

SHAKESPEARE-SAN FRANCISCO

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2022

SHAKESPEARE-SAN FRANCISCO

December 31, 2022

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Independent Auditor's Report

To the Board of Directors
Shakespeare-San Francisco
San Francisco, California

Opinion

I have audited the accompanying financial statements of Shakespeare-San Francisco (a California nonprofit public benefit corporation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Shakespeare-San Francisco as of December 31, 2021, 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 the Shakespeare-San Francisco 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 opinions.

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 Shakespeare-San Francisco' 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 Shakespeare-San Francisco' 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.

Allan Liu

Certified Public Accountant
Millbrae, California
August 25, 2023

SHAKESPEARE- SAN FRANCISCO
STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

ASSETS	2022	2021
Current assets		
Cash and cash equivalents	\$ 617,979	\$ 415,956
Grants and contribution receivable	273,250	158,900
Other receivable	26,872	4,411
Deposit and prepaid expenses	10,703	8,291
Total Current Assets	928,804	587,558
Fixed assets		
Property and equipment	76,676	76,676
Vehicles	16,686	16,686
Subtotal	93,362	93,362
Less accumulated depreciation	(93,362)	(93,362)
Net Fixed assets	-	-
Right of Use	267,504	-
TOTAL ASSETS	\$ 1,196,308	\$ 587,558
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 18,973	\$ 34,173
Accrued expenses and other liabilities	32,631	35,328
Deferred revenue	17,164	1,529
Current portion of EIDL loan	7,692	-
Current portion of lease liability	51,191	-
Total Current Liabilities	127,651	71,030
Long- term Liabilities		
EIDL loan	151,558	155,587
Lease liability	216,313	-
Total Long-term Liabilities	367,871	155,587
Total Liabilities	495,522	226,617
Net Assets		
Without donor restrictions:		
Operating reserves	265,000	-
Other unrestricted	4,252	1,170
With donor restrictions:	431,534	359,771
Total Net Assets	700,786	360,941
TOTAL LIABILITIES AND NET ASSETS	\$ 1,196,308	\$ 587,558

See notes to the financial statements

SHAKESPEARE SAN FRANCISCO
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total 2022</u>	<u>Total 2021</u>
SUPPORT AND CONTRIBUTIONS				
Grants	\$ 1,128,107	\$ 193,200	\$ 1,321,307	\$ 660,331
Contributions	399,303	-	399,303	385,995
Total support	<u>1,527,410</u>	<u>193,200</u>	<u>1,720,610</u>	<u>1,046,326</u>
REVENUE				
Camp tuition	84,678	-	84,678	48,880
Tour income	315	-	315	2,477
Residencies	12,410	-	12,410	8,080
Other revenue	25,308	-	25,308	55,760
Subtotal	<u>1,650,121</u>	<u>193,200</u>	<u>1,843,321</u>	<u>1,161,523</u>
Net assets released from restrictions				
Satisfaction of donor Restrictions	<u>121,437</u>	<u>(121,437)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE, SUPPORT AND CONTRIBUTION	<u>1,771,558</u>	<u>71,763</u>	<u>1,843,321</u>	<u>1,161,523</u>
Expenses				
Programs:				
Free Shakespeare	629,882	-	629,882	657,292
Shakes Camps	301,755	-	301,755	194,032
Misc. Productions	314,274	-	314,274	223,018
Total programs	<u>1,245,911</u>	<u>-</u>	<u>1,245,911</u>	<u>1,074,342</u>
Management and general	101,738	-	101,738	96,182
Fundraising	155,827	-	155,827	163,108
TOTAL EXPENSES	<u>1,503,476</u>	<u>-</u>	<u>1,503,476</u>	<u>1,333,632</u>
CHANGE IN NET ASSETS	268,082	71,763	339,845	(172,109)
Net Assets at Beginning of Year	<u>1,170</u>	<u>359,771</u>	<u>360,941</u>	<u>533,050</u>
NET ASSETS AT END OF YEAR	<u>\$ 269,252</u>	<u>\$ 431,534</u>	<u>\$ 700,786</u>	<u>\$ 360,941</u>

