

**RICHMOND DISTRICT  
NEIGHBORHOOD CENTER, INC.  
(A California Nonprofit Public Benefit Corporation)**

**FINANCIAL STATEMENTS**

**For the Years Ended  
June 30, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Richmond District  
Neighborhood Center, Inc.  
San Francisco, California

### **Opinion**

We have audited the accompanying financial statements of the Richmond District Neighborhood Center, Inc. (RDNC) (a California nonprofit public benefit corporation) which comprise the statements of financial position as of June 30, 2024 and 2023 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 Richmond District Neighborhood Center, Inc. as of June 30, 2024 and 2023, 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 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 RDNC 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 RDNC'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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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 RDNC'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 RDNC'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.

*Bunker & Company LLP*

December 3, 2024  
Bunker & Company LLP  
San Rafael, CA

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2024 and 2023**

	2024	2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 4,279,645	\$ 4,145,464
Restricted cash	1,294,018	943,154
Accounts receivable	19,566	20,191
Grants and contracts receivable	1,622,294	530,586
Prepaid expenses	92,264	88,474
Right of use assets, current	30,460	30,436
Total current assets	7,338,247	5,758,305
Right of use assets, long-term	60,920	87,053
Property and equipment, net of accumulated depreciation of \$424,397 in 2024 and \$399,177 in 2023 (Note 2 and 3)	299,291	248,634
Total assets	\$ 7,698,458	\$ 6,093,992
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 103,476	\$ 155,210
Accrued expenses	645,458	561,266
Deferred revenue	56,010	39,510
Deposits	3,675	3,675
Lease liabilities, current	30,459	30,436
Total current liabilities	839,078	790,097
Lease liabilities, long-term	60,920	87,053
Total liabilities	899,998	877,150
Net assets		
Net assets without donor restrictions	5,504,442	4,273,688
Net assets with donor restrictions (Note 4)	1,294,018	943,154
Total net assets	6,798,460	5,216,842
Total liabilities and net assets	\$ 7,698,458	\$ 6,093,992

The accompanying notes are an integral part of these financial statements.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2024**

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Government grants and contracts	\$ 7,248,337	\$ -	\$ 7,248,337
Corporate and foundation grants	39,000	688,533	727,533
Program service fees	1,450,912	-	1,450,912
Individual contributions	97,746	-	97,746
Rents	89,196	-	89,196
Special events	125,448	-	125,448
Interest income	54,953	-	54,953
In-kind contributions	3,444,392	-	3,444,392
Planned gifts	70,000	-	70,000
Other income	47,051	6,500	53,551
Total revenue and support	<u>12,667,035</u>	<u>695,033</u>	<u>13,362,068</u>
Net assets released from restriction and transfers	344,169	(344,169)	-
Total revenue, support and transfers	<u>13,011,204</u>	<u>350,864</u>	<u>13,362,068</u>
<b>EXPENSES</b>			
Program	10,763,211	-	10,763,211
Management and general	624,210	-	624,210
Fundraising	393,029	-	393,029
Total expenses	<u>11,780,450</u>	<u>-</u>	<u>11,780,450</u>
Change in net assets	1,230,754	350,864	1,581,618
Net assets, beginning of year	<u>4,273,688</u>	<u>943,154</u>	<u>5,216,842</u>
Net assets, end of year	<u>\$ 5,504,442</u>	<u>\$ 1,294,018</u>	<u>\$ 6,798,460</u>

The accompanying notes are an integral part of these financial statements.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF ACTIVITIES**  
**For the year ended June 30, 2023**

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Government grants and contracts	\$ 6,102,424	\$ -	\$ 6,102,424
Corporate and foundation grants	95,250	550,215	645,465
Program service fees	1,204,745	-	1,204,745
Individual contributions	87,415	-	87,415
Rents	122,881	-	122,881
Special events	142,679	-	142,679
Interest income	19,712	-	19,712
In-kind contributions	2,169,738	-	2,169,738
Other income	21,018	-	21,018
Total revenue and support	<u>9,965,862</u>	<u>550,215</u>	<u>10,516,077</u>
Net assets released from restriction and transfers	<u>289,164</u>	<u>(289,164)</u>	<u>-</u>
Total revenue, support and transfers	<u>10,255,026</u>	<u>261,051</u>	<u>10,516,077</u>
<b>EXPENSES</b>			
Program	8,340,173	-	8,340,173
Management and general	572,872	-	572,872
Fundraising	319,678	-	319,678
Total expenses	<u>9,232,723</u>	<u>-</u>	<u>9,232,723</u>
Change in net assets	1,022,303	261,051	1,283,354
Net assets, beginning of year	<u>3,251,385</u>	<u>682,103</u>	<u>3,933,488</u>
Net assets, end of year	<u>\$ 4,273,688</u>	<u>\$ 943,154</u>	<u>\$ 5,216,842</u>

