

# 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.