See notes to the financial statements

SHAKESPEARE-SAN FRANCISCO
 STATEMENTS OF FUNCTIONAL OF EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (WITH SUMMARIZED COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	Free Shakespeare	Camps	Residencies & Other	Total Program Services	Management and General	Fundraising	2022 Total	2021 Total
Personnel costs	\$ 492,113	\$ 219,600	\$ 241,955	\$ 953,668	\$ 78,008	\$ 63,732	\$ 1,095,408	\$ 990,708
Professional services	22,860	22,771	9,718	55,349	56,655	50,053	162,057	115,065
Occupancy	-	-	-	-	78,933	-	78,933	80,300
Supplies/equipment	20,097	765	281	21,143	15,667	8,229	45,039	47,575
Auto/travel	6,297	1,143	1,898	9,338	13,361	532	23,231	13,222
Advertising/printing	4,092	7,331	684	12,107	6,216	10,405	28,728	10,785
Telephone/postage	3,646	-	346	3,992	17,379	3,526	24,897	32,458
Accounting/auditing	-	-	-	-	34,960	-	34,960	39,748
Other expenses	-	50	1,545	1,595	8,333	295	10,223	3,771
Indirect expense	80,777	50,095	57,847	188,719	(207,774)	19,055	-	-
Total Expenses	<u>\$ 629,882</u>	<u>\$ 301,755</u>	<u>\$ 314,274</u>	<u>\$ 1,245,911</u>	<u>\$ 101,738</u>	<u>\$ 155,827</u>	<u>\$ 1,503,476</u>	<u>\$ 1,333,632</u>

See notes to the financial statements

SHAKESPEARE- SAN FRANCISCO
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess/(Deficiency) of Revenue Over Expenditures	\$ 339,845	\$ (172,109)
<i>Adjustments to Reconcile Excess/(Deficit) of Revenue Over Expenditures to Net Cash Provided By Operating Activities</i>		
Depreciation	-	-
<i>(Increase)/Decrease in:</i>		
Grants and contribution receivable	(136,811)	99,469
Deposits and prepaid expenses	(2,412)	7,272
Right of use	(267,504)	-
<i>Increase/(Decrease) in:</i>		
Accounts payable	(15,200)	14,949
Accrued vacation	(2,697)	2,792
Deferred revenue	15,635	
Lease liability	267,504	(395)
Net Cash (Used) Provided by Operating Activities	198,360	(48,022)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds/(payments) on long-term debt	3,663	(129,155)
Net Cash (Used) Provided by Financing Activities	3,663	(129,155)
INCREASE/(DECREASE) IN NET CASH	202,023	(177,177)
Cash Balance, Beginning of Year	415,956	593,133
CASH BALANCE, END OF YEAR	\$ 617,979	\$ 415,956
Interest paid:	\$ 4,837	\$ 306

See notes to the financial statements

SHAKESPEARE-SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED December 30, 2022

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Shakespeare-San Francisco (Organization), a California tax-exempt nonprofit corporation, was established in 1982 with a mission to make the words and themes of Shakespeare accessible to everyone, regardless of age, ethnicity, financial status or level of education. The Organization receives its funding through grants from government, foundation and corporate sources, as well as contributions from the general public. Revenue is also earned through program fees. Programs currently conducted include:

Free Shakespeare in the Park: Professional productions of Shakespeare’s works presented at no cost in neighborhood parks. The program generally serves up to 30,000 people through performances in San Francisco, Cupertino, and Redwood City (pre-pandemic, the company also performed in Pleasanton.) Due to the pandemic in 2020, the company innovated the Unified Virtual Space method and presented live performances of King Lear virtually via Youtube, successfully pivoting the program to Free Shakespeare at Home. The company also shared its knowledge with the field in a series of online classes, "Making Virtual Theatre." In 2021, the company presented an episodic hybrid version of the Play On translation of Pericles Prince of Tyre, with episodes 1, 2 and 3 performed virtually, both live and recorded, and episode 4 performed in person with a recording available. In 2022, the company performed Much Ado About Nothing in person, and made a recording available.