The accompanying notes are an integral part of these financial statements.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENTS OF CASH FLOWS**  
**For the years ended June 30, 2024 and 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ 1,581,618</u>	<u>\$ 1,283,354</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,220	21,068
Changes in assets and liabilities:		
Accounts receivable	625	(694)
Grants and contracts receivable	(1,091,708)	859,437
Prepaid expenses	(3,794)	(526)
Accounts payable	(51,731)	(301,609)
Accrued expenses	84,192	171,326
Deferred revenue	16,500	26,465
Total adjustments	<u>(1,020,696)</u>	<u>775,467</u>
Net cash provided by operating activities	<u>560,922</u>	<u>2,058,821</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Change in property and equipment	<u>(75,877)</u>	<u>(23,715)</u>
Net cash (used) by investing activities	<u>(75,877)</u>	<u>(23,715)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in restricted cash	<u>(350,864)</u>	<u>(286,051)</u>
Net cash (used) by financing activities	<u>(350,864)</u>	<u>(286,051)</u>
Net change in cash and cash equivalents	134,181	1,749,055
Cash and cash equivalents, beginning of year	<u>4,145,464</u>	<u>2,396,409</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,279,645</u></u>	<u><u>\$ 4,145,464</u></u>

The accompanying notes are an integral part of these financial statements.



**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended June 30, 2024**

	Programs	Management and General	Fundraising	Total
Salaries	\$ 5,025,302	\$ 415,180	\$ 144,838	\$ 5,585,320
Payroll taxes and benefits	986,725	66,186	17,302	1,070,213
Professional services	155,151	61,734	113,029	329,914
Grants and scholarships	76,500	-	-	76,500
Occupancy	1,047,602	1,359	2,939	1,051,900
Communication	17,823	1,728	862	20,413
Materials and supplies	133,313	3,140	2,113	138,566
Furniture and equipment	62,441	16,100	1,271	79,812
Food	2,665,608	-	-	2,665,608
Youth incentives	15,688	-	-	15,688
Postage and shipping	754	239	180	1,173
Transportation	8,313	105	3	8,421
Hiring and recruitment	36,873	1,575	67	38,515
Subcontractors	165,087	-	-	165,087
Honoraria	2,700	-	-	2,700
Fundraising	-	-	86,850	86,850
Liability insurance	22,637	8,870	423	31,930
Staff and volunteer development	59,230	9,762	2,161	71,153
Dues, memberships and subscriptions	27,476	33,204	8,817	69,497
Marketing and outreach	1,684	1,077	8,860	11,621
Fieldtrips and events	198,116	-	-	198,116
Taxes and fees	-	446	-	446
Bank and merchant charges	31,116	1,543	3,128	35,787
Depreciation	23,072	1,962	186	25,220
Total	<u>\$ 10,763,211</u>	<u>\$ 624,210</u>	<u>\$ 393,029</u>	<u>\$ 11,780,450</u>

The accompanying notes are an integral part of these financial statements.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the year ended June 30, 2023**

