
SAN FRANCISCO BICYCLE COALITION EDUCATION FUND INC.

FINANCIAL STATEMENTS

December 31, 2024

CROSBY & KANEDA

Certified Public Accountants
for Nonprofit Organizations

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
San Francisco Bicycle Coalition Education Fund Inc.
San Francisco, California

Opinion

We have audited the accompanying financial statements of San Francisco Bicycle Coalition Education Fund Inc. (the Organization), which comprise the statement of financial position as of December 31, 2024, and the related 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 financial statements referred to above present fairly, in all material respects, the financial position of San Francisco Bicycle Coalition Education Fund Inc. as of December 31, 2024, 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 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
August 14, 2025

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND

Statement of Financial Position December 31, 2024

Assets

Assets

| | |
|---------------------------|-------------------|
| Cash and cash equivalents | \$ 290,876 |
| Accounts receivable | 10,936 |
| Government receivables | 510,732 |
| Contributions receivable | 84,617 |
| Total Assets | <u>\$ 897,161</u> |

Liabilities and Net Assets

Liabilities

| | |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 256,493 |
| Related party payable (Note 3) | 163,597 |
| Line of credit (Note 4) | 149,101 |
| Deferred revenue | 55,000 |
| Total Liabilities | <u>624,191</u> |

Net Assets

| | |
|----------------------------------|-------------------|
| Without donor restrictions | 73,982 |
| With donor restrictions (Note 6) | 198,988 |
| Total Net Assets | <u>272,970</u> |
| Total Liabilities and Net Assets | <u>\$ 897,161</u> |

See Notes to the Financial Statements

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND

Statement of Activities For the Year Ended December 31, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|--------------------------|
| Support and Revenue | | | |
| Government | \$ 777,165 | \$ | \$ 777,165 |
| Individual support | 743,760 | | 743,760 |
| Foundation and corporate | 170,672 | 150,000 | 320,672 |
| Membership contributions | 155,954 | | 155,954 |
| Program service fees and other | 13,127 | | 13,127 |
| Support provided by expiring time and purpose restrictions | 106,012 | (106,012) | - |
| Total Support and Revenue | <u>1,966,690</u> | <u>43,988</u> | <u>2,010,678</u> |
| Expenses | | | |
| Program | 1,570,797 | | 1,570,797 |
| Management and general | 244,281 | | 244,281 |
| Fundraising | 198,181 | | 198,181 |
| Total Expenses | <u>2,013,259</u> | <u>-</u> | <u>2,013,259</u> |
| Change in Net Assets | (46,569) | 43,988 | (2,581) |
| Net Assets, beginning of year | <u>120,551</u> | <u>155,000</u> | <u>275,551</u> |
| Net Assets, end of year | <u><u>\$ 73,982</u></u> | <u><u>\$ 198,988</u></u> | <u><u>\$ 272,970</u></u> |

See Notes to the Financial Statements

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND

Statement of Cash Flows For the Year Ended December 31, 2024

Cash flows from operating activities:

| | |
|---|-----------------|
| Change in net assets | \$ (2,581) |
| Adjustments to reconcile changes in net assets to cash provided (used) by operating activities: | |
| Change in assets and liabilities: | |
| Accounts receivable | 14,949 |
| Government receivable | (414,221) |
| Contributions receivable | (29,909) |
| Accounts payable and accrued expenses | 197,536 |
| Related party payable | 163,597 |
| Line of credit | (688) |
| Deferred revenue | 55,000 |
| Net cash provided (used) by operating activities | <u>(16,317)</u> |

Cash flows from investing activities:

| | |
|--|--------------|
| Proceeds from investments | <u>5,690</u> |
| Net cash provided (used) by investing activities | <u>5,690</u> |

Change in cash and cash equivalents (10,627)

