contributions receivable, current	6,200	150,000	156,200
Prepaid expenses	16,970	-	16,970
Other assets	2,966	-	2,966
	<hr/>	<hr/>	<hr/>
TOTAL CURRENT ASSETS	2,847,661	688,936	3,536,597
Contributions receivable, noncurrent (net of discount of \$29,718)	-	270,282	270,282
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,847,661	\$ 959,218	\$ 3,806,879
LIABILITIES			
Accounts payable	26,280	-	26,280
Accrued payroll	60,949	-	60,949
Accrued vacation	77,195	-	77,195
Other current liabilities	1,072	-	1,072
	<hr/>	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	165,496	-	165,496
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	165,496	-	165,496
NET ASSETS			
Without donor restrictions			
Undesignated	2,432,165	-	2,432,165
Designated by the Board	250,000	-	250,000
With donor restrictions			
Purpose and time restrictions	-	959,218	959,218
	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	2,682,165	959,218	3,641,383
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	\$ 2,847,661	\$ 959,218	\$ 3,806,879

See independent accountant's review report and notes to financial statements.

PROSPERA COMMUNITY DEVELOPMENT

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
SUPPORT AND REVENUE			
Grants	\$ 782,421	\$ 458,226	\$ 1,240,647
Contributions	128,068	-	128,068
In-kind	5,270	-	5,270
Service and fee revenue	14,401	-	14,401
Investment return	70,382	-	70,382
Net assets released from restrictions	925,091	(925,091)	-
	<u>1,925,633</u>	<u>(466,865)</u>	<u>1,458,768</u>
TOTAL SUPPORT AND REVENUE			
EXPENSES			
Program services	1,137,778	-	1,137,778
Management and general	320,096	-	320,096
Fundraising	325,602	-	325,602
	<u>1,783,476</u>	<u>-</u>	<u>1,783,476</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	142,157	(466,865)	(324,708)
NET ASSETS AT BEGINNING OF YEAR	<u>2,540,008</u>	<u>1,426,083</u>	<u>3,966,091</u>
NET ASSETS AT END OF YEAR	\$ <u><u>2,682,165</u></u>	\$ <u><u>959,218</u></u>	\$ <u><u>3,641,383</u></u>

See independent accountant's review report and notes to financial statements.

PROSPERA COMMUNITY DEVELOPMENT

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2024

	<u>Program</u>	<u>Supporting</u>	<u>Total</u>
		<u>Management and General</u>	<u>Fundraising</u>
Salaries and wages	\$ 720,091	\$ 220,290	\$ 206,527
Payroll taxes	55,694	17,015	16,050
Employee benefits	60,210	18,789	18,362
Insurance	3,782	1,292	1,127
Professional services	220,694	36,131	64,451
Office expenses	22,753	9,005	6,614
Facility and equipment	15,376	7,228	2,622
Travel and meetings	13,692	3,137	3,367
Dues and fees	15,862	5,904	2,522
Meals	4,603	318	428
Rent	4,751	987	1,032
In-kind expenses	270	-	2,500
TOTAL EXPENSES	\$ <u>1,137,778</u>	\$ <u>320,096</u>	\$ <u>325,602</u>
			\$ <u>1,783,476</u>

See independent accountant's review report and notes to financial statements.

PROSPERA COMMUNITY DEVELOPMENT

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (324,708)
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:	
(Increase) decrease in operating assets:	
Accounts receivable	(56,248)
Contributions receivable	(118,481)
Prepaid expenses	2,117
Other assets	(2,966)
Increase (decrease) in operating liabilities:	
Accounts payable	18,068
Accrued payroll	24,497
Accrued vacation	18,227
Other current liabilities	<u>(16,827)</u>
NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES	(456,321)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	<u>(42,808)</u>
NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES	<u>(42,808)</u>
NET INCREASE (DECREASE) IN CASH	(499,129)
CASH AND CASH EQUIVALENTS, beginning of year	
With donor restrictions	1,151,083
Without donor restrictions	<u>1,540,203</u>
TOTAL CASH AND CASH EQUIVALENTS, beginning of the year	2,691,286
CASH AND CASH EQUIVALENTS, end of year	
With donor restrictions	538,936
Without donor restrictions	<u>1,653,221</u>
TOTAL CASH AND CASH EQUIVALENTS, ending of the year	\$ <u><u>2,192,157</u></u>

See independent accountant's review report and 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 women entrepreneurs 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:

- *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. Crece Comunidad also offers the following multi-session courses:
 - *Explora* is a course on the fundamentals of cooperative business development. It is offered 1-2 times per year and covers skills development on topics including cooperative governance, effective communication, power and privilege and access to capital. It includes public panel discussions around topics of accessing capital and cooperative experiences.
 - *Planea tu Negocio* is a business plan development course offered twice a year from the Organization'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 implement 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. Participating 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 the 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)

- *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 these 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 the 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.

Net Assets

Financial statement presentation follows the requirement of the Financial Accounting Standards 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, 2024.

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, 2024.

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

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.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The Organization uses Accounting Standards Codification (“ASC”) 842. The Organization has 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 the economic benefits from the use of an identified asset and whether the Organization has the right to direct the use of an identified asset in exchange for consideration. Right of use (“ROU”) assets represent 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 a 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.

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 (balance sheet).

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 as of December 31, 2024.

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:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries, wages and related	Time and effort
Professional services	Time and effort

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, 2024.