	Programs	Management and General	Fundraising	Total
Salaries	\$ 4,248,081	\$ 388,115	\$ 86,147	\$ 4,722,343
Payroll taxes and benefits	845,042	57,383	11,410	913,835
Professional services	195,162	70,559	107,982	373,703
Grants and scholarships	114,476	-	-	114,476
Occupancy	826,532	1,547	368	828,447
Communication	16,053	3,634	1,198	20,885
Materials and supplies	88,608	1,458	191	90,257
Furniture and equipment	36,199	1,331	1,277	38,807
Food	1,462,005	-	-	1,462,005
Youth incentives	38,788	-	-	38,788
Postage and shipping	902	115	130	1,147
Transportation	8,734	106	-	8,840
Hiring and recruitment	24,799	1,326	393	26,518
Subcontractors	168,422	-	-	168,422
Honoraria	1,071	-	-	1,071
Fundraising	-	-	93,175	93,175
Liability insurance	20,657	6,510	384	27,551
Staff and volunteer development	29,526	9,400	510	39,436
Dues, memberships and subscriptions	25,543	27,272	7,134	59,949
Marketing and outreach	2,219	326	5,457	8,002
Fieldtrips and events	140,976	-	-	140,976
Taxes and fees	-	400	-	400
Bank and merchant charges	25,801	2,986	3,835	32,622
Depreciation	20,577	404	87	21,068
<b>Total</b>	<b>\$ 8,340,173</b>	<b>\$ 572,872</b>	<b>\$ 319,678</b>	<b>\$ 9,232,723</b>

The accompanying notes are an integral part of these financial statements.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2024 and 2023**

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**NOTE 1 ORGANIZATION**

Organization - The Richmond District Neighborhood Center, Inc. ("RDNC", or "Corporation") is a California nonprofit public benefit corporation that provides after school and community programs for San Francisco residents in the Richmond District and greater San Francisco area. RDNC is governed by a Board of Directors who serve without benefit of compensation. Sources of income for RDNC include contracts with the City and County of San Francisco, corporate grants, individual contributions and fees for services provided. The Corporation is exempt from federal and state income tax liability under the IRC Section 501(c)(3) and it operates the following programs:

*Elementary School Programs* - RDNC offers a wide variety of low-cost, supportive before, after school and summer programs for youth at five Richmond District public elementary schools. These programs provide students with support for academics and literacy focusing on science, technology, engineering, arts and math (STEAM), and include recreation, sports and enrichments. RDNC also provides social-emotional learning activities as students continue to recover from pandemic school closures. Monthly fees are based on income level and the programs are completely free for low-income families.

*Middle School Programs* – RDNC coordinates two middle school Beacon programs based on the community school model which provides comprehensive academic, social and emotional support to students and families throughout the school day, setting participants up for success in every part of their lives. The program uses a shared leadership model with school administration and staff. Programs consist of before and after school programs, transition programs for rising 6th grade students and rising 9th grade students, parent and family engagement, summer camp, and more.

*High School Programs* – RDNC's three high school programs support the wide range of academic and social and emotional needs of high school youth as they prepare for college, careers, and adulthood. Programs include freshman orientation, teen center, homework help, tutoring groups, SAT prep, college application assistance, youth employment, case management, multicultural and identity-based clubs, and family engagement activities.

*Community Programs* –RDNC's Community Programs address issues of food security, wellness, and community engagement. Our food security programming provides fresh groceries to 1,000 low-income seniors and families every week at three pantries and through a Home Delivered Grocery program. Our community engagement programming provides opportunities for the community and local merchants to get together to share and learn about resources and connect with each other to strengthen the neighborhood, through the Richmond Community Coalition, One Richmond initiative, and events and community workshops on topics from city transportation to housing.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2024 and 2023**

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**NOTE 1 ORGANIZATION (continued)**

In addition, RDNC is home to tenant organizations that broaden the scope of services that RDNC provides to the community. These include Cross Cultural Family Center's childcare program and Community Music Center's sliding-scale music lessons.

*Fiscally-Sponsored Projects* – RDNC serves as the fiscal sponsor for San Francisco Neighborhood Centers Together (SFNCT). SFNCT is a network for the city's Neighborhood Centers. Neighborhood Centers are anchor institutions that provide programs and services, and build connections between residents, community and neighborhood groups, schools, faith-based groups, merchants, and local public agencies. The SFNCT provides peer support, coaching and training to the Neighborhood Centers.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

Method of Accounting – The financial statements of the Corporation are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, which reflects revenue when earned and expenses as incurred.

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Contributions – Contributions consist of cash contributions as well as in-kind goods and services provided to the Corporation. Contributed services are recognized at their fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Donated securities are recorded at their fair value at the date of donation.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2024 and 2023**

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**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenue Recognition – Revenue is recognized as earned as services are provided to the constituencies being served. All revenue received in advance of it being earned is deferred.

