

The F.B. Heron Foundation

Financial Statements

December 31, 2023 and 2022

Independent Auditors' Report

**To the Board of Directors
The F.B. Heron Foundation**

Opinion

We have audited the accompanying financial statements of The F.B. Heron Foundation, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years 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 F.B. Heron Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The F.B. Heron Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 F.B. Heron Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 F.B. Heron Foundation'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 F.B. Heron Foundation'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.

PKF O'Connor Davies, LLP

September 26, 2024

The F.B. Heron Foundation

Statements of Financial Position

	December 31	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 4,183,196	\$ 2,703,318
Investments, net	321,662,826	307,866,504
Prepaid Federal excise taxes	32,000	-
Other assets	<u>1,046,208</u>	<u>1,343,784</u>
	<u>\$ 326,924,230</u>	<u>\$ 311,913,606</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 582,350	\$ 737,045
Grants payable	135,000	566,000
Federal excise taxes payable	-	28,000
Deferred Federal excise tax	<u>690,249</u>	<u>228,709</u>
Total Liabilities	1,407,599	1,559,754
Net assets, without donor restrictions	<u>325,516,631</u>	<u>310,353,852</u>
	<u>\$ 326,924,230</u>	<u>\$ 311,913,606</u>

See notes to financial statements

The F.B. Heron Foundation

Statements of Activities

	Year Ended December 31	
	<u>2023</u>	<u>2022</u>
REVENUE		
Net return on investments	\$ 38,042,137	\$ (64,750,849)
Program service fees (USCII license fee)	-	33,516
Current Federal excise tax	<u>(120,000)</u>	<u>(450,000)</u>
Total Revenue, net of Investment Return and Taxes	<u>37,922,137</u>	<u>(65,167,333)</u>
EXPENSES		
Program (including grants of \$19,049,286 and \$29,977,986)	21,013,654	32,400,757
Administrative	1,321,791	1,453,353
Indirect investment	<u>423,913</u>	<u>542,115</u>
Total Expenses	<u>22,759,358</u>	<u>34,396,225</u>
Change in Net Assets	15,162,779	(99,563,558)
NET ASSETS, WITHOUT DONOR RESTRICTIONS		
Beginning of year	<u>310,353,852</u>	<u>409,917,410</u>
End of year	<u>\$ 325,516,631</u>	<u>\$ 310,353,852</u>

See notes to financial statements

The F.B. Heron Foundation

Statements of Functional Expenses Year Ended December 31

	2023						2022					
	Program	Administrative	Indirect		Direct		Program	Administrative	Indirect		Direct	
			Investment	Sub Total	Investment	Total			Investment	Sub Total	Investment	Total
Salary and related costs	\$ 1,422,216	\$ 808,741	\$ 202,185	\$ 2,433,142	\$ 68,155	\$ 2,501,297	\$ 1,732,180	\$ 930,418	\$ 232,605	\$ 2,895,203	\$ 259,846	\$ 3,155,049
Consulting fees	238,725	306,266	67,233	612,224	195,848	808,072	345,403	163,758	163,490	672,651	207,001	879,652
Investment monitoring and advisory	-	-	102,000	102,000	198,000	300,000	75,000	75,000	75,000	225,000	75,000	300,000
Outsourced functions	23,189	91,686	3,297	118,172	1,110	119,282	-	88,828	-	88,828	-	88,828
Market data	-	-	-	-	49,493	49,493	46,366	46,366	46,366	139,098	46,366	185,464
Travel, meetings, and conferences	56,161	14,269	4,160	74,590	1,926	76,516	42,496	13,553	13,553	69,602	13,553	83,155
Office expenses	100,439	83	21	100,543	7	100,550	131,295	17,533	4,383	153,211	4,897	158,108
Legal fees	47,754	55,482	34,230	137,466	38,094	175,560	-	87,417	-	87,417	-	87,417
Audit expenses	48,003	27,297	6,824	82,124	2,300	84,424	23,292	12,511	3,128	38,931	3,494	42,425
Equipment expenses	311	177	44	532	15	547	1,746	938	234	2,918	262	3,180
Insurance	27,570	15,678	3,919	47,167	1,321	48,488	24,993	13,425	3,356	41,774	3,749	45,523
Bank fees	-	2,112	-	2,112	-	2,112	-	3,606	-	3,606	-	3,606
Custody fees	-	-	-	-	114,106	114,106	-	-	-	-	93,533	93,533
Asset management	-	-	-	-	1,367,063	1,367,063	-	-	-	-	795,135	795,135
Grants	19,049,286	-	-	19,049,286	-	19,049,286	29,977,986	-	-	29,977,986	-	29,977,986
	<u>\$ 21,013,654</u>	<u>\$ 1,321,791</u>	<u>\$ 423,913</u>	<u>\$ 22,759,358</u>	<u>\$ 2,037,438</u>	<u>\$ 24,796,796</u>	<u>\$ 32,400,757</u>	<u>\$ 1,453,353</u>	<u>\$ 542,115</u>	<u>\$ 34,396,225</u>	<u>\$ 1,502,836</u>	<u>\$ 35,899,061</u>

