San Francisco Bicycle Coalition

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

CROSBY & KANEDA
Certified Public Accountants
for Nonprofit Organizations

SAN FRANCISCO BICYCLE COALITION

Contents

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
San Francisco Bicycle Coalition
San Francisco, California

Opinion

We have audited the accompanying consolidated financial statements of San Francisco Bicycle Coalition and its affiliate (the Organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, cash flows and functional expenses, for the year then ended, and the related notes to the financial statements. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of San Francisco Bicycle Coalition as of December 31, 2023, and the changes in 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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.

Crosby + Kaneda CPAs LLP

Alameda, California
November 13, 2024

SAN FRANCISCO BICYCLE COALITION

Consolidated Statement of Financial Position
December 31, 2023

Assets		
Assets		
Cash and cash equivalents	$	335,138
Accounts receivable		25,977
Government receivable		155,892
Contributions receivable		56,218
Inventory		26,170
Prepaid expenses, deposits and other assets		52,277
Property and equipment, net (Note 3)		2,701
Right-of-use asset - operating lease		252,196
Total Assets	$	906,569
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$	255,045
Accrued vacation		54,608
Line of credit (Note 5)		149,789
Operating lease liability (Note 4)		262,237
Total Liabilities	$	721,679
Net Assets		
Without donor restrictions		29,890
With donor restrictions (Note 7)		155,000
Total Net Assets		184,890
Total Liabilities and Net Assets	$	906,569

SAN FRANCISCO BICYCLE COALITION

Consolidated Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Government	$ 1,056,034	$	$ 1,056,034
Foundation and corporate	187,334	155,000	342,334
Individual support	596,045		596,045
Employee retention tax credit	322,619		322,619
Fundraising event, net (Note 8)	20,810		20,810
Membership dues	228,941		228,941
Program service fees	166,770		166,770
Interest and other	780		780
Total Support and Revenue	2,579,333	155,000	2,734,333
Expenses			
Program	2,183,645		2,183,645
Management and general	404,584		404,584
Fundraising	303,670		303,670
Total Expenses	2,891,899	-	2,891,899
Change in Net Assets	(312,566)	155,000	(157,566)
Net Assets, beginning of year	342,456	-	342,456
Net Assets, end of year	$ 29,890	$ 155,000	$ 184,890

SAN FRANCISCO BICYCLE COALITION

Consolidated Statement of Cash Flows
For the Year Ended December 31, 2023

Cash flows from operating activities:	
Change in net assets	$ (157,566)
Adjustments to reconcile changes in net assets to cash provided (used) by operating activities:	
Depreciation	3,502
Change in assets and liabilities:	
Accounts receivable	(21,762)
Government receivables	(31,681)
Contributions receivable	12,657
Inventory	6,972
Prepaid expenses, deposit and other assets	(14,050)
Operation lease assets and liability	5,685
Accounts payable and accrued expenses	248,404
Accrued vacation	(16,558)
Net cash provided (used) by operating activities	35,603
Cash flows from financing activities:	
Borrowing on line of credit, net	149,789
Net cash provided (used) by financing activities	149,789
Change in cash and cash equivalents	185,392
Cash and cash equivalents, beginning of year	149,746
Cash and cash equivalents, end of year	$ 335,138
Supplemental information	
Cash paid on operating lease	$ 154,913

See Notes to the Financial Statements

SAN FRANCISCO BICYCLE COALITION

Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program	Management and General	Fundraising	Total
Salaries	$ 1,116,665	$ 202,926	$ 167,000	$ 1,486,591
Retirement contributions	27,018	4,563	3,605	35,186
Other employee benefits	88,497	16,660	9,919	115,076
Payroll taxes	89,460	16,380	13,602	119,442
Total Personnel	1,321,640	240,529	194,126	1,756,295
Fees for service	556,995	105,722	32,882	695,599
Advertising and promotion	8,891	77	6,936	15,904
Supplies and office expenses	102,663	19,155	42,266	164,084
Information technology	33,784	4,900	4,576	43,260
Occupancy	124,573	23,469	16,955	164,997
Travel and meals	16,778	464	348	17,590
Conferences, meetings and events	-	125	50	175
Depreciation	2,504	528	470	3,502
Insurance	15,817	1,615	2,262	19,694
Allowance for doubtful accounts	-	8,000	-	8,000
In-kind services	-	-	2,799	2,799
Total Expenses	2,183,645	404,584	303,670	2,891,899
Expenses reported on a net basis				
Direct donor benefit costs	-	-	12,259	12,259
Total Expenses	$ 2,183,645	$ 404,584	$ 315,929	$ 2,904,158

