

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

FINANCIAL STATEMENTS

Year Ended December 31, 2023  
With Summarized Totals at December 31, 2022

**Independent Auditors' Report**

To the Board of Directors of  
School on Wheels, Inc.

***Opinion***

We have audited the accompanying financial statements of School on Wheels, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 School on Wheels, Inc. as of December 31, 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 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 School on Wheels, Inc. 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 representation of these 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 School on Wheels, Inc.'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.

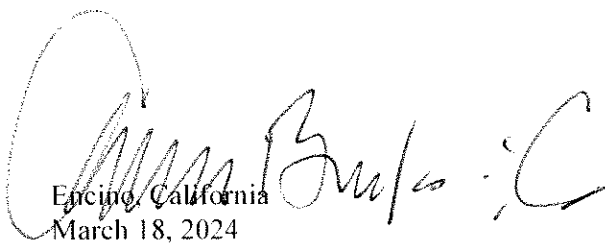
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 School on Wheels, Inc.'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 School on Wheels, Inc.'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***

We have previously audited the School on Wheels, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Encino, California  
March 18, 2024

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

STATEMENT OF FINANCIAL POSITION

December 31, 2023  
With Summarized Totals at December 31, 2022

	2023	2022
<b>Current Assets:</b>		
Cash and cash equivalents - without donor restrictions	\$ 2,231,766	\$ 2,071,469
Cash and cash equivalents - with donor restrictions	296,046	244,451
Investments	158,996	339,748
<b>Total Current Assets</b>	<b>2,686,808</b>	2,655,668
Fixed assets, at cost, net of accumulated depreciation of \$455,738	23,980	25,480
Right of use, net of accumulated amortization of \$217,148	91,056	149,525
Deposits	8,760	8,760
<b>Total Assets</b>	<b>\$ 2,810,604</b>	<b>\$ 2,839,433</b>
 <b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 130,102	\$ 116,840
Accrued vacation	57,190	52,841
Lease liability, current portion	61,005	58,587
<b>Total Current Liabilities</b>	<b>248,297</b>	228,268
Lease liability, less current portion	26,146	87,033
<b>Total Liabilities</b>	<b>\$ 274,443</b>	\$ 315,301
<i>(See commitments - Note 7)</i>		
 <b>Net Assets:</b>		
Without Donor Restrictions	\$ 2,240,115	\$ 2,279,681
With Donor Restrictions	296,046	244,451
<b>Total Net Assets</b>	<b>2,536,161</b>	2,524,132
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,810,604</b>	<b>\$ 2,839,433</b>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023  
With Summarized Totals at December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	2023	2022
<b>Support and Revenues:</b>				
Grant income	\$ 1,417,871	\$ 376,750	\$ 1,794,621	\$ 2,494,488
Contributions	580,042	49,313	629,355	686,176
Donated materials	265,107	-	265,107	282,278
Realized and unrealized gains/losses on investments	6,643	-	6,643	(39,732)
Special events, net of direct expenses	241,643	-	241,643	-
Interest income	58,550	-	58,550	15,378
Other income	6,000	-	6,000	-
Net Assets released from restrictions	374,468	(374,468)	-	-
	<b>2,950,324</b>	<b>51,595</b>	<b>3,001,919</b>	<b>3,438,588</b>
<b>Expenses:</b>				
Program Services	2,751,219	-	2,751,219	2,774,762
Fundraising	91,299	-	91,299	99,448
Supporting Services	147,372	-	147,372	147,940
	<b>2,989,890</b>	<b>-</b>	<b>2,989,890</b>	<b>3,022,150</b>
Increase (Decrease) in Net Assets	(39,566)	51,595	12,029	416,438
Net assets, beginning of year	2,279,681	244,451	2,524,132	2,107,694
<b>Net assets, end of year</b>	<b>\$ 2,240,115</b>	<b>\$ 296,046</b>	<b>\$ 2,536,161</b>	<b>\$ 2,524,132</b>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023  
With Summarized Totals at December 31, 2022

