
HEYDAY

FINANCIAL STATEMENTS

December 31, 2020

(WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2019)

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

HEYDAY

Contents

Independent Auditors' Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to the Financial Statements	7-15

INDEPENDENT AUDITORS' REPORT

Board of Directors
Heyday
Berkeley, California

Report on the Financial Statements

We have audited the accompanying financial statements of Heyday (the Organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heyday as of December 31, 2020, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 2, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Croody & Lameda CPAs LLP

Oakland, California

August 12, 2021

HEYDAY

Statement of Financial Position December 31, 2020 (With Comparative Totals as of December 31, 2019)

	2020	2019
Assets		
Assets		
Cash and cash equivalents	\$ 994,725	\$ 908,948
Accounts receivable, net (Note 3)	479,774	207,638
Contributions receivables	60,000	2,466
Inventory (Note 4)	376,018	431,405
Royalty advances	109,634	90,193
Work in progress	67,784	65,650
Prepaid expenses and deposits	23,748	48,293
Total Assets	<u>\$ 2,111,683</u>	<u>\$ 1,754,593</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 373,662	\$ 252,860
Accrued vacation	46,651	28,984
Deferred revenue (Note 5)	105,487	103,742
Deferred rent	14,318	-
Paycheck Protection Program loan (Note 6)	149,269	-
Total Liabilities	<u>689,387</u>	<u>385,586</u>
Net Assets		
Without donor restrictions	1,082,022	1,170,459
With donor restrictions (Note 9)	340,274	198,548
Total Net Assets	<u>1,422,296</u>	<u>1,369,007</u>
Total Liabilities and Net Assets	<u>\$ 2,111,683</u>	<u>\$ 1,754,593</u>

See Notes to the Financial Statements

HEYDAY

Statement of Activities For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Support and Revenue				
Support				
Foundation and individual contributions	\$ 378,292	\$ 400,021	\$ 778,313	\$ 540,003
Special events, net (Note 10)			-	102,515
In-kind support (Note 11)	3,501		3,501	45,908
Total Support	<u>381,793</u>	<u>400,021</u>	<u>781,814</u>	<u>688,426</u>
Book Sales				
Gross sales	1,773,538		1,773,538	1,617,779
Cost of goods sold	(573,948)		(573,948)	(487,004)
Total Book Sales, net	<u>1,199,590</u>	<u>-</u>	<u>1,199,590</u>	<u>1,130,775</u>
Other Revenue				
Co-publishing	116,840		116,840	25,000
Conference	99,718		99,718	-
Subscriptions and advertising	36,755		36,755	41,884
Other	16,500		16,500	7,784
Total Other Revenue	<u>269,813</u>	<u>-</u>	<u>269,813</u>	<u>74,668</u>
Support provided by expiring time and purpose restrictions	258,295	(258,295)	-	-
Total Support and Revenue	<u>2,109,491</u>	<u>141,726</u>	<u>2,251,217</u>	<u>1,893,869</u>
Expenses				
Program	1,671,354		1,671,354	1,567,061
Management and general	379,642		379,642	358,241
Fundraising	146,932		146,932	116,404
Total Expenses	<u>2,197,928</u>	<u>-</u>	<u>2,197,928</u>	<u>2,041,706</u>
Change in net assets	(88,437)	141,726	53,289	(147,837)
Net Assets, beginning of year	<u>1,170,459</u>	<u>198,548</u>	<u>1,369,007</u>	<u>1,516,844</u>
Net Assets, end of year	<u>\$ 1,082,022</u>	<u>\$ 340,274</u>	<u>\$ 1,422,296</u>	<u>\$ 1,369,007</u>

See Notes to the Financial Statements

HEYDAY

Statement of Cash Flows For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 53,289	\$ (147,837)
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	(272,136)	(1,820)
Contributions receivable	(57,534)	6,534
Inventory	55,387	22,530
Royalty advance	(19,441)	58,559
Work in progress	(2,134)	37,646
Prepaid expenses and deposits	24,545	(25,727)
Accounts payable and accrued expenses	120,802	9,700
Accrued vacation	17,667	3,969
Deferred revenue	1,745	11,330
Deferred rent	14,318	-
Net cash provided (used) by operating activities	<u>(63,492)</u>	<u>(25,116)</u>
Cash flows from financing activities:		
Proceeds from paycheck protection program loan	149,269	-
Net cash provided (used) by financing activities	<u>149,269</u>	<u>-</u>
Net change in cash and cash equivalents	85,777	(25,116)
Cash and cash equivalents, beginning of year	<u>908,948</u>	<u>934,064</u>
Cash and cash equivalents, end of year	<u>\$ 994,725</u>	<u>\$ 908,948</u>

See Notes to the Financial Statements

HEYDAY

Statement of Functional Expenses For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

