# San Diego Food System Alliance

## Financial Statements

*For the Year Ended*
**December 31, 2024**
With Independent Auditors' Report Thereon

# Contents

# INDEPENDENT AUDITORS' REPORT

**The Board of Directors**
**San Diego Food System Alliance**

***Opinion***
We have audited the accompanying financial statements of San Diego Food System Alliance (a California nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statement of activities and changes in net assets, 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 San Diego Food System Alliance as of December 31, 2024, and the changes in net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

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

***Responsibilities of Management for the Financial Statements***
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Diego Food System Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT *(continued)*

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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 San Diego Food System Alliance'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 San Diego Food System Alliance'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.

Regalia Berger & Berger

***May 2, 2025***
***Danville, California***

# Statement of Financial Position

## December 31, 2024

### Assets

| | |
|---|---|
| Current Assets: | |
| Cash and cash equivalents | $ 869,480 |
| Grants and contributions receivable | 267,662 |
| Undeposited funds | 46,107 |
| Deposits | 1,750 |
| Total assets | $ 1,184,999 |

### Liabilities and Net Assets

| | |
|---|---|
| Current Liabilities: | |
| Accounts payable and accrued liabilities | $ 16,356 |
| Accrued payroll liabilities | 76,651 |
| Total liabilities | 93,007 |
| Net Assets: | |
| Without donor restrictions | 351,109 |
| With donor restrictions | 740,883 |
| Total net assets | 1,091,992 |
| Total liabilities and net assets | $ 1,184,999 |

## Statement of Activities and Changes in Net Assets
## For the Year Ended December 31, 2024

| | *Without* Donor Restrictions | *With* Donor Restrictions | Total |
|---|---|---|---|
| Revenue and support: | | | |
| Foundation grants | $ 173,575 | $ 693,394 | $ 866,969 |
| Government grants | 753,200 | 125,048 | 878,248 |
| Individual and corporate grants | 20,400 | 25,000 | 45,400 |
| Special event income | 19,726 | - | 19,726 |
| Interest income | 15,244 | - | 15,244 |
| Net assets released from restrictions | 1,051,526 | (1,051,526) | |
| Total revenue and support | 2,033,671 | (208,084) | 1,825,587 |
| Expenses: | | | |
| Program | 1,649,822 | - | 1,649,822 |
| General and administrative | 175,438 | - | 175,438 |
| Fundraising | 208,020 | - | 208,020 |
| Total expenses | 2,033,280 | - | 2,033,280 |
| Increase (Decrease) in net assets | 391 | (208,084) | (207,693) |
| Net assets at beginning of year | 350,718 | 948,967 | 1,299,685 |
| Net assets at end of year | $ 351,109 | $ 740,883 | $ 1,091,992 |

## Statement of Cash Flows
## For the Year Ended December 31, 2024

| | | |
|---|---|---|
| *Operating activities:* | | |
| Decrease in net assets | $ | (207,693) |
| Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities: | | |
| *Changes in:* | | |
| Grants and contributions receivable | | 145,134 |
| Undeposited funds | | (46,069) |
| Deposits | | 2,369 |
| Accounts payable and accrued liabilities | | (6,777) |
| Accrued payroll liabilities | | 8,593 |
| Net cash used by operating activities | | (104,443) |
| Decrease in cash and cash equivalents | | (104,443) |
| Cash and cash equivalents at beginning of year | | 973,923 |
| Cash and cash equivalents at end of year | $ | 869,480 |

## Statement of Functional Expenses
## For the Year Ended December 31, 2024

| | Program | General and Administrative | Fundraising | Total Expenses |
|---|---|---|---|---|
| Salaries and benefits | $ 850,097 | $ 128,932 | $ 159,919 | $ 1,138,948 |
| Payroll taxes | 62,803 | 9,145 | 11,852 | 83,800 |
| Accounting | - | 14,920 | - | 14,920 |
| Legal | - | 1,282 | - | 1,282 |
| Consulting | - | - | 19,570 | 19,570 |
| Web developer | 5,044 | - | - | 5,044 |
| Other professional services | 476,948 | 1,405 | - | 478,353 |
| Advertising and promotion | 1,242 | - | - | 1,242 |
| Office expenses | 1,432 | 514 | 140 | 2,086 |
| Information technology | 40,633 | 6,328 | 8,728 | 55,689 |
| Occupancy | 23,871 | 3,673 | 4,573 | 32,117 |
| Travel | 18,583 | 534 | 4 | 19,121 |
| Special event | 126,033 | - | - | 126,033 |
| Insurance | 12,085 | 1,804 | 2,264 | 16,153 |
| Supplies | 24,619 | 1,346 | 115 | 26,080 |
| Dues and memberships | 1,500 | - | - | 1,500 |
| Bank fees | 1,073 | 933 | 196 | 2,202 |
| Taxes and fees | - | 200 | - | 200 |
| Other expenses | 3,859 | 4,422 | 659 | 8,940 |
| Total expenses | $ 1,649,822 | $ 175,438 | $ 208,020 | $ 2,033,280 |

Notes to Financial Statements
December 31, 2024

## 1. Organization

San Diego Food System Alliance (the “Alliance”) is a non-profit organization incorporated in the State of California in 2019. The Alliance’s mission is to cultivate a healthy, sustainable, and just food system in San Diego County. The Alliance envisions vibrant community food systems rooted in justice and sustainability, where everyone has equitable opportunity to produce, distribute, prepare, serve, and eat nutritious and culturally appropriate food.

