

OCEAN AVENUE ASSOCIATION

**FINANCIAL STATEMENTS
AS OF AND
FOR THE YEAR ENDED
JUNE 30, 2023**

This Page Intentionally Left Blank

OCEAN AVENUE ASSOCIATION
Financial Statements
For the Year Ended June 30, 2023

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents	i
FINANCIAL SECTION	
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

This Page Intentionally Left Blank

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Ocean Avenue Association
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Ocean Avenue Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ocean Avenue Association as of June 30, 2023 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 Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

Another CPA firm previously reviewed the Ocean Avenue Association's 2022 financial statements, and they stated that based on their review, they were not aware of any modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America in their report dated May 23, 2023. In our opinion, the summarized comparative information as of and for the year ended June 30, 2022 is consistent, in all material respects, with the reviewed financial statements from which it is derived.



Pleasant Hill, California
June 25, 2024

OCEAN AVENUE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 2B)	\$272,946	\$217,091
Assessments receivable (Note 2C)	59,075	29,905
Prepaid expenses (Note 2D)	4,748	
Grants receivable (Note 2N)	<u>90,956</u>	<u>27,467</u>
Total Current Assets	<u>427,725</u>	<u>274,463</u>
Total Assets	<u><u>\$427,725</u></u>	<u><u>\$274,463</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$95,543	\$22,782
Deferred revenue (Note 8)	<u>38,629</u>	
Total Current Liabilities	<u>134,172</u>	<u>22,782</u>
Total Liabilities	<u>134,172</u>	<u>22,782</u>
Net Assets (Note 2A):		
Without donor restrictions	202,597	251,681
With donor restrictions	<u>90,956</u>	
Total Net Assets	<u>293,553</u>	<u>251,681</u>
Total Liabilities and Net Assets	<u><u>\$427,725</u></u>	<u><u>\$274,463</u></u>

See accompanying notes to financial statements.

OCEAN AVENUE ASSOCIATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
Support and Revenue:				
Assessments (Note 2F)	\$356,465		\$356,465	\$369,343
Government grants and contracts	109,716	\$90,956	200,672	170,092
Late fees and other income				2,146
Total Support and Revenue	466,181	90,956	557,137	541,581
Expenses:				
Program services	376,523		376,523	411,104
Management and general	75,377		75,377	87,133
Fundraising	63,365		63,365	29,560
Total Expenses	515,265		515,265	527,797
Changes in Net Assets	(49,084)	90,956	41,872	13,784
Net Assets, beginning of year	251,681		251,681	237,897
Net Assets, end of year	\$202,597	\$90,956	\$293,553	\$251,681

See accompanying notes to financial statements.

OCEAN AVENUE ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
WITH SUMMARIZED AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	Program	Management and General	Fundraising	Totals	
				2023	2022
Salaries, benefits and taxes					
Salaries	\$106,120	\$2,520	\$2,520	\$111,160	\$145,057
Payroll taxes	8,401	204	204	8,809	10,577
Employee benefits	4,460	33	33	4,526	3,000
Retirement contribution	2,892	54	54	3,000	3,638
Total salaries, benefits and taxes	<u>121,873</u>	<u>2,811</u>	<u>2,811</u>	<u>127,495</u>	<u>162,272</u>
Fees for services:					
Professional and other services	52,922	37,358	37,358	127,638	40,755
Cleaning & sanitation	80,965			80,965	133,912
Project expenses	38,768	13,802	13,802	66,372	137,793
Watering, landscaping, maintenance	33,311			33,311	24,055
Total fees for services	<u>205,966</u>	<u>51,160</u>	<u>51,160</u>	<u>308,286</u>	<u>336,515</u>
Other operating expenses:					
Equipment and tools	11,825	2,766	2,766	17,357	
Grant expense	10,500			10,500	
Supplies and office expenses	10,215	87		10,302	8,435
Rent		4,163	4,163	8,326	
Insurance	947	6,143	42	7,132	6,651
Postage, printing & copies	4,860	1,050	1,050	6,960	
Equipment rental	6,188			6,188	
Software and subscriptions	467	2,811		3,278	
Dues and subscriptions	503	2,689		3,192	
Travel and meals	1,634	81		1,715	
Repairs and maintenance		800	800	1,600	
Utilities		573	573	1,146	
Fees, permits and other	812	243		1,055	7,994
Advertising and promotion	733			733	4,722
Conferences and meetings					1,208
Total other operating expenses	<u>48,684</u>	<u>21,406</u>	<u>9,394</u>	<u>79,484</u>	<u>29,010</u>
Total Expenses	<u>\$376,523</u>	<u>\$75,377</u>	<u>\$63,365</u>	<u>\$515,265</u>	<u>\$527,797</u>

See accompanying notes to financial statements.