Cash and cash equivalents, beginning of year 301,503

Cash and cash equivalents, end of year \$ 290,876

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND

Statement of Functional Expenses For the Year Ended December 31, 2024

| | Program | Management and General | Fundraising | Total |
|----------------------------------|-------------------------|---------------------------|-----------------------|-------------------------|
| Salaries | \$ 1,008,037 | \$ 93,789 | \$ 119,380 | \$ 1,221,206 |
| Employee benefits | 131,936 | 12,269 | 15,787 | 159,992 |
| Payroll taxes | 85,574 | 7,873 | 10,180 | 103,627 |
| Total Personnel | <u>1,225,547</u> | <u>113,931</u> | <u>145,347</u> | <u>1,484,825</u> |
| Fees for service | 59,337 | 91,871 | 8,719 | 159,927 |
| Advertising and promotion | 17,259 | 1,285 | 1,643 | 20,187 |
| Supplies and office expenses | 103,053 | 21,423 | 22,788 | 147,264 |
| Information technology | 28,620 | 2,747 | 3,597 | 34,964 |
| Occupancy | 117,277 | 11,167 | 13,789 | 142,233 |
| Travel and meals | 899 | 78 | 96 | 1,073 |
| Conferences, meetings and events | 1,279 | 125 | 142 | 1,546 |
| Insurance | 15,481 | 1,459 | 1,825 | 18,765 |
| Other | 2,045 | 195 | 235 | 2,475 |
| Total Expenses | <u><u>1,570,797</u></u> | <u><u>244,281</u></u> | <u><u>198,181</u></u> | <u><u>2,013,259</u></u> |

See Notes to the Financial Statements

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND INC.

**Notes to the Financial Statements
For the Year Ended December 31, 2024**

NOTE 1: NATURE OF ACTIVITIES

The San Francisco Bicycle Coalition Education Fund Inc. (the “Education Fund” or the Organization) 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; a majority of directors are elected by the board of directors, and a minority of directors are nominated by a nominating committee and appointed by the SFBC.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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, 2024.

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.

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND INC.

**Notes to the Financial Statements
For the Year Ended December 31, 2024**

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 Contributions

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 future membership benefits were not material to the financial statements and recognizes membership revenue when received. Membership dues paid to the Education Fund support Education Fund activities only.

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

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND INC.

**Notes to the Financial Statements
For the Year Ended December 31, 2024**

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, 2024. 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 California RTC 23701. The Organization has evaluated its current tax positions as of December 31, 2024 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.

As of December 31, 2024, the Organization's had no assets or liabilities presented at fair value.

**Notes to the Financial Statements
For the Year Ended December 31, 2024**

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. The Organization capitalizes all expenditures for property and equipment over \$2,500; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives on the property and equipment or the related lease terms. 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. The Organization had no property and equipment as of December 31, 2024.

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.

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND INC.

**Notes to the Financial Statements
For the Year Ended December 31, 2024**

Subsequent Events

The Organization has evaluated subsequent events and has concluded that as of August 14, 2025, the date that the financial statements were available to be issued, there were no significant subsequent events to disclose.

NOTE 3: RELATED PARTY TRANSACTIONS

The Organization has a shared cost allocation agreement (the Agreement) with a related 501(c)(4) organization, San Francisco Bicycle Coalition (SFBC). Under the Agreement, the Organization shares personnel services and various overhead expenses with SFBC. During the year ended December 31, 2024, the Organization made cash payments totaling \$1,730,000 to SFBC. As of December 31, 2024, \$163,597 was due to SFBC.

NOTE 4: LINE OF CREDIT

The Organization has a line of credit with a bank totaling \$150,000, with an interest rate at 5.889%. As of December 31, 2024, the outstanding balance on the line of credit was \$149,101. The line of credit was guaranteed by a third-party supporter.

NOTE 5: 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 6: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the Safer Streets Collaborative totaling \$198,988 as of December 31, 2024.

NOTE 7: 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, 2024, conditional promises to give totaled approximately \$265,000. The Organization recognizes such promises to give as support once the related conditions are satisfied.

NOTE 8: CONCENTRATIONS

Accounts Receivables

Two funders made up 98% of the Organization's accounts receivable as of December 31, 2024.

Concentration of Credit Risk – Bank Accounts.

As of December 31, 2024, the Organization had approximately \$35,000 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.

SAN FRANCISCO BICYCLE COALITION EDUCATION FUND INC.

**Notes to the Financial Statements
For the Year Ended December 31, 2024**

NOTE 9: 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 \$24,860 for the year ended December 31, 2024.

NOTE 10: 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, 2024 are:

| | |
|------------------------------------|-------------------|
| Cash and cash equivalents | \$ 290,876 |
| Accounts receivable | 10,936 |
| Government receivable | 510,732 |
| Contributions receivable | 84,617 |
| Less purpose-restricted net assets | <u>(198,988)</u> |
| Total | <u>\$ 698,173</u> |

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