NOTE 1: NATURE OF ACTIVITIES

San Francisco Bicycle Coalition ("SFBC") is a nonprofit organization whose mission is to transform San Francisco's streets and neighborhoods into more livable and safe places by promoting the bicycle for everyday transportation. It does this through day-to-day advocacy, education, and working partnerships with government and community agencies. SFBC is exempt from income taxes under Internal Revenue Code Section 501(c)(4) and is governed by a Board of Directors elected by the members of the SFBC for two-year terms, with approximately half of the directors elected in each annual election.

The San Francisco Bicycle Coalition Education Fund (the "Education Fund") was formed as a 501(c)(3) nonprofit organization with a purpose to provide education, training and services for San Francisco area residents who commute by bicycle or ride bicycles recreationally, and to carry on other charitable activities associated with this goal as allowed by law, except for lobbying and political activities. The Education Fund is governed by a board of directors, nominated by a nominating committee and appointed by SFBC.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of San Francisco Bicycle Coalition and San Francisco Bicycle Coalition Education Fund (collectively, the "Organization"). All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Accounting

The accompanying consolidated 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).

Basis of Presentation

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; there were no restrictions of this nature as of December 31, 2023.

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 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.

Accounting for Revenue

The Organization recognizes revenue as performance obligations are satisfied.

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 is 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.

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.

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.

Membership Dues

Members support the Organization through membership dues, which confer voting and other rights of membership as well as discounts and access to bike boxes and trailers. The Organization determined membership benefits subject to estimation were not material to the financial statements and recognizes membership revenue when received.

Program Service Fees

Program service fees consist primarily of bike valet services provided on an exchange basis under contractual agreements. Revenue for such events is recognized as the related performance obligations are completed, in some cases based on hourly rates, then invoiced and paid in arrears.

Accounts Receivable

Accounts receivable are unsecured non-interest bearing trade receivables. The Organization uses historical loss information adjusted for management's expectations about current and future economic conditions and the aging of receivables relative to expected payment dates as the basis to determine expected credit losses. If amounts become uncollectible, they are charged to the valuation allowance for credit losses if any, with any excess amounts charged to expense in the period in which that determination is made. The Organization expects to collect all accounts receivable within one year.

Government Support and Receivables

A portion of the Organization's revenue is derived from cost-based agreements with governmental funders which are conditioned upon performance requirements and/or the incurrence of allowable qualifying expenses. The support from these agreements is classified as conditional and revenue and related receivables are recognized as the Organization incurs eligible expenditures. Funds received in advance of expenditure are reported as deferred revenue.

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. Amortization of the resulting discount is recognized as additional contribution revenue. 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, 2023. 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.

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 IRC 501(c)(4) and California RTC 23701. The Organization has evaluated its current tax positions as of December 31, 2023 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.

Fair Value Measurements

The Organization determines the fair value 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 may use net asset values as a practical expedient to determine the fair value of investments which do not have readily determinable fair value or where detailed holding information is not available and which prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

As of December 31, 2023, the Organization's had approximately $5,690 in investments valued using level 1 inputs which it classified with other assets.

Inventory

Inventory consists primarily of maps and other merchandise. The Organization reports inventory at cost, computed on a first-in, first-out basis.

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. The Organization capitalizes all expenditures for property and equipment over $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 years
Leasehold improvements	5-7 years
Website	3 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.