See notes to financial statements

The F.B. Heron Foundation

Statements of Cash Flows

	Year Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 15,162,779	\$ (99,563,558)
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized and unrealized (gain) loss on investments	(37,079,363)	71,059,409
Deferred Federal excise tax	461,540	(1,339,410)
Write-off of PRI	2,500,000	-
Provision (recovery) on PRI	1,050,000	(400,000)
Bond amortization	(35,769)	-
Net change in operating assets and liabilities		
Prepaid Federal excise taxes	(32,000)	-
Other assets	297,576	(12,582)
Accounts payable and accrued expenses	(154,695)	77,341
Federal excise taxes payable	(28,000)	(75,000)
Grants payable	(431,000)	(9,000)
Net Cash from Operating Activities	(18,288,932)	(30,262,800)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(79,203,375)	(140,217,518)
Proceeds from investments	98,972,185	170,011,496
Net Cash from Investing Activities	19,768,810	29,793,978
Net Change in Cash and Cash Equivalents	1,479,878	(468,822)
CASH AND CASH EQUIVALENTS		
Beginning of year	2,703,318	3,172,140
End of year	\$ 4,183,196	\$ 2,703,318
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Federal excise tax paid	\$ 180,000	\$ 525,000

See notes to financial statements

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2023 and 2022

1. Organization

The F.B. Heron Foundation (doing business as and referred to herein as “Heron”) is a not-for-profit, charitable corporation formed in December 1991 under the General Corporation Law of the State of Delaware. Heron is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and is classified as a private foundation under Section 509(a) of the Code.

To advance its mission of helping people and communities to help themselves, Heron champions the people, places and enterprises who challenge broken conventions and dare to change. Heron works with a diverse set of grant and investment tools and strategies to help communities address challenges and advance prosperity in both urban and rural places.

2. Summary of Significant Accounting Policies

Adoption of New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an expected loss model for instruments measured at amortized cost and certain other instruments that are not measured at fair value through net income. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on January 1, 2023 did not have a material effect on the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash Equivalents

Cash equivalents include short-term investments with maturities of three months or less at the time of purchase, which are intended to be used for payment of expenses and grants and exclude those amounts used by investment managers for long-term investment strategies.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements

Heron follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Heron follows US GAAP guidance which removes the requirements to categorize within the fair value hierarchy alternative investments where fair value is measured using the Net Asset Value ("NAV") per share as a practical expedient.

Investment Valuation

Investments, with the exception of program related investments, are stated at fair value. For insured deposits, fair value is the amount of the deposit.

