

FINANCIAL STATEMENTS

MY VERY OWN BED
MINNEAPOLIS, MINNESOTA

FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

My Very Own Bed
Table of Contents
December 31, 2023 and 2022

	<u>Page No.</u>
Independent Auditor's Report	3
Financial Statements	
Statements of Financial Position	6
Statements of Activities	7
Statements of Functional Expenses	9
Statements of Cash Flows	11
Notes to the Financial Statements	12

INDEPENDENT AUDITOR'S REPORT

Board of Directors
My Very Own Bed
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statement of My Very Own Bed (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses 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 the Organization 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 the Organization 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 the Organization'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, including omissions, 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 the Organization'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 the Organization'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.

Prior Period Financial Statements

The financial statements of the Organization as of December 31, 2022 were audited by other auditors whose report dated August 18, 2023 expressed an unmodified opinion on those statements.



Abdo
Minneapolis, Minnesota
May 14, 2024



FINANCIAL STATEMENTS

My Very Own Bed
Statements of Financial Position
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 199,180	\$ 314,644
Grants and contributions receivable	26,286	3,820
Prepaid expenses	10,674	5,898
Investments	287,892	63,276
Inventory	69,370	74,442
Total Current Assets	593,402	462,080
Property and Equipment		
Furniture and equipment	8,354	21,004
Accumulated depreciation	(1,004)	(18,337)
Total Property and Equipment, Net	7,350	2,667
Other Assets		
Security deposit	1,447	1,447
Right of use asset - operating lease	93,790	40,874
Total Other Assets	95,237	42,321
Total Assets	\$ 695,989	\$ 507,068
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 10,252	\$ 14,232
Deferred revenue	-	15,000
Lease liability - current portion	29,987	-
Total Current Liabilities	40,239	29,232
Noncurrent Liabilities		
Lease liability - noncurrent portion	64,662	41,933
Total Liabilities	104,901	71,165
Net Assets		
Without donor restrictions	546,188	435,903
With donor restrictions	44,900	-
Total Net Assets	591,088	435,903
Total Liabilities and Net Assets	\$ 695,989	\$ 507,068

See Independent Auditor's Report and Notes to the Financial Statements.

My Very Own Bed
Statements of Activities
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Support			
Contributions and grants	\$ 573,109	\$ 89,250	\$ 662,359
In-kind donations	176,151	-	176,151
Event revenue, net of \$25,084 of event expenses	91,650	-	91,650
Total Support	<u>840,910</u>	<u>89,250</u>	<u>930,160</u>
Revenue			
Referral fees	54,564	-	54,564
Other revenue	3,927	-	3,927
Gain (loss) on sale of fixed assets	12,000	-	12,000
Investment income	4,890	-	4,890
Total Revenue	<u>75,381</u>	<u>-</u>	<u>75,381</u>
Net Assets Released from Restriction			
Satisfaction of program restrictions	44,350	(44,350)	-
Total Support and Revenue	<u>960,641</u>	<u>44,900</u>	<u>1,005,541</u>
Expenses			
Program services	685,948	-	685,948
Supporting services			
Management and general	85,381	-	85,381
Fundraising	79,027	-	79,027
Total Supporting Services	<u>164,408</u>	<u>-</u>	<u>164,408</u>
Total Expenses	<u>850,356</u>	<u>-</u>	<u>850,356</u>
Change in Net Assets	110,285	44,900	155,185
Net Assets, Beginning of Year	435,903	-	435,903
Net Assets, End of Year	<u>\$ 546,188</u>	<u>\$ 44,900</u>	<u>\$ 591,088</u>

See Independent Auditor's Report and Notes to the Financial Statements.

My Very Own Bed
Statements of Activities (Continued)
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Support			
Contributions and grants	\$ 565,016	\$ -	\$ 565,016
In-kind donation	216,096	-	216,096
Event revenue, net of \$30,119 of event expenses	98,868	-	98,868
Total Support	879,980	-	879,980
Revenue			
Referral fees	46,585	-	46,585
Other revenue	3,320	-	3,320
Unrealized losses on investments	(9,339)	-	(9,339)
Total Revenue	40,566	-	40,566
Net Assets Released from Restriction			
Satisfaction of program restrictions	-	-	-
Total Support and Revenue	920,546	-	920,546
Expenses			
Program services	724,021	-	724,021
Supporting services			
Management and general	76,318	-	76,318
Fundraising	90,475	-	90,475
Total Supporting Services	166,793	-	166,793
Total Expenses	890,814	-	890,814
Change in Net Assets	29,732	-	29,732
Net Assets, Beginning of Year	406,171	-	406,171
Net Assets, End of Year	\$ 435,903	\$ -	\$ 435,903

See Independent Auditor's Report and Notes to the Financial Statements.