Leases

The Organization evaluates all contracts to determine if they contain a lease. For leases with terms greater than 12 months, the Organization records a right-of-use asset and lease obligation at the present value of lease payments over the term of the lease. The Organization expenses total lease costs on a straight-line basis over the related lease term. The Organization has elected to exclude leases that (a) have a lease term of 12 months or less and (b) do not contain a reasonably certain purchase option. The Organization has elected to combine non-lease components with related lease components unless non-lease components are billed separately. As the Organization's leases do not generally provide a readily determinable implicit interest rate, the Organization uses the risk-free rate commensurate with the respective terms of the leases to discount the lease payments. The Organization had no material leases with terms greater than 12 months.

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 activity reports prepared by key personnel.

Occupancy, depreciation, and amortization, and interest are allocated on a square foot basis dependent on the programs and supporting activities occupying the space.

Office expenses and supplies, insurance, and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

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.

Recent Account Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which replaces the probable incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses on financial instruments and other commitments to extend credit. The adoption of this update did not have a material impact on the Organization's financial statements.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2023:

Furniture and equipment	$ 36,877
Leasehold improvements	49,485
Website	45,400
Less accumulated depreciation	(129,061)
Total	$ 2,701

NOTE 4: OPERATING LEASE LIABILITY

The Organization leases office space under a lease that expires in August 2025. The Organization elected to use an estimated risk-free rate as the approximate discount rate for its lease liability. Future minimum lease payments were as follows for the years ended December 31, 2023:

2024	$ 159,560
2025	108,617
Less amounts representing interest	(5,940)
Total	$ 262,237
Weighted avg lease term	1.67 years
Weighted avg discount rate	2.82%

Expense recorded related to this operating lease liability for the year ended December 31, 2023 was $154,913.

NOTE 5: LINE OF CREDIT

The Organization has a line of credit with a bank totaling $150,000, with an interest rate at 5.169%. As of December 31, 2023, the outstanding balance on the line of credit was $149,789. The line of credit was guaranteed by a third-party donor.

NOTE 6: CONTINGENCIES

Compliance with Donor Restrictions

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's management is of the opinion that the Organization has complied with the terms of all grants.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available as of December 31, 2023:

Safer Streets Collaborative	$ 150,000
Bike Build	5,000
Total	$ 155,000

NOTE 8: FUNDRAISING EVENT

Ther organization held a fundraising event during the year. Activities related to the events were as follows during the year ended December 31, 2023:

Admission	$ 15,704
Donations and sponsorships	5,100
Merchandise sales	1,333
Raffle receipts	3,335
In-kind goods	7,597
Less costs of direct donor benefit	(12,259)
Total	$ 20,810

NOTE 9: INTENTIONS AND CONDITIONAL PROMISES TO GIVE

In addition to the activity reflected on the Organization's statement of activity, the Organization received certain intentions and conditional promises to give based on program performance and other requirements. As of December 31, 2023, conditional promises to give totaled approximately $315,000. The Organization recognizes such promises to give as support once the related conditions are satisfied.

NOTE 10: CONCENTRATIONS

Accounts, Contributions, and Government Receivables

One funder made up 41% of the Organization's accounts receivable as of December 31, 2023.

Concentration of Credit Risk – Bank Accounts.

As of December 31, 2023, the Organization had approximately $89,000 in funds held in excess of federally insured limits. The Organization may be subject to credit risk or delayed fund access for amounts in excess of insured limits in the event of bank failure.

NOTE 11: RETIREMENT PLAN

The Organization provides a defined contribution 401(k) retirement plan for all eligible employees. The Organization may make a discretionary matching or other contributions to the plan. Such contributions are generally available to all full-time employees. The Organization contributed $35,186 for the year ended December 31, 2023.