Program Related Investments

Program related investments (PRIs) defined in IRC 4944(c), have a primary purpose of advancing the mission of Heron without a significant purpose for the production of income or the appreciation of property. PRIs are treated as charitable distributions on Internal Revenue Service Form 990-PF, the tax and information return filed by private foundations for minimum-distribution requirement purposes. Heron's PRIs are considered below market rate loans and equities. They are stated at cost, less any valuation allowance for discount or uncollectable amounts.

Property and Equipment

Property and equipment are stated at cost. Heron capitalizes property and equipment costing more than \$100,000. There was no capitalized property and equipment at December 31, 2023 and 2022.

Net Asset Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, Heron's net assets are classified as with or without donor restrictions. There were no net assets with donor restrictions at December 31, 2023 and 2022.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies *(continued)*

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Grants

Once a grant has been approved by the Board of Directors and/or President, and once any conditions imposed on the grantee have been fulfilled, the grant becomes payable and is recorded by Heron.

Concentration of Credit Risk

Financial instruments that potentially subject Heron to concentrations of credit and market risk consist principally of cash, cash equivalents, and investments held at financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed the FDIC and/or the SIPC limit. As of December 31, 2023 and 2022, Heron's uninsured cash and cash equivalents balances on deposit totaled approximately \$3,933,000 and \$2,453,000. As of December 31, 2023 and 2022, Heron's uninsured investment holdings totaled approximately \$321,912,000 and \$307,367,000.

Functional Allocation of Expenses

The cost of providing various programs and other activities has been summarized on a functional basis on the statements of activities. Accordingly, certain costs such as salaries and related costs, have been allocated among the programs and support services benefited. Heron allocates these expenses based on estimates of time and effort per employee which is a reasonable basis that is consistently applied.

Accounting for Uncertainty in Income Taxes

Heron recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that Heron had no uncertain tax positions that would require financial statement recognition of disclosure. Heron is no longer subject to examinations by the applicable taxing jurisdictions for years prior to December 31, 2020.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2023 and 2022

2. Summary of Significant Accounting Policies *(continued)*

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is September 26, 2024.

3. Investments

Every investment is evaluated and made in the context of its net contribution and consistency with Heron's mission. Investments include risk-adjusted, market-rate investments, as well as PRIs.

Heron's PRI deposits and loans bear interest at below-market rates at 0%. Loans are generally payable on March 31 and September 30 of each year and are individually monitored to determine net realizable value based on an evaluation of recovery. Management has reviewed the collectability of all PRI loans and recorded an allowance of \$740,271 and \$0 at December 31, 2023 and 2022.

PRI equities consist of five PRIs in LP and LLC interests in community development ventures and real estate funds, one PRI in preferred stock in a regulated community bank and one direct equity investment. PRI equity balances are net of a \$759,729 and \$450,000 valuation reserve at December 31, 2023 and 2022. During the year ended December 31, 2023 Heron wrote off two PRI equities totaling \$2,500,000.

The following are major categories of investments measured at fair value on a recurring basis at December 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	2023				Total
	(Level 1)	(Level 2)	(Level 3)	(Practical Expedient) *	
At Fair Value					
Common and Preferred Stocks					
Information technology	\$ 65,035,685	\$ -	\$ -	\$ -	\$ 65,035,685
Consumer discretionary	10,800,000	-	-	-	10,800,000
Health care	38,424,564	-	-	-	38,424,564
Other	80,693,788	-	650,000	-	81,343,788
Fixed-Income Securities					
US agency	-	12,268,303	-	-	12,268,303
Municipals	-	49,337,896	-	-	49,337,896
Corporate	-	2,339,056	-	-	2,339,056
Other	-	26,517,160	-	-	26,517,160
Limited partnership interests	-	-	-	15,598,174	15,598,174
Total at Fair Value	\$ 194,954,037	\$ 90,462,415	\$ 650,000	\$ 15,598,174	301,664,626
Program related investments, at cost (net of \$1,500,000 valuation reserve)					12,947,355
Invested cash and cash equivalents, at cost					7,050,845
Total Investments					\$ 321,662,826