OCEAN AVENUE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>	<u>2022</u>
Cash flow from operating activities:		
Changes in net assets	\$41,872	\$13,784
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Assessment receivable	(29,170)	349
Grants receivable	(63,489)	(19,900)
Prepaid expenses	(4,748)	
Increase in liabilities:		
Unearned revenue	38,629	
Accounts payable and accrued expenses	<u>72,761</u>	<u>19,919</u>
Net cash provided by operating activities	<u>55,855</u>	<u>14,152</u>
Net change in cash and cash equivalents	55,855	14,152
Cash and cash equivalents, beginning of year	<u>217,091</u>	<u>202,939</u>
Cash and cash equivalents, end of year	<u><u>\$272,946</u></u>	<u><u>\$217,091</u></u>

See accompanying notes to financial statements.

**OCEAN AVENUE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 1 – REPORTING ENTITY

The Ocean Avenue Association (the Organization or OAA) is a California nonprofit Public Benefit Corporation, which was established in April of 2011. Services began in July 2011 along the Ocean Avenue corridor in the Ocean-Merced-Ingleside (OMI) neighborhood. OAA's mission is to revitalize the Ocean Avenue corridor from Interstate 280 to Manor Drive through sanitation, safety programs, marketing, promotion and advocacy for property and business owners.

The OAA is committed to making the Ocean Avenue corridor a vibrant and safe place by providing programs and services that improve the quality of life for those who live and work in the community. Entrepreneurs, merchants, and neighborhood stakeholders benefit from the Organization in numerous ways.

The OAA provides supplemental sanitation services 6 days a week, inclusive of sidewalk sweeping, reporting incidents to 311, graffiti removal from private and public property, and power washing of sidewalks and transit boarding islands.

The OAA also promotes the district through publications, programs, and advertising by supporting a range of community events, from holiday decorations to summer events.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting and Financial Statement Presentation

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). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

The Organization reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions. The only limits on the use of the net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents, its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2023 and 2022, there were \$90,956 and \$0 net assets with donor restrictions, respectively. The restrictions were donor-imposed time restrictions.

**OCEAN AVENUE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
--

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.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

B. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposit accounts or equivalent with maturities of 90 days or less. At June 30, 2023 and 2022, respectively, the Organization's cash balance consists of deposits with two financial institutions.

C. Assessments Receivable

Assessments receivable consists of tax assessments owed by property owners. Such assessments are subject to City and County of San Francisco enforcement procedures and are secured by property located in the City and County of San Francisco. The Organization considers all assessments to be fully collectible as of June 30, 2023, though the timing of collection is not under the Organization's control and may be delayed. The Organization assessment receivable balance is \$59,075 and \$29,905 as of June 30, 2023 and 2022, respectively.

D. Prepaids and Deposits

Prepaids and deposits consist of prepaid expenses (such as rent) and amounts paid as of year-end that are deferred and will be expensed as costs are incurred.

E. Property and Equipment

The Organization capitalizes all acquisitions of property and equipment in excess of \$2,500 and all expenditures for repairs and maintenance, renewals and betterments that materially prolong the useful lives of assets. Property and equipment are recorded at historical cost if purchased, or if contributed, at fair value at the date of contribution. Depreciation is determined on the straight-line method over the estimated useful lives. The Organization had no property and equipment that met this capitalization policy on June 30, 2023 and 2022, respectively.

**OCEAN AVENUE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
--

F. Assessment Revenue

The Organization recognizes assessment revenue when assessed. Assessment revenue is secured through property tax assessments managed by the City and County of San Francisco. Collection of assessment revenue depends on the City and County of San Francisco, which may assess fines, penalties and interest on delinquent assessments. The Organization recognizes revenue related to fines or penalties when payment is received, and such fines or penalties are known.

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 65% of the Organization's total revenue. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the Organization fails to provide adequate services to the district or fails to perform other responsibilities. The contract expires on June 30, 2025 and could be terminated at an earlier date if the related community benefit district is disestablished.

G. Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless the contributed assets are specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

H. Functional Allocation of Expenses

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions using a reasonable allocation method that is consistently applied as follows:

Salaries and wages, benefits, and payroll taxes are allocated based on an estimate of staff time allocation calculated on an individual level for each employee.

Office expenses and supplies and other expenses that cannot be directly identified are allocated on the basis of employee headcount for each program and supporting activity.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct fundraising activities in conjunction with its other activities.

**OCEAN AVENUE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
--

I. Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code and Revenue and Taxation Code (R&TC) Section 23701f. Accordingly, no provision for income taxes has been provided in these financial statements. Unrelated business income, if any, may be subject to income tax. The OAA paid no taxes on unrelated business income in the years ended June 30, 2023 and 2022, respectively.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the OAA's tax returns. Management has determined that the OAA does not have any uncertain tax positions and associated unrecognized benefits. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the OAA's tax returns will not be challenged by the taxing authorities and that the OAA will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the OAA's tax returns remain open for federal income tax examination for three years from the date of filing.

J. Concentration of Credit Risk

The Organization receives assessment payment revenue in lump sums periodically during the year and at times, the Organization may have had deposits in excess of federally insured limits. The Federal Deposit Insurance Corporation "FDIC" insures balances up to \$250,000 at each insured institution. Management believes OAA is not exposed to any significant credit risk related to cash.

