

**BAYANIHAN EQUITY CENTER**

**Financial Statements**

**Year Ended June 30, 2024**

**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

## BAYANIHAN EQUITY CENTER

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## **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, 2024, 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, 2024, 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.

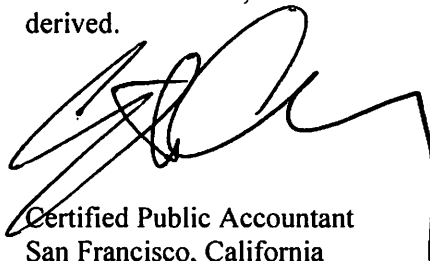
In performing an audit in accordance with generally accepted auditing standards, I:

- 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, 2023 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated February 29, 2024. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Certified Public Accountant  
San Francisco, California

March 10, 2025

**BAYANIHAN EQUITY CENTER**  
**STATEMENTS OF FINANCIAL POSITION**  
**For the Year Ended June 30, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 401,031	\$ 538,757
Account receivable	183,436	109,696
Prepaid expenses	1,480	1,480
Other assets	52,500	-
<b>Total Current Assets</b>	<u>638,447</u>	<u>649,933</u>
 <b>Property and Equipment (net)</b>	 <u>920</u>	 <u>1,063</u>
 <b>TOTAL ASSETS</b>	 <u><u>\$ 639,367</u></u>	 <u><u>\$ 650,996</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Account payable & Accrued expense	\$ 14,860	\$ 14,854
<b>Total Current Liabilities</b>	<u>14,860</u>	<u>14,854</u>
 <b>TOTAL LIABILITIES</b>	 <u>14,860</u>	 <u>14,854</u>
 <b>Net Assets</b>		
Net assets without donor restriction	624,507	636,142
<b>Total Net Assets</b>	<u>624,507</u>	<u>636,142</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 639,367</u></u>	 <u><u>\$ 650,996</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, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

	<b>Without Donor Restriction</b>	<b>2024 Total</b>	<b>2023 Total</b>
<b>REVENUE, GAINS, AND OTHER SUPPORT</b>			
Government contracts	\$ 976,866	\$ 976,866	\$ 807,951
Grants and donations	31,450	31,450	77,282
Other income	-	-	3,969
<b>Total Revenue, Gains, and Other Support</b>	<b>1,008,316</b>	<b>1,008,316</b>	<b>889,202</b>
<b>FUNCTIONAL EXPENSES</b>			
Program services	976,693	976,693	823,166
Management & General	43,081	43,081	84,916
Fundraising	177	177	7,330
<b>Total Functional Expenses</b>	<b>1,019,951</b>	<b>1,019,951</b>	<b>915,412</b>
<b>CHANGE IN NET ASSETS</b>	<b>(11,635)</b>	<b>(11,635)</b>	<b>(26,210)</b>
<b>NET ASSETS, beginning of year</b>	<b>636,142</b>	<b>636,142</b>	<b>662,352</b>
<b>NET ASSETS, end of year</b>	<b>\$ 624,507</b>	<b>\$ 624,507</b>	<b>\$ 636,142</b>

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

**BAYANIHAN EQUITY CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

							2024	2023
	OOA	SGP	CARE Project	Total Program	Management & General	Fundraising	Total	Total
Salaries and wages	\$ 348,565	\$ 44,882	\$ -	\$ 393,447	\$ -	\$ -	\$ 393,447	\$ 374,631
Payroll taxes	27,506	3,399	-	30,905	-	-	30,905	29,131
Employee benefits	42,397	5,240	-	47,637	-	-	47,637	54,327
Workers' compensation insurance	1,735	-	-	1,735	-	-	1,735	1,830
Payroll processing fees	3,562	-	-	3,562	-	-	3,562	3,379
Intern Stipend & Honorariums	5,476	8,875	1,900	16,251	-	-	16,251	18,156
Utilities	3,623	6,416	-	10,039	-	-	10,039	3,107
Insurance	5,894	-	-	5,894	-	-	5,894	6,381
Telephone and communication	6,049	-	-	6,049	-	-	6,049	5,552
Office expenses	3,000	2,634	-	5,634	-	-	5,634	6,219
Printing and reproduction	2,000	2,000	-	4,000	-	-	4,000	4,202
Equipment	-	3,379	-	3,379	-	-	3,379	6,964
Equipment rental	1,439	-	-	1,439	-	-	1,439	1,359
Food supply	-	258,757	-	258,757	-	-	258,757	237,127
Grant to other organizations	-	113,310	-	113,310	-	-	113,310	58,840
Membership fees & dues	-	-	-	-	1,000	-	1,000	1,200
Office rent	7,021	7,800	-	14,821	-	-	14,821	16,535
Travel	1,537	-	-	1,537	-	-	1,537	2,624
Staff development	1,631	-	-	1,631	-	-	1,631	-
Program expense	6,961	15,002	17	21,980	770	177	22,927	-
Accounting fees	17,000	-	-	17,000	-	-	17,000	16,000
Professional fees	3,120	14,566	-	17,686	33,432	-	51,118	49,369
Other expenses	-	-	-	-	7,736	-	7,736	15,494
Depreciation	-	-	-	-	143	-	143	2,985
	<u>\$ 488,516</u>	<u>\$ 486,260</u>	<u>\$ 1,917</u>	<u>\$ 976,693</u>	<u>\$ 43,081</u>	<u>\$ 177</u>	<u>\$ 1,019,951</u>	<u>\$ 915,412</u>

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

**BAYANIHAN EQUITY CENTER**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended June 30, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (11,635)	\$ (26,210)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	143	2,985
(Increase) decrease in assets:		
Accounts and grants receivable	(73,740)	7,198
Prepaid expenses	-	-
Other assets	(52,500)	-
Increase (decrease) in liabilities:		
Account payable & Accrued expense	<u>6</u>	<u>120</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(137,726)</u>	<u>(15,907)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>(137,726)</u>	<u>(15,907)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>538,757</u>	<u>554,664</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 401,031</u></u>	<u><u>\$ 538,757</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, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

**NOTE 1 - NATURE OF OPERATION**

San Francisco Bayanihan Equity Center (the “Organization”) is a nonprofit public benefit corporation that was established in 1999 to honor the valuable contributions made by Filipino American World War II veterans to freedom and democracy. The Organization provides a variety of health, legal, social, recreational and other support services designed to assist Filipino American World War II veterans and other elderly individuals in the community with special needs so that they may live satisfactory lives. Effective July 11, 2017, Veterans Equity Center is officially changed to Bayanihan Equity Center (BEC).

**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, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

**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 \$143.

**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, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

**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* - Input 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, 2024, 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, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

**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, 2023, 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, 2024 and 2023, 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 March 10, 2025, 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, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

**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 2024, there is no temporary restricted grants in fiscal year 2024.

**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, 2024**  
**(With Summarized Comparative Totals for the Year Ended June 30, 2023)**

**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, 2024, 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, 2024, \$0 of The Organization's cash balances are uninsured.

**NOTE 8 – LIQUIDITY AND AVAILABILITY**

The Organization has \$584,467 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	\$ 401,031
Accounts receivable	<u>183,436</u>
Total	<u><u>\$ 584,467</u></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 \$85,232. The Organization has a policy to structure its financial assets to be available as its general expenditure, liabilities and other obligations come due.