

BAYANIHAN EQUITY CENTER

Financial Statements

Year Ended June 30, 2025

(With Summarized Comparative Totals for the Year Ended June 30, 2024)

BAYANIHAN EQUITY CENTER

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flow	6
Notes to Financial Statements	7-12

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Bayanihan Equity Center
San Francisco, California**

Opinion

I have audited the accompanying financial statements of Bayanihan Equity Center (BEC) (a California nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bayanihan Equity Center as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Bayanihan Equity Center and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 BEC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

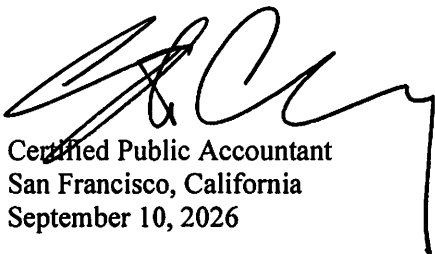
In performing an audit in accordance with generally accepted auditing standards, I:

- 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 BEC'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BEC's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Summarized Comparative Information

I have previously audited the Bayanihan Equity Center's June 30, 2024 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated March 10, 2025. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountant
San Francisco, California
September 10, 2026

BAYANIHAN EQUITY CENTER
STATEMENTS OF FINANCIAL POSITION
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 220,435	\$ 401,031
Account receivable	168,133	183,436
Prepaid expenses	1,480	1,480
Other assets	52,500	52,500
Total Current Assets	<u>442,548</u>	<u>638,447</u>
Property and Equipment (net)	<u>225,723</u>	<u>920</u>
TOTAL ASSETS	<u><u>\$ 668,271</u></u>	<u><u>\$ 639,367</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Account payable & Accrued expense	\$ 31,682	\$ 14,860
Total Current Liabilities	<u>31,682</u>	<u>14,860</u>
TOTAL LIABILITIES	<u>31,682</u>	<u>14,860</u>
Net Assets		
Net assets without donor restriction	<u>636,589</u>	<u>624,507</u>
Total Net Assets	<u>636,589</u>	<u>624,507</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 668,271</u></u>	<u><u>\$ 639,367</u></u>

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

BAYANIHAN EQUITY CENTER
STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	Without Donor Restriction	2025 Total	2024 Total
REVENUE, GAINS, AND OTHER SUPPORT			
Government contracts	\$ 959,069	\$ 959,069	\$ 976,866
Grants and donations	76,812	76,812	31,450
Other income	120	120	-
	<u>1,036,001</u>	<u>1,036,001</u>	<u>1,008,316</u>
Total Revenue, Gains, and Other Support			
FUNCTIONAL EXPENSES			
Program services	972,796	972,796	976,693
Management & General	37,074	37,074	43,081
Fundraising	14,049	14,049	177
	<u>1,023,919</u>	<u>1,023,919</u>	<u>1,019,951</u>
Total Functional Expenses			
CHANGE IN NET ASSETS	12,082	12,082	(11,635)
NET ASSETS, beginning of year	<u>624,507</u>	<u>624,507</u>	<u>636,142</u>
NET ASSETS, end of year	<u><u>\$ 636,589</u></u>	<u><u>\$ 636,589</u></u>	<u><u>\$ 624,507</u></u>