The F.B. Heron Foundation

Notes to Financial Statements December 31, 2023 and 2022

3. Investments (continued)

	2022				Total
	(Level 1)	(Level 2)	(Level 3)	(Practical Expedient) *	
At Fair Value					
Common and Preferred Stocks					
Information technology	\$ 45,291,169	\$ -	\$ -	\$ -	\$ 45,291,169
Consumer discretionary	8,385,371	-	-	-	8,385,371
Health care	34,607,520	-	-	-	34,607,520
Other	68,354,623	-	650,000	-	69,004,623
Commingled funds	-	14,109,063	-	-	14,109,063
Fixed-Income Securities					
US agency	-	30,986,800	-	-	30,986,800
Municipals	-	56,660,624	-	-	56,660,624
Corporate	-	5,811,230	-	-	5,811,230
Limited partnership interests	-	-	-	18,028,923	18,028,923
Total at Fair Value	<u>\$ 156,638,683</u>	<u>\$ 107,567,717</u>	<u>\$ 650,000</u>	<u>\$ 18,028,923</u>	282,885,323
Program related investments, at cost (net of \$450,000 valuation reserve)					16,450,858
Invested cash and cash equivalents, at cost					8,530,323
Total Investments					<u>\$ 307,866,504</u>

* As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

Net return on investments consists of the following:

	2023	2022
Interest, dividends and partnership earnings	\$ 7,011,752	\$ 6,071,986
Realized gain	3,879,053	27,668,580
Unrealized gain (loss), net of deferred Federal excise tax	32,738,770	(97,388,579)
Writeoff of PRIs	(2,500,000)	-
Provision (recovery) on PRIs	(1,050,000)	400,000
Direct investment expenses	(2,037,438)	(1,502,836)
	<u>\$ 38,042,137</u>	<u>\$ (64,750,849)</u>

The preferred stock assets (Level 3) of \$650,000 have not changed for the years ended December 31, 2023 and 2022. The cost of preferred stock was determined by management to be the best indicator of the fair value of this investment.

Information regarding limited partnership interests valued at NAV using the practical expedient and preferred stock valued at cost at December 31, 2023 is as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Limited partnership interests	\$ 15,598,174	\$ 1,071,241	*	*

The F.B. Heron Foundation

Notes to Financial Statements December 31, 2023 and 2022

3. Investments (continued)

* Limited partnership interests follow Heron's investing strategy. They are illiquid in nature with the partnerships making distributions upon sale of underlying assets. Heron makes multiyear capital commitments into limited partnerships, which reflect the programmatic and funding strategies of Heron at the time. A majority of these were intended to provide access to capital to underserved communities and/or small business owners in the form of equity and debt.

Heron invests across a broad spectrum of investment vehicles, strategies, and asset classes in order to both achieve a financial return and achieve a social return consistent with Heron's mission to help people and communities help themselves. Investments include a range of opportunities, including risk-adjusted, market-rate investments as well as PRIs.

The following summarizes changes in PRIs for 2023 and 2022:

	2023				2022			
	PRI Loans	PRI Equities	PRI Deposits	Total	PRI Loans	PRI Equities	PRI Deposits	Total
Balance at beginning of year	\$ 2,848,276	\$ 9,452,032	\$ 4,150,550	\$ 16,450,858	\$ 2,848,276	\$ 8,641,572	\$ 3,150,249	\$ 14,640,097
Additions								
Disbursements	-	46,196	4,000,301	4,046,497	-	410,460	4,000,301	4,410,761
Deductions								
Repayments	-	-	(4,000,000)	(4,000,000)	-	-	(3,000,000)	(3,000,000)
Writeoffs	-	(2,500,000)	-	(2,500,000)	-	-	-	-
	<u>2,848,276</u>	<u>6,998,228</u>	<u>4,150,851</u>	<u>13,997,355</u>	<u>2,848,276</u>	<u>9,052,032</u>	<u>4,150,550</u>	<u>16,050,858</u>
Valuation adjustment	(740,271)	(309,729)	-	(1,050,000)	-	400,000	-	400,000
Balance at end of year	<u>\$ 2,108,005</u>	<u>\$ 6,688,499</u>	<u>\$ 4,150,851</u>	<u>\$ 12,947,355</u>	<u>\$ 2,848,276</u>	<u>\$ 9,452,032</u>	<u>\$ 4,150,550</u>	<u>\$ 16,450,858</u>

There is an additional \$373,060 of unfunded commitments for equity PRI investments.