Accounts Receivable – Contracts with government agencies make up a majority of the Corporation’s receivables. It is the practice of the Corporation to expense uncollectibles only after exhausting all efforts to collect the amounts due. There is no allowance for doubtful accounts and management believes all amounts will be collected in full.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual future results could differ from those estimates.

Property, Equipment, and Leasehold Improvements - The Corporation records property, equipment, and leasehold improvements at cost of acquisition, or, if donated, the fair market value at the date of donation. Depreciation is recognized using the straight-line method over the useful lives of the assets, which range from three to five years. The Corporation capitalizes all property, equipment, and improvements with a cost in excess of \$5,000.

Basis of Presentation – The Corporation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

Net assets with donor restrictions – Net assets that are restricted by a donor for use for a particular purpose or in a particular period. Some donor imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

As of June 30, 2024 and 2023, there were no net assets with permanent donor restrictions.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2024 and 2023**

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**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fair Value Measurements – The Corporation carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received if selling an asset or paid if transferring a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the Corporation to classify these financial instruments into a three-level hierarchy. The Corporation classifies its financial assets and liabilities according to the below three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

*Level 1* – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.

*Level 2* – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.

*Level 3* – Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

The Corporation's carrying amounts of its assets and liabilities, approximate fair value under Level 1 for the years ended June 30, 2024 and 2023.

Advertising Costs – It is the policy of the Corporation to expense advertising costs as incurred.

Functional Allocation of Expenses - The costs of providing the various programs, supporting services and other activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates and analysis of personnel time spent on each program and activity.

Income Taxes - The Corporation is exempt from federal and state taxes under Section 501(c)(3) of the Internal Revenue Service Code and Section 23701d of the California Revenue and Taxation Code, and is considered by the IRS to be an organization other than a Private Foundation. In the opinion of management, there is no unrelated business income.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2024 and 2023**

**NOTE 3 PROPERTY AND EQUIPMENT**

Property, equipment and leasehold improvements valued at cost as of June 30, 2024 and 2023 are as follows:

	2024	2023
Leasehold improvements	\$ 541,853	\$ 522,987
Furniture and equipment	181,835	124,824
Less: accumulated depreciation	(424,397)	(399,177)
Total Property and equipment	\$ 299,291	\$ 248,634

Depreciation expense for the years ended June 30, 2024 and 2023 was \$25,220 and \$21,068, respectively.

**NOTE 4 NET ASSETS WITH TEMPORARY DONOR RESTRICTIONS**

Net assets with temporary donor restrictions are available to be used within a specific time and/or for a specific purpose and consist of the following as of June 30, 2024 and 2023:

	2024	2023
Crankstart Foundation	512,770	512,770
Kimball Foundation	25,000	25,000
Metta Fund (Capacity Building)	238,744	346,920
Metta Fund (Aging and Older Adults)	330,000	-
Morris Stulsaft	50,000	25,000
Woodlawn Foundation	58,333	-
Asian-Pacific Foundation	25,000	-
Ross Stores Foundation	20,000	-
Presidio Middle School PTSA	2,790	-
Langendorf Foundation	2,500	-
Albertsons Foundation	12,500	-
National Charity League	8,275	2,464
S.F. Marin Foodbank	-	10,000
Washington High PTSA	-	20,000
Youth leadership	2,500	-
Institute for Educational Leadership	5,000	-
Pine United Methodist Church	607	-
Baptist Church	-	1,000
Total net assets with donor restrictions	\$ 1,294,019	\$ 943,154

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2024 and 2023**

**NOTE 5 PROGRAM REVENUES AND EXPENSES**

Revenues and expenses by program for the years ended June 30, 2024 and 2023 were as follows:

<u>Revenue</u>	<u>2024</u>	<u>2023</u>
Elementary School Programs	\$ 4,430,245	\$ 3,502,673
Middle School Programs	2,900,213	2,458,952
High School Programs	1,375,197	1,384,858
Community Programs	3,612,988	2,277,962
Fiscally sponsored projects	<u>186,021</u>	<u>236,022</u>
	<u>\$ 12,504,664</u>	<u>\$ 9,860,467</u>
<u>Expenses</u>	<u>2024</u>	<u>2023</u>
Elementary School Programs	\$ 3,303,381	\$ 2,498,557
Middle School Programs	2,632,576	2,214,082
High School Programs	1,275,949	1,242,649
Community Programs	3,365,284	2,148,863
Fiscally sponsored projects	<u>186,021</u>	<u>236,022</u>
Total	<u>\$ 10,763,211</u>	<u>\$ 8,340,173</u>