The Alliance promotes cross-sector collaboration among individuals and organizations from the nonprofit, government, philanthropic, and business sectors to drive systems-level change in the food system. Key activities include supporting network development, advancing systems thinking and strategic alignment, and leading regional food system planning and evaluation efforts.

The Alliance also influences food system policy by coordinating advocacy efforts, uplifting community voices in decision-making spaces, and supporting the adoption and implementation of equitable policies. Additionally, the Alliance catalyzes transformation through education, community engagement, and capacity-building programs aimed at increasing awareness and creating long-term change in the regional food system.

## 2. Summary of Significant Accounting Policies

***Basis of Presentation*** – The financial statements of the Alliance have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP").

***Measure of Operations*** – The statement of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Alliance’s ongoing operations which include a variety of programmatic activities. Non-operating activities are limited to resources which generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

***Use of Estimates*** –The preparation of financial statements in conformity with generally accepted accounting principles requires the Alliance to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

***Cash and Cash Equivalents*** – All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Notes to Financial Statements
December 31, 2024

## 2. Summary of Significant Accounting Policies (*continued*)

***Financial Instruments and Credit Risk*** – Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Alliance to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. As of December 31, 2024, the Alliance had $261,004 of liquid assets which were in excess of FDIC insurance limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with grants and contributions receivable is limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the Alliance's mission.

***Net Assets*** – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

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

Net Assets With Donor Restrictions
Net assets with donor restrictions consist of funds which are subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those restrictions which will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates resources be maintained in perpetuity. The Alliance reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

When a donor 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 statement of activities as net assets released from restrictions. The Alliance reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

***Grants and Contributions Receivable and Allowance for Credit Losses*** – The Alliance's grants and contributions receivables consist of amounts due from governmental agencies and foundations. Historically, the Alliance has collected all of its receivables, and as a result, management has determined that no allowance for credit losses is necessary as of December 31, 2024. The allowance for uncollectible receivables is assessed in accordance with *ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.*

**2. Summary of Significant Accounting Policies** (*continued*)

***Functional Allocation of Expenses*** **-** The costs of providing program and other activities have been summarized on a functional basis in the statement of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities.* The statement of functional expense presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Shared costs, including rent, insurance, and certain administrative salaries, are allocated across programs, administration, and fundraising activities based on a percentage of payroll methodology. Direct expenses that can be specifically identified with a program or supporting service are charged directly to the respective function.

***Revenue and Revenue Recognition*** - Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 605) and ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. Revenue from contracts with customers is recognized when the Alliance's related performance obligations are satisfied, either over time or at a point in time. Collections in advance of revenue recognition are recorded as deferred revenue. Contributions are recognized as revenue upon receipt and are recorded based on the existence and/or nature of any donor restrictions. The Alliance's significant revenue streams and the related revenue recognition policies are as follows:

- ***Contributions and Grants*** – The Alliance recognizes all contributions when they are received or when unconditionally promised and are classified based on the existence or absence of donor-imposed restrictions. Contributions without donor-imposed restrictions are reported as net assets without donor restrictions. Contributions with donor-imposed restrictions are reported as net assets with donor restrictions. When the time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restriction.

- ***Special Events*** – Revenue generated from the Annual Gathering's admissions. These transactions are considered exchange transactions and are recognized in accordance with *ASC 606, Revenue from Contracts with Customers*, when the related performance obligations are satisfied, which is typically when the event takes place.

***Income Taxes*** – The Alliance is organized as California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. The Alliance is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. The Alliance is not required to file an Exempt Organization Business Income Tax Return (Form 990-T) because it had no unrelated business taxable income for the year ended December 31, 2024.
The Alliance has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that the Alliance continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status.

**2. Summary of Significant Accounting Policies** (*continued*)

***Fair Value Measurements*** – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Alliance groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

***Recent and Relevant Accounting Pronouncements*** – The following pronouncements represent relevant current accounting guidance applicable to nonprofit organizations:

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) removes inconsistencies and weaknesses in existing revenue requirements, (2) provides a more robust framework for addressing revenue issues, (3) improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) provides more useful information to users of financial statements through improved disclosure requirements, and (5) simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

## 2. Summary of Significant Accounting Policies (*continued*)

***Recent and Relevant Accounting Pronouncements*** – The following pronouncements represent relevant current accounting guidance applicable to nonprofit organizations:

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return.