	Program	Management and General	Fundraising	Total	
				2020	2019
Salaries	\$ 442,769	\$ 212,167	\$ 96,203	\$ 751,139	\$ 703,662
Benefits	27,746	51,879	9,150	88,775	71,634
Payroll taxes	33,432	17,850	7,494	58,776	56,373
Total Personnel	<u>503,947</u>	<u>281,896</u>	<u>112,847</u>	<u>898,690</u>	<u>831,669</u>
Legal	-	-	-	-	2,000
Accounting fees	-	29,857	-	29,857	21,807
Contract services	141,326	11,446	10,306	163,078	61,997
Advertising and commissions	12,050	461	-	12,511	13,127
Supplies and office expense	77,378	11,715	3,517	92,610	82,160
Information technology	12,960	4,565	2,203	19,728	13,628
Travel and meals	3,414	6,397	5,572	15,383	25,443
Occupancy	49,767	27,641	11,156	88,564	93,112
Royalties	233,392	-	-	233,392	204,960
Conferences and meetings	52,946	-	971	53,917	73,558
Insurance	-	5,664	-	5,664	6,861
Loss on inventory write-off	92,960	-	-	92,960	113,864
Bad debt expense	-	-	-	-	79,974
Warehouse and distribution fees	491,214	-	-	491,214	417,546
Other	-	-	360	360	-
Expenses by Function	<u>1,671,354</u>	<u>379,642</u>	<u>146,932</u>	<u>2,197,928</u>	<u>2,041,706</u>
Expenses reported on a net basis on the Statement of Activities					
Cost of goods sold	573,948	-	-	573,948	487,004
Direct donor benefit	-	-	-	-	31,418
Total Expenses	<u>\$ 2,245,302</u>	<u>\$ 379,642</u>	<u>\$ 146,932</u>	<u>\$ 2,771,876</u>	<u>\$ 2,560,128</u>

See Notes to the Financial Statements

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

NOTE 1: NATURE OF ACTIVITIES

Heyday (the Organization), a California nonprofit corporation, is an independent, nonprofit publisher and unique cultural institution promoting awareness and celebration of California's many cultures, landscapes and boundary-breaking ideas. Heyday is building a community of readers, writers and thinkers through books, public events and innovative outreach programs. Sources of revenue are primarily donations and book sales.

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 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 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 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

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

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.

Accounts Receivable

Accounts receivable are primarily unsecured non-interest bearing amounts due from customers on performance contracts. The Organization records accounts receivable net of allowance for sales returns and allowance for doubtful accounts. Allowance for sales returns is estimated based on percentage of historical returns weighted by date since original purchase. Allowance for doubtful accounts is estimated based on aged receivables greater than 90 days not collected within the first quarter of the subsequent fiscal year.

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 has evaluated the value of the discount and concluded that it was not material for recognition. The Organization considers all contributions receivable to be fully collectible at December 31, 2020. 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.

Accounting for Revenue

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.

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

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.

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.

Accounting for Book Sales

Book sales are recorded upon delivery to booksellers and distributors, and are presented net of cost of goods sold. The Organization has an allowance for sales return and adjustments to the allowance are netted against book sales.

Cost of Goods Sold

Cost of goods sold include production costs, printing and freight-in and are presented as reductions of book sales revenue.

Co-Publishing Revenue

The Organization works with authors and other organizations to publish books. Fees collected in co-publishing agreements is recorded as progress towards project milestones and deliverables are met.

Conferences

Conference revenue consist of registration fees and other proceeds for the Wild Wonder conference. The Organization recognizes conference revenue as the related events occur. In general, registration for events opens in the same year as the event occurs. In the event that registration is opened in a year prior to the event year, the Organization defers recognition of such revenue until the year of the event.

Subscription and Advertising

Subscription and advertising revenue consist of subscription fees collected for the quarterly News from Native California (NNC) publication and related advertising fees. The Organization records subscription and advertising revenue upon delivery of quarterly publications.

Royalty Advances

Royalty advances represent advance payments to authors during the production phase of books to be earned out against future book sales. The Organization reviews royalty advances for impairment annually as part of its review of slow-moving inventory.

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

Work in Progress

Work in progress consists of production costs associate with books which have not been published as of December 31, 2020.

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:

Furniture and equipment	5-7 years
Computer equipment	5 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. As of December 31, 2020, all property and equipment was fully depreciated.

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 December 31, 2020 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.

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

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 values 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 December 31, 2020.

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.

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 percentages per employee.

Occupancy, depreciation, and amortization, and interest are allocated on the overall allocations for all employees.

Telephone and internet services, insurance, and supplies and miscellaneous expenses that cannot be directly identified are allocated on the basis above (percentage allocations per employee).

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.

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

Changes in Accounting Principles

The Organization adopted *ASU 2014-09 – Revenue from Contracts with Customers (Topic 606)* during the year ended December 31, 2020. This guidance requires an entity to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of ASU 2014-09 did not result in a material change to timing of when revenue is recognized.