PRI loan principal repayments at December 31, 2023 are projected as follows:

2024	\$ 998,045
2025	850,231
2028	250,000
Thereafter	<u>750,000</u>
	<u>\$ 2,848,276</u>

PRI equity investments will be redeemed over the next ten years depending on investment performance and activity.

In February of 2023, Heron transferred the use of the intellectual property (IP) for the U.S. Community Investing Index (USCII) to an investment management and advisory firm (the Firm) which agreed to manage the USCII. In exchange for its IP, Heron received a 20% equity position in the Firm and a promissory note in the amount of \$775,000. Heron received a \$25,000 principal payment towards the promissory note in 2023. In November 2023, the Firm notified Heron of their intention to end their investment management business and therefore their management of the USCII. Heron engaged another investment management firm to manage an indexed investment portfolio using the USCII. Heron's management has determined that neither the promissory note nor the equity position in the Firm have any residual financial value and therefore no amounts have been recorded for the year ended December 31, 2023 except for the \$25,000 principal payment. The Firm has offered to re-assign the IP to Heron for possible future use.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2023 and 2022

4. Grants Payable

The following summarizes changes in grants payable for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 566,000	\$ 575,000
Grants authorized	19,049,286	29,977,986
Grants paid	<u>(19,480,286)</u>	<u>(29,986,986)</u>
Balance at end of year	<u>\$ 135,000</u>	<u>\$ 566,000</u>

5. Federal Excise Tax

As a private foundation, Heron is normally subject to a Federal excise tax equal to 1.39% of its net investment income.

Heron records a liability for deferred Federal excise taxes using the current excise tax rate for the next year. That rate was 1.39% for 2023 and 2022. For 2023 and 2022, the deferred excise tax provision (benefit) amounted to \$461,540 and \$(1,339,410).

For Federal excise tax purposes, realized gains and losses from the sale of securities are determined on the specific-identification basis. Net realized gain or loss is based on Heron's allocated share, and, upon sale, average cost is used.

6. Retirement Plans

Heron sponsors a defined contribution retirement plan under IRC Section 401(a). Under the current plan, Heron contributes 12% of the basic compensation for all eligible employees subject to IRS and ERISA limitations. Heron also sponsors a 401(k) savings plan. Eligible participants, as defined, may make voluntary contributions into the savings plan. Heron is obligated to match 50% of participant contributions, not to exceed 3% of base compensation. For 2023 and 2022, retirement and savings plan expense was \$240,977 and \$334,480.

The F.B. Heron Foundation

Notes to Financial Statements
December 31, 2023 and 2022

7. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise of the following:

	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 4,183,196	\$ 2,703,318
Interest receivable	871,825	790,274
Investments	321,662,826	307,866,504
Total Financial Assets	326,717,847	311,360,096
Less:		
Contractual or donor imposed restriction amounts		
Funds held for long term investment	29,195,529	35,129,781
Plus:		
PRI repayments expected to be received in the following year	998,045	1,000,000
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 298,520,363	\$ 277,230,315

Heron monitors its cash needs and availability on a regular basis, meeting weekly to review forecasted cash needs for investment capital calls, regular operations and grant making. Regular operating expenses are approved annually during the annual budget process and monitored closely throughout the year. Grants are generally approved on a monthly basis. Following grant approvals, Heron reviews its cash forecasts and liquidates investments as needed. The majority of its investments are liquid and easily accessible and do not require more than 3 days' notice.

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