

Notes to Financial Statements

Note 1: Nature of Organization

ABC Nonprofit Organization (the "Organization") is a not-for-profit entity incorporated in the State of Example. The Organization's mission is to provide educational programs and community outreach to underprivileged youth.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on an accrual basis in conformity with generally accepted accounting principles (GAAP).

Revenue Recognition

Contributions are recognized when received. Grants and pledges are recognized when promised, if they are unconditional.

Donated Services and In-Kind Contributions

The Organization recognizes contributed services that create or enhance non-financial assets or require specialized skills, provided by individuals possessing those skills.

Note 3: Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits and certificates of deposit with initial maturities of three months or less.

Account	2023	2022
Bank Checking	\$23,541	\$17,183
Money Market Fund	\$10,298	\$9,700
Total	\$33,839	\$26,883

Note 4: Grants and Contributions Receivable

At December 31, 2023, the Organization had unconditional grants and contributions receivable totaling \$12,500, all of which are expected to be collected within one year.

Note 5: Net Assets

Net assets consist of the following as of December 31, 2023:

- **Without donor restrictions:** \$40,000
- **With donor restrictions:** \$17,250

Note 6: Functional Expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the program and supporting services benefited.

Note 7: Subsequent Events

The Organization has evaluated subsequent events through March 15, 2024, the date the financial statements were available to be issued, and determined that there were no subsequent events requiring disclosure.