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 December 31, 2019, 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.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ 566,916	\$ 304,878
Less: Allowance for doubtful accounts	(8,356)	(22,595)
Less: Allowance for sales returns	<u>(78,786)</u>	<u>(74,645)</u>
Total	<u>\$ 479,774</u>	<u>\$ 207,638</u>

NOTE 4: INVENTORY

Inventory consists of books which are carried at the lower of cost or market applied on a consistent basis. Items are reviewed annually for impairment and are written off if deemed slow-moving or damaged. Inventory activity consisted of the following for the year ended December 31, 2020:

Opening inventory	\$ 431,405
Purchases	263,404
Completion of work in progress	340,947
Cost of goods sold	(571,628)
Inventory obsolescence	<u>(88,110)</u>
Total	<u>\$ 376,018</u>

The Organization valued inventory at cost or a portion of cost if inventory is slow selling as follows:

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

<u>Turnover</u>	<u>Value as % of cost</u>
< 5 years	100%
< 10 years	90%
< 15 years	50%
< 100 years	20%
No sales in a year	0%

NOTE 5: DEFERRED REVENUE

Deferred revenue consists of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Unearned publishing fees	\$ 50,000	\$ 50,000
Co-publishing	11,400	25,000
Unearned royalty advance	10,500	-
Unearned subscription fees	<u>33,587</u>	<u>28,742</u>
Total	<u>\$ 105,487</u>	<u>\$ 103,742</u>

NOTE 6: PAYCHECK PROTECTION PROGRAM (PPP) LOAN

The Organization received a Paycheck Protection Program (PPP) loan of \$149,269 bearing interest of 1% with a maturity date of April 16, 2022 which it accounts for under FASB 470. Based on the guidance in *FASB ASC 405-20-40-1*, the proceeds from the loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the Organization has been “legally released or (2) the Organization pays off the loan. Future payments are as follows for the years ended December 31:

2021	\$ 66,066
2022	<u>83,203</u>
Total	<u>\$ 149,269</u>

Guidance related to this program is evolving, and it remains possible that final forgiveness amounts may vary from these estimates or that no forgiveness will be offered. The SBA reserves the right to audit any forgiveness granted, and such audit activity, if any, may result in changes to amounts forgiven or a requirement to return funds received under the program.

NOTE 7: COMMITMENTS

Operating Leases

The Organization leases office space under a non-cancelable lease in Berkeley, California that expires on December 2022. Future minimum lease payments were as follows for the years ended December 31:

2021	\$ 81,441
2022	<u>79,478</u>
Total	<u>\$ 160,919</u>

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

Rent for the years ended December 31, 2020 and 2019 was \$79,082 and \$75,375, respectively.

NOTE 8: CONTINGENCIES

Grant awards 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 9: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Fiscally sponsored projects	\$ 90,023	\$ 52,862
Book projects	<u>250,251</u>	<u>145,686</u>
Total	<u>\$ 340,274</u>	<u>\$ 198,548</u>

NOTE 10: SPECIAL EVENT

During the year ended December 31, 2020, the Organization's annual fundraising event was canceled due to COVID-19 restrictions. Activity related to the event was \$0 and \$102,515 for the years ended December 31, 2020 and 2019, respectively.

NOTE 11: IN-KIND SUPPORT

The Organization received the benefit of the following in-kind support during the years ended December 31:

	<u>2020</u>	<u>2019</u>
Royalties	\$ 3,501	\$ 42,668
Storage	<u>-</u>	<u>3,240</u>
Total	<u>\$ 3,501</u>	<u>\$ 45,908</u>

NOTE 12: LINE OF CREDIT

The Organization has a secured line of credit with a bank for a total of \$100,000 to be drawn down upon as needed, with a variable interest rate at the Wall Street Journal Prime Rate + .75%. As of December 31, 2020, there was no outstanding balance.

NOTE 13: CONDITIONAL PROMISES TO GIVE

In addition to the activity reflected on the Organizations statement of activity, the Organization received certain conditional promises to give based on program performance and other requirements. As of December 31, 2020, conditional promises to give totaled \$40,100. The Organization recognizes such promises to give as support once the related conditions are satisfied.

HEYDAY

Notes to the Financial Statements For the Year Ended December 31, 2020 (With Comparative Totals for the Year Ended December 31, 2019)

NOTE 14: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of August 12, 2021, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose other than the information noted below:

Continuing Public Health Emergency

In March 2020, the WHO classified the COVID-19 outbreak as a pandemic and the Organization and the area it operates in was subject to a public health order related to COVID-19 coronavirus which affected activities of the Organization. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude of the effect that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact on its financial condition, liquidity, operations and workforce.

NOTE 15: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 are:

Cash and cash equivalents	\$ 994,725
Accounts receivable, net	479,774
Contributions receivable	60,000
Less purpose-restricted net assets	<u>(340,274)</u>
Total	<u>\$ 1,194,225</u>

As part of the Organization's liquidity management plan, the Organization deposits funds in cash in excess of daily requirements in cash and cash equivalents. The Organization maintains a revolving line of credit of \$100,000 to cover short-term cash needs.