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.

The Organization did not have property and equipment as of December 31, 2024.

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 receivable and revenue when the conditions on which they depend are substantially met. Contributions receivables are stated at unpaid balances, less an allowance for doubtful accounts. The Organization uses the allowance method to determine uncollectible receivables. 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 collectible.

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, 2024. 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 and contributions.

The Organization recognizes revenue as performance obligations are satisfied.

Service and fee 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, contributions 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 approximately 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, 2024 were as follows:

	Level 1	Total
Certificates of Deposit	\$ 1,071,258	\$ 1,071,258

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 expended when the advertising first occurs. There were no advertising expenses for the year ended December 31, 2024.

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, 2024, cash deposits in the amount of \$126,250 were not FDIC insured.

The Organization has concentration of significant credit risk in revenue as a result of major contribution from several donors. For the year ended December 31, 2024, approximately 29% of the total revenue was from the Kataly Foundation and 15% was from the California Office of The Small Business Advocate, Governor's Office of Business and Economic Development. As of December 31, 2024 80% receivables were from the Kataly Foundation and 18% were from the California Office of The Small Business Advocate, Governor's Office of Business and Economic Development.

NOTE 5 – 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.

As of December 31, 2024, the Organization received the following in-kind contributions:

- 100 gift cards, each has a face value of \$50. The total fair value of those cards was \$5,000. As of December 31, 2024, the Organization used \$2,500 and the remaining unused gift cards, \$2,500 were recorded as other assets on the statement of financial position.
- a discount of \$270, which was valued as a deduction from the total gift cards value as of December 31, 2024.

During the year ended December 31, 2024, 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 63 hours of volunteer services that were provided by 12 volunteers for various program and administrative tasks, and 245 hours of volunteer services that were provided by eight board members for their governing services.

NOTE 6 – RELATED PARTY TRANSACTIONS

During the year ending on December 31, 2024, 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, 2024, the Organization paid \$20,200 in professional fees to these board members in exchange for their services.

NOTE 7 – 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	\$	2,192,157
Short-term investment, CD		1,071,258
Accounts receivable		97,046
Contributions receivable		156,200
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions		<u>688,936</u>
Financial assets available for general expenditure within one year	\$	<u><u>2,827,725</u></u>

\$2,827,725 of financial assets were available to cover the Organization’s liquidity needs as of December 31, 2024. The Organization has a goal to maintain sufficient financial assets on hand, 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 \$645,698 (based on the total supporting expenses for the year ended December 31, 2024).

Based on the projected estimate, the Organization accumulated enough liquid assets to sustain its liquidity needs within the next 12 months.

NOTE 8 – 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. There were no conditional grants as of December 31, 2024 for which barriers were not met.

NOTE 9 – ACCRUED VACATION

Accrued vacation consists of accrued unpaid employee vacation benefits which are recognized as liabilities of the Organization. As of December 31, 2024, the estimated accrued vacation amounts to \$77,195, 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 10 – NET ASSETS WITH DONOR RESTRICTIONS

For the year ended December 31, 2024 the Organization's net assets with donor restriction were as follows:

<u>Funder (Purpose)</u>	<u>12/31/2023</u>	<u>Additions</u>	<u>Releases</u>	<u>12/31/2024</u>
Kaiser Permanente (Program)	\$ 75,000	\$ -	\$ (75,000)	\$ -
JP Morgan Chase Foundation	268,333	-	(140,000)	128,333
Rapidan Foundation (Time)	15,000	-	(15,000)	-
Impact Assets - Kataly (Time)	150,000	-	(150,000)	-
Latino Community Foundation (Program)	5,000	-	(5,000)	-
Cal Wellness (Time)	382,750	-	(134,541)	248,209
Sergey Brin (Time)	100,000	-	(100,000)	-
Latino Community Foundation (Program)	45,000	-	(45,000)	-
JP Morgan Chase Foundation (Program)	10,000	-	(10,000)	-
CZI (Time)	375,000	-	(250,000)	125,000
Asset Funders Network (Conference)	-	550	(550)	-
Randi-Randi project	-	3,394	-	3,394
WFB grant reserved for loan	-	25,000	-	25,000
Impact Assets (Time)	-	420,282	-	420,282
Latino Community Foundation (Program)	-	5,000	-	5,000
First Unitarian Universalist Society (Time)	-	4,000	-	4,000
Total	\$ <u>1,426,083</u>	\$ <u>458,226</u>	\$ <u>(925,091)</u>	\$ <u>959,218</u>

NOTE 11 – CONTRIBUTIONS RECEIVABLE

As of December 31, 2024, the Organization had contributions receivable as follows:

Within 1 year	\$ 156,200
Within 2 to 5 years	300,000
Less discount	<u>(29,718)</u>
Total	\$ <u>426,482</u>

As of December 31, 2024, the Organization received one long term grant with amount of \$450,000 from the Kataly Foundation. The grants due in more than one year are recorded at their present value using a discount rate of 4.27%, which approximates the rate from Daily Treasury Rates for similar term receivable on the promised date. The discount is amortized over the collection period and recognized as contribution revenue. After deducting the discount of \$29,718, the total grant amount was \$420,282 which recorded as contributions receivable.

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, 2024 through August 31, 2025, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

The Organization commenced a new commercial lease for office space located at 1203 Preservation Park Way, Oakland CA 94612 for three years starting February 1, 2025.

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