Shakespeare on Tour: A program that brings a five-actor, fifty-five minute version of a Shakespeare play to up to 150 schools, and community sites statewide, serving up to approximately 45,000 each season. After a pandemic pause during which the online Takes on Shakes was offered, in 2022 Shakespeare on Tour began preparing for its return to in-person performances in 2023 with A Midsummer Night's Dream.

Bay Area Shakespeare Camps: A program that provides Bay Area youth with the opportunity to study and perform Shakespeare in a fun, supportive environment. The program serves up to three hundred children in summer sessions at community centers, schools, and houses of worship throughout the Bay Area. After migrating online during the pandemic, camps returned in person in 2022. The Organization offers full and partial scholarships for eligible campers.

Residencies & Workshops: Residencies and workshops provide an interactive series of classes that bring Shakespeare to life for students of all backgrounds and levels of interest, enhancing curriculum and aligning with the Common Core in subjects such as English, History and Theater Arts, SF Shakes teaching artists facilitate the artistic and personal growth of each student while transforming the group into a fun, engaging, interactive ensemble. Residencies include “Shakespeare’s Heartbeat” residencies, engaging students on the autism spectrum. Shakespeare’s Heartbeat is in residence at Francisco Middle School, Everett Middle School, and the College of Adaptive Arts.

Basis of Accounting – The accompanying financial statements are presented using the accrual method of accounting.

Financial Statement Presentation – In accordance with U.S. Generally Accepted Accounting Principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

SHAKESPEARE-SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED December 30, 2022

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Net assets with Donor restriction are “released” to net assets without donor restriction when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed.

Use of Estimates – The preparation of financial statements, in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents- The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization maintains cash balances at financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value Measurements – Generally accepted accounting principles provide guidance on how fair value should be determined on financial statement elements that are required to be measured at fair value. There are three levels to the fair value hierarchy based on the degree of objectivity of inputs used with each level:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization 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 assets or liability. Unobservable inputs reflect the Organization’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 the Organization’s own data.

The Organization had no assets or liabilities recorded at fair value on December 31, 2021.

Grants & Contribution Receivable – Consists of grants and contributions that have been awarded but not yet received.

SHAKESPEARE-SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED December 30, 2022

Property and Equipment – Property and equipment are stated at cost and depreciated or amortized using the straight-line method over estimated useful lives of 3 to 39 years with a capitalization threshold of \$5,000. Contributed property and equipment is recorded at fair market value at the date of donation. In the absence of donor stipulations, all contributions of property and equipment are recorded as unrestricted support and depreciated or amortized over the asset’s estimated useful life.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and the gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired long-lived assets are placed in service.

Deferred Revenue – Revenue that has not yet been earned due to timing of programs relating to tours and summer camps. These funds will be recognized as income when earned.

Donated Services and Items – Many people have contributed significant amounts of time to the activities of the Organization without compensation. The financial statements do not reflect the value of those contributed services because, although clearly substantial, it does not meet the criteria under GAAP.

Revenue Recognition – All contributions are considered available for general programs unless specifically restricted by the donor. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions.

Donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as satisfaction of program restrictions.

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

Income Taxes – The Organization is exempt from Federal and State Income taxes under Internal Revenue Code Section 501(c)(3) and California Franchise Tax Board Code Section 23701d. Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Internal Revenue Service has determined the Organization is not a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. Management of the Organization considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the Organization’s status as a not-for-profit entity.

SHAKESPEARE-SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED December 30, 2022

Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements. The Organization's tax returns for the past three years are subject to examination by tax authorities and may change upon examination

Management has considered its tax positions and believes that all of the positions taken in the federal and state tax returns are more likely than not to be sustained upon examination. The federal and state taxing authorities generally can examine the tax returns for three years and four years after they are filed or the due date of the return, whichever is later, respectively.

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organizations financial statements for the year ended December 31, 2021, from which the summarized information was derived. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited

Recent Accounting Guidance – In February 2016, the FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. Early adoption is permitted. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application.