**NOTE 6 RIGHT OF USE ASSETS AND LEASE LIABILITIES**

As of June 30, 2023, the Center had adopted ASU 842 and as such, is recognizing future operating lease payments as right of use assets and corresponding lease liabilities. In accordance with the ASU, a present value discount was considered but was determined to be insignificant. In addition, the Center has elected to apply the ASU retrospectively for the year ended June 30, 2023, and as such, would make an adjustment to net assets to consider the effects of the ASU for the prior period. The amount of the adjustment is considered immaterial to these financial statements and thus, no adjustment was made.

The Corporation is obligated under long-term lease agreements for equipment, and with the San Francisco Unified School District (“SFUSD”) for rent of its site. The leases extend to the year 2027 for equipment and the facility. Under the terms of the agreement with the SFUSD, the site must be used for neighborhood facilities for low to moderate income persons.



**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2024 and 2023**

**NOTE 6 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)**

Future minimum lease commitments are as follows:

<u>Fiscal Year End June 30,</u>	
2025	\$ 30,460
2026	30,460
2027	<u>30,460</u>
	<u>\$ 91,380</u>

Rent and equipment lease expense for the years ended June 30, 2024 and 2023 was \$30,460 and \$45,614, respectively.

**NOTE 7 PENSION PLAN**

Pursuant to Section 403(b) of the Internal Revenue Code, the Corporation contributes to a tax sheltered annuity plan for qualifying employees. Vesting in the plan begins after 12 months of service and partial vesting continues until the employee completes several years of service. Employer matches are determined by the Corporation's projected budget. Employer matching contributions were \$14,100 and \$13,600 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 8 IN-KIND CONTRIBUTIONS**

All in-kind contributions are unrestricted and are reported at donor valuations, which approximates fair value. The Corporation received donated goods during the years ended June 30, 2024 and 2023 as follows:

	<u>2024</u>	<u>2023</u>
Food	\$ 2,444,422	\$ 1,431,897
Facility use	985,663	719,162
Auction items	<u>14,307</u>	<u>18,679</u>
	<u>\$ 3,444,392</u>	<u>\$ 2,169,738</u>

**NOTE 9 LINE OF CREDIT**

A line of credit was obtained on May 19, 2020 for \$300,000. On August 29, 2022 it was renewed and increased to a line of \$600,000. The line of credit has an interest rate that is floating at the Wall Street Journal Prime rate which was 5.5% and it expired and was not renewed. No funds had been advanced on the line as of June 30, 2023.

**RICHMOND DISTRICT NEIGHBORHOOD CENTER, INC.**  
**(A California Nonprofit Public Benefit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended June 30, 2024 and 2023**

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**NOTE 10 LIQUIDITY MANAGEMENT**

As part of the Corporation's liquidity management strategy, the Corporation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Corporation's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contract revenues, contributions and grants. The Corporation has sufficient cash and cash equivalents to meet its current needs and investments which can be converted to cash for periods when cash is not available.

Current liquidity at June 30, 2024 and 2023 can be quantified as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,279,645	\$ 4,145,464
Accounts receivable	19,566	20,191
Grants and contracts receivable	<u>1,622,294</u>	<u>530,586</u>
Assets available for current needs	<u>\$ 5,921,505</u>	<u>\$ 4,696,241</u>

**NOTE 11 CONCENTRATION OF CREDIT RISK**

As of June 30, 2024, the Corporation's financial instruments consisted primarily of cash and cash equivalents, investments and receivables. Cash balances may at times exceed the Federal Deposit Insurance Corporation (FDIC) limits on insurable amounts. The Corporation attempts to mitigate this risk by investing excess cash with major institutions.

The Corporation received approximately 54% of its revenue from various agencies of the City and County of San Francisco for the year ended June 30, 2024 and 58% for the year ended 2023. Portions of this funding originate with the State of California.

**NOTE 12 SUBSEQUENT EVENTS**

Management has evaluated all subsequent events through the Auditor's Report date, the date the financial statements were available to be issued.