NOTE 12: ENTITY ACTIVITY AND POSITION

The following are the entity positions as of December 31, 2023:

	SFBC	Education Fund	Eliminations	Consolidated
Assets				
Cash and cash equivalents	$ 33,635	$ 301,503	$ -	$ 335,138
Accounts receivable	17,342	25,885	(17,250)	25,977
Government receivable	59,381	96,511	-	155,892
Contributions receivable	1,510	54,708	-	56,218
Inventory	26,170	-	-	26,170
Prepaid expenses, deposits, other assets	46,587	5,690	-	52,277
Property and equipment, net	2,701	-	-	2,701
Right-of-use asset – operating lease	252,196	-	-	252,196
Total Assets	$ 439,522	$ 484,297	$ (17,250)	$ 906,569

Liabilities				
Accounts payable and accrued expenses	$ 213,338	$ 58,957	$ (17,250)	$ 255,045
Accrued vacation	54,608	-	-	54,608
Line of credit	-	149,789	-	149,789
Operating lease liability	262,237	-	-	262,237
Total Liabilities	530,183	208,746	(17,250)	721,679
Net Assets				
Without donor restrictions	(90,661)	120,551	-	29,890
With donor restrictions	-	155,000	-	155,000
Total Net Assets	(90,661)	275,551	-	184,890
Total Liabilities and Net Assets	$ 439,522	$ 484,297	$ (17,250)	$ 906,569

The following are entity activities for the year ended December 31, 2023:

	SFBC	Education Fund	Eliminations	Consolidated
Support and Revenue				
Government	$ 468,044	$ 587,990	$ -	$ 1,056,034
Foundation and corporate	31,178	311,156		342,334
Individual support	16,963	579,082	-	596,045
Employee retention tax credit	322,619	-	-	322,619
Fundraising event, net	20,810	-	-	20,810
Membership dues	118,842	110,099	-	228,941
Program service fees	166,770	-	-	166,770
Interest and other	787	(7)	-	780
Total Support and Revenue	1,146,013	1,588,320	-	2,734,333
Expenses				
Program	1,067,457	1,116,188	-	2,183,645
Management and general	218,473	186,111	-	404,584
Fundraising	169,341	134,329	-	303,670
Total Expenses	1,455,271	1,436,628	-	2,891,899
Change in Net Assets	(309,258)	151,692	-	(157,566)
Net Assets, beginning of year	218,597	123,859	-	342,456
Net Assets, end of year	$ (90,661)	$ 275,551	$ -	$ 184,890

NOTE 13: INTRA-ENTITY ACTIVITY

SFBC and the Education Fund have a resource sharing agreement. The Education Fund reimburses SFBC for certain costs incurred by SFBC for the benefit of the Education Fund. During the year ended December 31, 2023 costs incurred and reimbursed by the Education Fund totaled $890,000. Accounts receivable due from the Education Fund to SFBC as of December 31, 2023 totaled $17,250.

NOTE 14: GOING CONCERN AND LIQUIDITY

As indicated in the accompanying financial statements, SFBC had a deficiency in its net assets without donor restrictions at December 31, 2023 of $90,661. As of that date, the SFBC's current liabilities exceed its current assets by $83,321. SFBC also reported a reduction in net assets in both the current and prior years. Those factors created an uncertainty about the SFBC's ability to continue as a going concern. Management of the SFBC - the Executive Director, along with board of directors – have developed a plan to prevent future deficits and improve the financial position of the Organization. The plan includes:

- Increasing revenue through fundraising efforts by building a larger donor network with the help of development staff and the Board.
- Increasing revenue by expanding program services.
- Reducing expenses as necessary to balance the budget.
- Continuing organizational development, including the completion of a leadership transition that was started in 2023.

The ability of the Organization to continue as a going concern is dependent on the plan's success. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.

NOTE 15: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and has concluded that as of November 13, 2024, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose beyond the following:

Amendment to the Bylaws of the Education Fund

Effective January 1, 2024, the bylaws of the Education Fund were amended to increase the independence of the Education Fund. As of January 1, 2024, SFBC designated board members shall comprise a minority of the Education Fund board and that no other elected director may be a director, officer, or employee of SFBC or related as an immediate family member to a director, officer, or employee of SFBC and that the term of office for each director shall be one year.

NOTE 16: 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, 2023 are:

Cash and cash equivalents	$ 335,138
Investments	5,690
Accounts receivable	25,977
Government receivables	155,892
Contributions receivables	56,218
Less purpose-restricted net assets	(155,000)
Total	$ 423,915

As part of the Organization's liquidity management plan, the Organization deposits funds in excess of daily requirements in cash and certificates of deposits.