My Very Own Bed
Statements of Functional Expenses
For the Year Ended December 31, 2023

	Supporting Services			Total Supporting Services	Total
	Program Services	Management and General	Fundraising		
Personnel Costs					
Salaries and wages	\$ 76,114	\$ 40,375	\$ 47,625	\$ 88,000	\$ 164,114
Employee benefits	7,073	3,752	4,426	8,178	15,251
Payroll taxes	5,954	3,159	3,726	6,885	12,839
Total Personnel Costs	89,141	47,286	55,777	103,063	192,204
Expenses					
In-kind expenses (Dream Kits)	503,989	-	-	-	503,989
Facilities and equipment	53,350	6,604	7,790	14,394	67,744
Professional services	20,826	21,899	5,528	27,427	48,253
Office expenses	11,828	5,141	6,519	11,660	23,488
Insurance	1,629	864	1,020	1,884	3,513
Advertising	1,400	742	1,305	2,047	3,447
Travel and meetings	2,060	335	604	939	2,999
Miscellaneous expense	-	1,930	-	1,930	1,930
Board development	952	170	-	170	1,122
Total Expenses Before Depreciation	685,175	84,971	78,543	163,514	848,689
Depreciation expense	773	410	484	894	1,667
Total Expenses	\$ 685,948	\$ 85,381	\$ 79,027	\$ 164,408	\$ 850,356

See Independent Auditor's Report and Notes to the Financial Statements.

My Very Own Bed
Statements of Functional Expenses (Continued)
For the Year Ended December 31, 2022

	Supporting Services			Total Supporting Services	Total
	Program Services	Management and General	Fundraising		
Expenses					
Donated goods	\$ 565,490	\$ -	\$ -	\$ -	\$ 565,490
Personnel	89,050	47,790	46,214	94,004	183,054
Professional fees	10,139	18,477	5,746	24,223	34,362
Operations	6,740	3,099	3,239	6,338	13,078
Facilities and equipment	44,720	1,493	1,290	2,783	47,503
Travel and meetings	1,468	-	-	-	1,468
Advertising, promotion and events	1,664	893	31,765	32,658	34,322
Other expenses	2,895	3,582	1,060	4,642	7,537
Total Expenses Before Depreciation	<u>722,166</u>	<u>75,334</u>	<u>89,314</u>	<u>166,648</u>	<u>886,814</u>
Depreciation expense	<u>1,855</u>	<u>984</u>	<u>1,161</u>	<u>2,145</u>	<u>4,000</u>
Total Expenses	<u>\$ 724,021</u>	<u>\$ 76,318</u>	<u>\$ 90,475</u>	<u>\$ 166,793</u>	<u>\$ 890,814</u>

See Independent Auditor's Report and Notes to the Financial Statements.

My Very Own Bed
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 155,185	\$ 29,732
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	1,667	4,000
Gain on fixed assets	(12,000)	-
Noncash contributions in excess of noncash expenses	5,072	29,497
Donated investments received	(16,427)	(29,630)
Bad debt expense	1,280	-
Unrealized (gain)/loss on investments	(1,119)	4,454
Investment expense	933	-
Realized (gain)/loss on investments	(10,737)	4,885
(Increase) decrease in assets:		
Accounts receivable	(23,746)	(3,820)
Prepaid expenses	(4,776)	(1,585)
Security deposit	-	(1,447)
Right of use asset- operating lease	(52,916)	23,067
Increase (decrease) in liabilities:		
Accounts payable	(3,980)	14,232
Accrued expenses	-	(9,234)
Deferred revenue	(15,000)	-
Operating lease liability	52,716	(22,008)
Net Cash Provided by Operating Activities	76,152	42,143
Cash Flows from Investing Activities		
Sale of fixed assets	13,000	-
Purchase of fixed assets	(7,350)	-
Purchase of investments	(261,988)	(69,344)
Sale of investments	64,722	67,315
Net Cash Used by Investing Activities	(191,616)	(2,029)
Change in Cash and Cash Equivalents	(115,464)	40,114
Cash and Cash Equivalents, Beginning of Year	314,644	274,530
Cash and Cash Equivalents, End of Year	\$ 199,180	\$ 314,644
Noncash Financing Activities		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 86,109	\$ 63,941

See Independent Auditor's Report and Notes to the Financial Statements.

My Very Own Bed
Notes to the Financial Statements
December 31, 2023 and 2022

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

My Very Own Bed (the Organization) is a non-profit, 501(c)(3) tax-exempt organization with the mission of providing new beds and linens to children of families who have recently secured stable housing. Since its founding in 2014, the Organization has grown steadily to reach more children each year with a new bed and Dream Kit (bedding, book, and stuffed animal) and to work toward their vision that all children should have a bed so they can sleep well, dream, and find comfort in a place of their own. The Organization focuses on beds for kids because of the power of sleep to help kids heal, grow, and thrive. By the end of 2023, the Organization had reached over 7,000 children ages 2-17 living throughout the Twin Cities metropolitan area and plans to reach at least another 1,800 in 2024. These children are now sleeping better and feeling and doing better at home and in school.

B. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Contributions received are recorded as an increase in non-donor-restricted or donor-restricted support depending on the existence or nature of any donor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Those resources over which the Organization has discretionary control. Designated amounts represent those revenues that are set aside for a particular purpose.

Net Assets With Donor Restrictions - Those resources subject to donor-imposed restrictions, which are satisfied by actions of the Organization or passage of time, or are to be maintained permanently by the Organization.

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

For the purpose of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered to be cash equivalents.

E. Grants and Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

As of December 31, 2023 and 2022, the Organization's grants receivable consisted of unconditional promises to give in the amounts of \$26,286 and \$3,820, respectively. As of December 31, 2023, all grants receivable are expected to be collected in 2024.

My Very Own Bed
Notes to the Financial Statements
December 31, 2023 and 2022

Note 1: Summary of Significant Accounting Policies (Continued)

F. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

G. Inventory

Inventories, consisting primarily of purchased and donated mattresses, bed frames, and "Dream Kits", are stated at either the cost of the item or the fair market value of the donated items. The fair market value of the items is determined based on management's estimate of the most recent retail price available for similar items purchased new. The individual items that make up Dream Kits consist of bed sheets, a blanket, a pillow, a book, a stuffed animal, and a mattress pad. The Dream Kits are used directly in support of the Organization's mission.

H. Property and Equipment

Buildings and equipment costing more than \$2,500 are recorded at cost or in the case of contributed property at the fair market value at the date of contribution. Depreciation is computed using the straight-line method over estimated useful lives of three to ten years for equipment and furnishings. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred.

Assets are depreciated using the straight-line and accelerated methods over the following useful lives:

	Useful Life
Furniture and Equipment	<hr/> 3 - 10 years

Depreciation expense for the years ended December 31, 2023 and 2022 was \$1,667 and \$4,000, respectively.

My Very Own Bed
Notes to the Financial Statements
December 31, 2023 and 2022

Note 1: Summary of Significant Accounting Policies (Continued)

I. Leases

The Organization determines if an arrangement is a lease at inception. If an arrangement contains a lease, the Organization performs a lease classification test to determine if the lease is an operating lease or a finance lease. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating lease liabilities are recognized on the commencement date of the lease based on the present value of the future lease payments over the lease term and are included in long-term liabilities and current liabilities on the statement of financial position. ROU assets are valued at the initial measurement of the lease liability, plus any indirect costs or rent prepayments, and reduced by any lease incentives and any deferred lease payments. Operating ROU assets are recorded on the face of the statement of financial position and are amortized over the lease term. To determine the present value of lease payments on lease commencement, the Organization uses the implicit rate when readily determinable. Lease terms include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense is recognized on a straight-line basis over the life of the lease and is included within operating expenses on the statement of activities. The Organization has made the following elections related to leases:

- The Organization has elected to use a risk-free rate as the discount rate on all classes of underlying assets when an implicit rate is not readily available.
- The Organization has elected the practical expedient to account for the lease and non-lease components as a single lease component for classes of underlying assets.
- The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. Short-term leases will not be capitalized.

J. Revenue Recognition

The Organization follows the provisions of Accounting Standards Codification 606, *Contracts with Customers* on revenues derived from its referral fees.

In the case of revenue from referral fees, this revenue is recognized when invoiced. Referral Fees are billed monthly and recorded as revenue upon invoicing of the referral partners.

K. Performance Obligations

The performance obligation related to the referral fees is satisfied upon delivery of the beds to the recipients; therefore, the organization recognizes revenue on a monthly basis.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the operating period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property are recorded at fair market value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

My Very Own Bed
Notes to the Financial Statements
December 31, 2023 and 2022

Note 1: Summary of Significant Accounting Policies (Continued)

L. In-kind Contributions

In accordance with GAAP for non-profit organizations, contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received as noted in Note 7.

Occasionally the Organization will receive in-kind donations in the form of stock gifts. The Organization's policy related to stock gifts in-kind is to sell the stock at its fair market value upon receipt.

M. Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Minnesota Statute 290.05.

N. Advertising

The Organization used advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. Advertising expense was \$3,447 and \$3,850 for the years ended December 31, 2023 and 2022, respectively.

O. Functional Expense Allocation

The costs of providing programs and services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated between program and the supporting services benefited. Direct expenses are charged to the functional area benefited. Occupancy costs such as rent based upon square footage will be allocated to management, program and fundraising.