K. Use of Estimates

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

L. Advertising Costs

Advertising costs, if any, are expensed as incurred.

M. Fair Value Measurements

The OAA reports certain assets and liabilities at fair value in the financial statements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

**OCEAN AVENUE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
--

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the OAA develops inputs using the best information available in the circumstances.

N. Grants Receivable

Grants receivable are primarily unsecured non-interest bearing amounts due from grantors on a cost reimbursement or performance grants. The Organization considers all accounts receivable to be fully collectible at June 30, 2023 and 2022, respectively. Accordingly, no allowance for doubtful accounts was deemed necessary. If amounts become uncollectible, they are charged to expense in the period in which that determination is made. The Organization's grant receivable balance is \$90,956 and \$27,467 during the years ended June 30, 2023 and 2022, respectively.

O. Reclassification

Certain reclassifications have been made to the prior year's comparative information to conform to the presentation of the current financial statements.

P. Lease Accounting

OAA recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. OAA determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of the existing contract are changed. OAA's policy is to recognize leases with an original net present value in excess of \$60,000. Lease liabilities and a right of use (ROU) asset are recognized 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 or a discount rate. The discount rate is the implicit rate if it is readily determinable or otherwise Ocean Avenue Association uses its incremental borrowing rate. As of June 30, 2023, OAA has no leases that are required to be recorded.

**OCEAN AVENUE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
--

Q. New FASB Accounting

During the year ended June 30, 2023, OAA adopted the requirements of FASB Accounting Standards Update No. 2016-02, *Leases*. This Update requires entities to recognize right-of-use assets and lease obligation liabilities on the statement of financial position. This includes leases of all property, plant, and equipment and excludes (1) leases of intangible assets, (2) leases to explore for or use nonregenerative resources, (3) leases of biological assets, (4) leases of inventory, and (5) leases of assets under construction. In fiscal year 2023, Ocean Avenue Association took an inventory of its leases and determined that none of their leases exceed their threshold, thus had no material impact to their financial statements.

R. Prior Year Totals

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Ocean Avenue Association's reviewed financial statements for the year ended June 30, 2022, from which the summarized information was derived.

S. Subsequent Events

The OAA evaluated subsequent events for recognition and disclosure through June 25, 2024, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023 that require recognition or disclosure in such financial statements.

NOTE 3 – CONTINGENCIES AND UNCERTAINTIES

Government Funding

The Organization receives government funding, which includes numerous terms and conditions both directly and by reference and is subject to subsequent audit which may result in disallowed costs or other required adjustments. The Organization believes it has complied with the terms of all such awards.

NOTE 4 – RETIREMENT PLAN

The Organization sponsors a Simple IRA retirement plan for employees. The Organization contributes 3% of gross salary for each eligible employee. The Organization contributed \$2,999 and \$2,928 to the plan during the years ended June 30, 2023 and 2022, respectively.

**OCEAN AVENUE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 5 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023 and 2022 are:

	2023	2022
Total current financial assets:		
Cash and cash equivalents	\$272,946	\$217,091
Assessment receivable	59,075	29,905
Grants receivable	90,956	27,467
Total current financial assets	422,977	274,463
Less: Contractual or donor-imposed restrictions:		
Donor imposed time restrictions	90,956	
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$332,021</u>	<u>\$274,463</u>

As part of the Organization's liquidity management plan, the Organization monitors cash to confirm it is sufficient for immediate requirements.

NOTE 6 – RELATED PARTY ACTIVITIES

A member of the Organization's board served as a member of management of a partner nonprofit Oceanview Merced Ingleside Cultural Participation Project (OMICPP). Total disbursements for the years ending June 30, 2023 and 2022 were \$12,500 and \$25,000 to OMICPP, respectively.

A Member of the Organizations' board is the landlord for the space that the Organization uses and pays for. The lease agreement is dated February 14, 2023. Total disbursements for the year ending June 30, 2023 was \$8,325 for rent.

NOTE 7 – INGLESIDE COMMUNITY FUND

Ingleside Community Fund (the Fund) completed its activities during the year ended June 30, 2022, and following a letter of no objection from the California Registry of Charitable Trusts, was merged into Ocean Avenue Association prior to June 30, 2022. Activity of the Fund, reported as part of these financial statements, consisted of approximately \$38,603 in revenue and \$45,063 in expenses during the year ended June 30, 2022. No balances were held in former Fund accounts as of June 30, 2023 and 2022, respectively.

NOTE 8 – DEFERRED REVENUE

The Organization obtains cost-reimbursement government grants and contracts from various government agencies. Under the terms of these agreements, funds are advanced to finance program expenditures and are conditional on performance of the agreement. Deferred revenue constitutes the amount of government contracts and grants awarded in which funds have been received and allowable program expenditures have not yet been incurred. The Organization's deferred revenue balance was \$38,629 and \$0 as of the years ended June 30, 2023 and 2022, respectively.

This Page Intentionally Left Blank