(2) FIXED ASSETS

Fixed Assets at December 31, 2022 consists of the following:

Equipment	\$76,675
Vehicles	16,687
Less accumulated depreciation	<u>(93,362)</u>
	<u>\$ 0</u>

Depreciation expense for the year ended December 31, 2022 was \$0.

(3) ACCRUED VACATION AND SICK LEAVE

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The value of accumulated vacation at December 31, 2022 is \$29,873. Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulated personal leave. Accumulated employee sick leave benefits are not recognized as liabilities of the organization since payment of such benefits is not probable. Therefore, personal leave benefits are recorded as expenses in the period personal leaves are taken.

SHAKESPEARE-SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED December 30, 2022

(4) NOTES PAYABLE

The Organization has a notes payable with the Small Business Administration. The loan is a \$150,000 for an EIDL loan which originated in August 2020 and matures August 2050. Interest is 2.75 percent for the EIDL loan. Monthly payments of \$641 are to commence on September 2022. The balance as of December 31, 2022 is \$159,250.

Future minimum payment for the EIDL loan are as follows:

2023	\$7,692
2024	7,692
2025	7,692
2026	7,692
2027	7,692
Thereafter	120,790
	Total \$ 159,250

(5) LEASES

The Organization recognizes and measures its leases in accordance with FASB ASC 842, Leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. A contract contains a lease if there is an identified asset and the Organization has the right to control the asset. Lease terms include options to extend the lease when it is reasonably certain those options will be exercised. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index rate. The Organization has elected to use the risk-free rate in lieu of determining an incremental borrowing rate as its discount rate for all leases which is the Treasury constant maturity rate as of the lease commencement date for yield-curve-rates of similar length to the lease term. The ROU asset is subsequently measured throughout the lease term at the present value of remaining lease payments, plus any unamortized initial direct costs. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected not to recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve-months or less at lease commencement. The lease cost associated with short-term leases are recognized on a straight-line basis over the lease term. Assets and liabilities related to a lease are capitalized if they exceed \$10,000 at inception.

The Organization is leasing their office and shop space under an Industrial Lease Agreement dated November 1, 2006, amended November 2009, November 2014, November 2017 and again in November 2022 extending the term of the lease for five years, terminating October 31, 2027. Office rent expense for the year ended December 31, 2022 is \$54,672.

SHAKESPEARE-SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED December 30, 2022

Future minimum lease payments for the operating lease (including the option to extend) as of December 31, 2022, are as follows:

	2023	\$ 60,960
Year ending Dec 31	2024	60,960
	2025	60,960
	2026	60,960
	2027	<u>50,800</u>
Total minimum lease payments		294,640
	Less interest	<u>(27,136)</u>
Present value of lease liabilities		<u>\$267,504</u>

Maturities of lease liabilities under noncancellable operating leases are as follows:

	2023	\$ 51,191
Year ending Dec 31	2024	53,277
	2025	55,448
	2026	57,707
	2027	<u>49,881</u>
Total Lease liability		<u>\$267,504</u>

(6) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction consist of the following for the years ending December 31, 2022:

Time and program restrictions	<u>\$ 431,534</u>
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(7) CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and deposits. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with grants receivable and contribution receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of the Organization's mission.

(8) LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of December 31, 2022, that are available for operations. The Organization's restrictions come from donor restricted funds based on time and program. The amount that is donor restricted on December 31, 2022, is \$431,534.

SHAKESPEARE-SAN FRANCISCO
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED December 30, 2022

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$617,979
Receivables	<u>301,122</u>
Financial assets to meet cash needs for general expenditures within one year	<u>919,101</u>

Less those unavailable for general expenditures within one year due to:

Restricted by donor with time or purpose restrictions	<u>(431,534)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$487,567</u>

(9) CONTINGENCIES

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 deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provisions of the grants. The Organization's management is of the opinion that the Organization has complied with the terms of all grants.

(10) SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affects the financial statements. Such events would have been evaluated through August 25, 2023 which is the date the financial statements were available to be issued.