P. New Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASC 2016-13" or ASC 326"). Which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

In March 2016, the FASB issued ASU No. 2016-02, Leases, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase transparency and comparability among organizations by reorganizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and shall be applied using either a full retrospective or modified retrospective approach. The new guidance is effective for the Organization in the current year. The Organization has implemented the guidance and the impact of the adoption was not considered material to the financial statements and related notes.

My Very Own Bed
Notes to the Financial Statements
December 31, 2023 and 2022

Note 1: Summary of Significant Accounting Policies (Continued)

Q. Subsequent Events

Subsequent events have been evaluated through May 14, 2024, the date the financial statements were available for issuance.

R. Related Party Transactions

The Organization has a board member that is a referral partner, the Organization invoiced the board member for referral fees totaling \$1,250.

Note 2: Prepaid Expenses

Prepaid expenses were as follows as of December 31:

	2023	2022
Prepaid Insurance	\$ 6,880	\$ 5,898
Prepaid Services	3,794	-
Total	\$ 10,674	\$ 5,898

Note 3: Fair Value Measurement

Generally accepted accounting principles establish a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

My Very Own Bed
Notes to the Financial Statements
December 31, 2023 and 2022

Note 3: Fair Value Measurement (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table presents the balances of assets measured at fair value on a recurring basis by level within the fair value hierarchy at December 31, 2023:

Money Market Funds: Valued at cash value.

Certificates of Deposit: Valued at invested basis plus accrued interest to date.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

	2023		
	Level 1	Level 2	Level 3
Certificates of Deposit	\$ 200,000	\$ -	\$ -
Money Market	1,793	-	-
Mutual Funds	86,099	-	-
Total	\$ 287,892	\$ -	\$ -
	2022		
	Level 1	Level 2	Level 3
Money Market	\$ 1,963	\$ -	\$ -
Mutual Funds	63,276	-	-
	\$ 65,239	\$ -	\$ -

Note 4: Net Assets With Donor Restrictions

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

	2023	2022
Time Restricted	\$ 25,000	\$ -
Mattresses and Beds	19,900	-
Total Net Assets With Donor Restrictions	\$ 44,900	\$ -

My Very Own Bed
Notes to the Financial Statements
December 31, 2023 and 2022

Note 5: Leases

The Organization has rental commitments under non-cancelable leases for office space in effect on December 31, 2023. In July 2021, the Organization signed their building lease for two years with an option to renew their lease for an additional year. On March 6, 2023, the option to renew the lease was exercised. On January 4, 2023, the Organization entered into a lease for 7 years for a delivery truck. The future annual rental commitments are as follows for the year ended December 31, 2023:

Lease Expense (included in operating expenses)	
Operating lease expense	<u>\$ 37,713</u>
Other Information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 36,733
ROU assets obtained in exchange for new operating lease liabilities	86,109
Weighted-average remaining lease term in years for operating leases	4.98
Weighted-average discount rate for operating leases	3.28%
Maturities of operating lease liabilities are as follows:	
Year Ended December 31:	
2024	\$ 32,687
2025	14,172
2026	14,172
2027	14,172
2028	14,172
Thereafter	<u>14,172</u>
Total undiscounted cash flows	103,547
Less: present value discount	<u>(8,898)</u>
Total lease liabilities	<u>\$ 94,649</u>

Rent expense for the years ended December 31, 2023 and 2022 was \$43,445 and \$41,993, respectively.

My Very Own Bed
Notes to the Financial Statements
December 31, 2023 and 2022

Note 6: Liquidity and Availability of Financial Assets

The Organization regularly monitors its cash on hand to meet operational needs and priorities. The board of directors reviews the financial statements quarterly, including cash position. The target minimum operating reserve is equal to two months of average operating costs, which is reviewed quarterly. Excess operating cash is invested in an interest-bearing account. Current financial assets available for general expenditure, that is, without donor restrictions limiting use, within one year of the statement of financial position date, comprise the following as of December 31, 2023 and 2022:

	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 199,180	\$ 314,644
Investments	287,892	63,276
Grants and contribution receivable	26,286	3,820
Total Financial Assets	513,358	381,740
Less those unavailable for general expenditure within one year:		
Donor restrictions	(44,900)	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 468,458	\$ 381,740

Note 7: In-kind Contributions

The Organization received the following in-kind contributions during the years ended December 31, 2023 and 2022, respectively:

	2023	2022	Usage in Programs/Activities	Donor Restriction	Fair Value Techniques
Dream Kits	\$ 159,724	\$ 216,096	Programs	None	Valued at FMV of similar items
Donated Stock Contribution	16,427	-	Programs	None	Valued at FMV at time of donation
	\$ 176,151	\$ 216,096			