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) removes inconsistencies and weaknesses in existing revenue requirements, (2) provides a more robust framework for addressing revenue issues, (3) improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) provides more useful information to users of financial statements through improved disclosure requirements, and (5) simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of *Topic 958, Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Accordingly, the Alliance has incorporated these clarifying standards within the audited financial statements.

On September 17, 2020, the FASB issued *ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This Update increases transparency around contributed nonfinancial assets (also known as “gifts-in-kind”) received by not-for-profit organizations, including transparency on how those assets are used and how they are valued. The Update requires that an organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires that an organization disclose various other aspects of the nature and usage of such in-kind contributions.

In 2016, the FASB issued *ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which enhanced its guidance on the impairment of financial instruments. The ASU adds to U.S. GAAP an impairment model known as the current expected credit loss (CECL), which is based on expected losses rather than incurred losses. This pronouncement became effective to the Alliance during the year ended December 31, 2024, in accordance with Topic 326’s implementation date.

### 3. Cash and Cash Equivalents

Cash and cash equivalents consist of the following at December 31, 2024:

| | | |
|---|---|---|
| Checking | $ | 353,051 |
| Savings and money market accounts | | 511,004 |
| Prepaid expense card program (PEX) | | 2,846 |
| | $ | 869,480 |

### 4. Liquidity and Availability

The table below reflects the Alliance's financial assets as of December 31, 2024, reduced by amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Other considerations of nonliquid assets are donor-restricted assets for specific expenditures.

The Alliance regularly monitors liquidity required to meet its operating reserves and contractual commitments. The members of the Board meet regularly to review all financial aspects of the organization.

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 869,480 |
| Undeposited funds | | 46,107 |
| Grants and contributions receivable | | 267,662 |
| Less: amounts unavailable for general expenditures within one year: | | |
| Net assets with donor restrictions | | (740,883) |
| Financial assets available to meet cash needs for general expenditures within one year | $ | 442,336 |

### 5. Lease Commitments

The Alliance leases its corporate office space in San Diego, California under a single year operating lease agreement which expires June 30, 2025. The lease provides for monthly payments in the amount of $1,806. The Alliance is responsible for its proportionate share of building maintenance and operating expenses which includes property taxes, insurance, and utilities.

In accordance with *ASU 2016-02, Leases* , the Alliance elected to apply the short-term lease exemption for leases with an initial term of 12 months or less. As such, the Alliance is not required to recognize an operating right of use asset and corresponding lease liability for its office lease. Lease expense is recognized on a straight-line basis over the lease term.

## 6. Net Assets

Net Assets without Donor Restrictions
Net assets without donor restrictions of $351,109 at December 31, 2024 represents cumulative retained surpluses since the Alliance's inception.

Net Assets With Donor Restrictions
Net assets with donor restrictions totaling $740,883 at December 31, 2024 are restricted for program-specific purposes based on donor-imposed restrictions.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2024:

| | | |
|---|---|---|
| Satisfaction of purpose restrictions | $ | 951,526 |
| Subject to the passage of time | | 100,000 |
| | $ | 1,051,526 |

## 7. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of *ASC 710.25, Compensated Absences*. Under *ASC 710.25*, the Alliance is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability based on hourly rates in effect at the end of the fiscal year. Total accrued payroll liabilities amounted to $76,651 at December 31, 2024 and are reflected on the statement of financial position.

## 8. Retirement Plan

The Alliance provides a Savings Incentive Match Plan for Employees (SIMPLE) IRA program for all full-time and part-time employees. The Alliance matches employees' pre-tax contributions up to 3% of their salary. Accordingly, the Alliance has recorded retirement expense in the amount of $17,840 for year ended December 31, 2024.

## 9. Related Party Transactions

In compliance with *ASC 850, Related Party Disclosures*, the Alliance has evaluated its related party transactions for the year ended December 31, 2024, and has determined that there were no related party transactions, relationships, or balances that require disclosure in the financial statements.

## 10. Commitments and Contingencies

In the normal course of business the Alliance could be subject to certain commitments and contingencies which might not be fully reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) grant restrictions and donor conditions which obligate the Alliance to fulfill certain requirements as set forth in grant instruments, (b) funding levels which vary based on factors beyond the Alliance control, such as generosity of donors and general economic conditions, (c) employment and service agreements with key management personnel, and (d) financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies, and risks will not have a material adverse effect on the financial statements. Certain of the grants and contracts (including current and prior costs) are subject to audit and final acceptance by the various granting agencies. Management believes that such commitments, contingencies, and risks will not have a material adverse effect on the financial statements.

## 11. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, the Alliance has evaluated subsequent events through May 2, 2025 the date the financial statements were available to be issued. In the opinion of management, there are no subsequent events which are required to be disclosed.