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

BAYANIHAN EQUITY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

							2025		2024
	OOA	SGP	CARE Project	Acquisition	Total Program	Management & General	Fundraising	Total	Total
Salaries and wages	\$ 347,985	\$ 49,697	\$ 14,855	\$ -	\$ 412,537	\$ 4,925	\$ -	417,462	\$ 393,447
Payroll taxes	27,654	3,951	1,317	-	32,922	-	-	32,922	30,905
Employee benefits	48,355	6,908	2,303	-	57,566	-	-	57,566	47,637
Workers' compensation insurance	1,965	-	-	-	1,965	-	-	1,965	1,735
Payroll processing fees	3,775	-	-	-	3,775	-	-	3,775	3,562
Intern Stipend & Honorariums	-	5,620	-	-	5,620	-	-	5,620	16,251
Utilities	12,760	260	-	-	13,020	-	-	13,020	10,039
Insurance	6,557	-	-	-	6,557	-	-	6,557	5,894
Telephone and communication	4,369	-	-	-	4,369	-	-	4,369	6,049
Office expenses	3,334	814	-	-	4,148	-	2,605	6,753	5,634
Printing and reproduction	1,973	500	-	-	2,473	-	-	2,473	4,000
Equipment	-	-	-	-	-	-	-	-	3,379
Equipment rental	1,444	-	-	-	1,444	-	-	1,444	1,439
Food supply	-	255,386	-	-	255,386	-	-	255,386	258,757
Grant to other organizations	-	93,500	-	-	93,500	-	-	93,500	113,310
Membership fees & dues	-	-	-	-	-	1,230	-	1,230	1,000
Office rent	3,575	4,800	-	-	8,375	-	-	8,375	14,821
Travel	1,421	-	-	-	1,421	-	-	1,421	1,537
Staff development	-	-	-	-	-	-	-	-	1,631
Program expense	7,049	3,610	-	-	10,659	2,099	-	12,758	22,927
Accounting fees	17,000	-	-	-	17,000	-	-	17,000	17,000
Professional fees	14,799	15,548	675	9,037	40,059	10,300	5,223	55,582	51,118
Other expenses	-	-	-	-	-	18,520	6,221	24,741	7,736
Depreciation	-	-	-	-	-	-	-	-	143
Total Functional Expenses	\$ 504,015	\$ 440,594	\$ 19,150	\$ 9,037	\$ 972,796	\$ 37,074	\$ 14,049	\$ 1,023,919	\$1,019,951

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

BAYANIHAN EQUITY CENTER
STATEMENTS OF CASH FLOWS
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 12,082	\$ (11,635)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	-	143
(Increase) decrease in assets:		
Accounts and grants receivable	15,303	(73,740)
Prepaid expenses	-	-
Other assets	-	(52,500)
Increase (decrease) in liabilities:		
Account payable & Accrued expense	<u>16,822</u>	<u>6</u>
Net Cash Provided (Used) by Operating Activities	<u>44,207</u>	<u>(137,726)</u>
Net Increase in Cash and Cash Equivalents	<u>44,207</u>	<u>(137,726)</u>
Cash Flows from Investing Activities:		
Purchases/Invested of fixed assets	<u>(224,803)</u>	<u>-</u>
Net Cash (Used) in Investing Activities	<u>(224,803)</u>	<u>-</u>
Cash and Cash Equivalents, Beginning of Year	<u>401,031</u>	<u>538,757</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 220,435</u></u>	<u><u>\$ 401,031</u></u>
Supplemental information:		
Cash paid for interest	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

BAYANIHAN EQUITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

NOTE 1 - NATURE OF OPERATION

he Bayanihan Equity Center (the "Organization") is a nonprofit public benefit corporation that was originally established as the Veterans Equity Center in 1999 to honor the valuable contributions made by Filipino American World War II veterans to freedom and democracy. Effective July 11, 2017, the Veterans Equity Center officially changed to the Bayanihan Equity Center (BEC). The Organization provides in-language support services in areas of housing, food access, immigration, health and social activities for San Francisco older adults and adults with disabilities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying 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 Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America for Not-for-Profit organizations. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

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.

BAYANIHAN EQUITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

BEC capitalizes all property and equipment with a cost greater than \$5,000 and an estimated useful life in excess of one year. Property and equipment is carried at cost or, if donated, at the estimated fair value on the date of the contribution, net of accumulated depreciation. Minor repairs and maintenance are charged against earnings as incurred. Major repairs and maintenance that extend the useful life of the respective asset are capitalized. Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recovered, BEC, using its best estimates and projections, reviews for impairment the carrying value of long-lived identifiable assets to be held and used in the future. BEC will record impairment losses when determined.

Depreciation and amortization of property and equipment is computed using the straight-line method over the following estimated useful lives:

Furniture	7 years
Computer equipment	3 years
Leasehold improvements	3-10 years

Current year depreciation is \$0.

Contributions

Contributions received and promises to give are reported as net assets without donor restrictions or net assets with donor restrictions, depending on donor restrictions (if any).

Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, which is when donor stipulated barriers are overcome and BEC is entitled to the assets transferred or promised. Contributions that are promised in one year but are not expected to be collected until after the end of that year are considered contributions receivable and are recorded at fair value by discounting at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of the promise to give.

BAYANIHAN EQUITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. BEC determines the fair values 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, Level 2 and Level 3). Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that BEC has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Unobservable inputs reflect BEC's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include BEC's own data.

The following methods and assumptions were used to estimate the fair value of financial assets and liabilities:

- *Level 1* - Investment securities traded on security exchanges are valued at closing market prices on the date closest to June 30.
- *Level 2* - Certificates of deposit are valued based on observable and unobservable inputs including interest rate and discount rate factors. These securities do not have a mark to market index available.
- *Level 3* - inputs are unobservable inputs for the assets or liability.

Expense Allocation

The costs for providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between the programs and supporting services benefited.

Leases

The Organization leases its office space under a lease agreement which has been classified as an operation lease. At June 30, 2025, the lease expired and currently it is month to month until negotiation is completed.

BAYANIHAN EQUITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain accounts in the prior year's summarized information have been reclassified for comparative purposes to confirm with the presentation in the current-year financial statements.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

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.

Revenue recognition

Revenue of government grants and contracts other than contributions and foundation grants will be recognized when services are provided.

Income Taxes

BEC is a qualified organization exempt from Federal income and California franchise taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, respectively. BEC recognizes the effect of income tax positions only if those positions are more likely than not of being sustained and changes in recognition or measurement are reflected in the period in which the change in judgment occurs. BEC has evaluated its current tax positions and has concluded that as of June 30, 2025 and 2024, it does not have any significant tax positions for which a reserve would be necessary.

Subsequent Events

At the time of the audit, the Organization has evaluated all subsequent events through September 10, 2026, the date the financial statements were available to be issued, and determined that there is no material impact from the subsequent events.

As of October 15, 2024, BEC had received a \$1,487,500 grant from the City and County of San Francisco. BEC used this fund to purchase a building for their program in October 2025 for \$1,750,000.

BAYANIHAN EQUITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Descriptions of Net Assets

Net assets without donor restriction

The portion of net assets that is not subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

Net assets with donor restriction

The portion of net assets that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants).

NOTE 3 – NET ASSETS RELEASED FROM RESTRICTION

In 2025, there is no temporary restricted grants in fiscal year 2025.

NOTE 4 - CONTINGENCIES

The Organization receives grants and contracts from various County, State and Federal agencies. These grants and contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these government audits cannot be estimate and, according, the Organization has no provisions for the possible disallowance of program costs. It is management’s opinion that all grants and contract conditions have been met.

NOTE 5 – VULNERABILITY DUE TO CERTAIN CONCENTRATION

The Organization receives a substantial portion of its support from government agencies. A significant reduction in the level of this support may have an adverse effect on its ability to continue the programs and activities which are funded by these government agencies. In addition, the related grants/contracts are subject to audit by the funding agencies; and disallowed costs, if any, resulting from these audits must be repaid to the grantor.

BAYANIHAN EQUITY CENTER
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2025
(With Summarized Comparative Totals for the Year Ended June 30, 2024)

NOTE 6 – FUTURE COMMITMENTS

San Francisco Bayanihan Equity Center is one of four community groups to participate in the 250 Fourth Street, LLC, which is planning to develop a hotel project at 250 Fourth Street. The project will consist of an 11 story hotel with 220 rooms above ground floor retail. The 250 Fourth Street LLC is offering \$450,000 to community groups to fund programs that will benefit youth, family and seniors who live and work in the South of Market Youth and Family Zone Special Use District. Proceeds from this commitment will be distributed among the four participating community groups at \$37,500 per year until the \$450,000 commitment is fully paid. As of June 30, 2025, the 250 Fourth Street LLC default on its payment obligation and it is under various litigation.

NOTE 7 – CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject The Organization to concentrations of credit risk consist principally of cash. The Organization maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. At June 30, 2025, \$0 of The Organization's cash balances are uninsured.

NOTE 8 – LIQUIDITY AND AVAILABILITY

The Organization has \$388,568 of financial assets available to meet cash needs for general expenditure. None of the financial assets is subject to donor, Board or other contractual restrictions that make them unavailable for general expenditures within one year of the balance sheet date. The accounts receivable are expected to be collected within one year.

These financial assets consist of:

Cash and cash equivalents	\$ 220,435
Accounts receivable	<u>168,133</u>
Total	<u>\$ 388,568</u>

The Organization has a goal to maintain financial assets, which consists of cash and short-term investments, on hand to meet at least 90 days of normal operating expenses. The average monthly expenditure is \$85,327. The Organization has a policy to structure its financial assets to be available as its general expenditure, liabilities and other obligations come due.