	Program Services	Fundraising	Supporting Services	2023	2022
Accounting	\$ -	\$ -	\$ 11,618	\$ 11,618	\$ 10,511
Automobile	17,531	-	-	17,531	15,312
Bank Charges	55	-	34,512	34,567	25,043
Contract Labor/Consulting	2,532	10,587	48,681	61,800	55,288
Depreciation	1,500	-	-	1,500	8,890
Donated Materials	265,107	-	-	265,107	282,278
Dues	5,587	-	779	6,366	5,935
Employee Benefits	123,792	6,256	12,485	142,533	118,197
Insurance	6,156	-	13,514	19,670	18,887
Lease Expense	69,965	1,200	-	71,165	92,681
Marketing and Advertising	12,494	92	-	12,586	21,324
Miscellaneous	2,460	-	-	2,460	12,106
Office Supplies	10,407	-	88	10,495	10,631
Payroll	1,814,089	71,792	9,865	1,895,746	1,797,524
Payroll Taxes	71,718	-	-	71,718	150,302
Postage	7,482	-	-	7,482	12,657
Printing	868	237	1	1,106	3,328
Professional Development	22,032	675	274	22,981	10,814
Repairs and Maintenance	1,242	-	-	1,242	4,192
Scholarships	39,722	-	-	39,722	16,333
Staff Recognition and Recruiting	18,146	-	15,100	33,246	39,171
Student Expenses	121,854	-	-	121,854	162,423
Technology	62,766	100	445	63,311	56,588
Telecommunications	16,059	360	-	16,419	18,639
Travel and Meals	6,458	-	10	6,468	6,367
Utilities	7,990	-	-	7,990	5,994
Volunteer Expenses	43,207	-	-	43,207	60,735
<b>Total Functional Expenses</b>	<b>\$ 2,751,219</b>	<b>\$ 91,299</b>	<b>\$ 147,372</b>	<b>\$ 2,989,890</b>	<b>\$ 3,022,150</b>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023  
With Summarized Totals at December 31, 2022

	2023	2022
<b>Cash flows from Operating Activities:</b>		
Increase/(Decrease) in Net Assets	\$ 12,029	\$ 416,438
Reconciliation of increase in net assets to net cash provided by operating activities:		
Depreciation	1,500	8,890
Amortization, right of use	58,469	54,949
Net investment income	(65,193)	(24,354)
(Increase)/Decrease in prepaid expenses	-	12,000
Increase/(Decrease) in accounts payable and accrued expenses	17,611	(134,258)
Net cash provided by (used by) operating activities	24,416	333,665
<b>Cash Flow from investing activities:</b>		
Purchase of fixed assets	-	(34,358)
Purchase/Sale of securities	245,945	(317,929)
Net cash used by investing activities	245,945	(352,287)
<b>Cash Flow from financing activities:</b>		
Principle payments on lease liability	(58,469)	(56,065)
Net cash used by financing activities	(58,469)	(56,065)
Net increase (decrease) in cash and cash equivalents	211,892	(74,687)
Cash, cash equivalents and restricted cash at beginning of year	2,315,920	2,390,607
Cash, cash equivalents and restricted cash at end of year	\$ 2,527,812	\$ 2,315,920

**Supplemental disclosure of cash flow information:**

School on Wheels, Inc. did not pay interest or taxes in 2023 or 2022.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1 - NATURE OF ACTIVITIES**

Since 1993, the mission of School on Wheels has never wavered: they exist to enhance the K-12 educational opportunities for children experiencing homelessness – living in shelters, motels, group foster homes, campgrounds, cars or on the street. Their core programs are designed to address the key barriers that stand inexorably between unhoused children and the education they need and deserve to forge a path out of poverty.

They do this work because children experiencing homelessness are among the most invisible and neglected children in our society, and they were academically devastated by COVID-19 more than any other group. The National Assessment of Educational Progress, known as the nation’s report card, tells us the pandemic erased two decades of progress in math and reading, the steepest decline ever recorded. And researchers have documented that the poverty rate is a key predictor of the extent of that learning loss: while 44% of Los Angeles students failed to meet state math standards in 2022, that figure soars to 79% of low- income students. Our students already needed intensive help to catch up to where they should have been in the first place, and now they have been pushed further behind.

School on Wheels is exclusively dedicated to addressing the particular obstacles to learning that devastate students experiencing homelessness and make them, on average, four grade levels below their housed peers, three times more likely to be placed in special education, nine times more likely to drop out altogether, and statistically likely to repeat the homeless lifestyle with their own children. Their 2,500 square-mile service area spans six Southern California counties (Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, and Ventura). In the high-need area of Skid Row, they operate a Learning Center to welcome students living in nearby shelters, and motels, offering them a safe place to access computers, homework help, and additional enrichment programs after school.

With one-on-one support shown to be the most effective way of improving academic and personal trajectories, their most important program involves mobilizing volunteers to provide focused educational support to children who desperately need it. These generous individuals are carefully matched with a child with whom they meet (mainly online right now) for at least an hour a week to provide a regular environment of reinforcement, positive modeling, and constructive feedback. Children without a home need extra time and attention if the educational system is to do its job, but they often have no one in their lives who can give it to them. School on Wheels brings the message to these students that they are cared about and important, and their programs serve as a consistent support system at a time of great stress and fear. Every child needs an education to have hope and a chance for success.

See Accompanying Independent Auditor’s Report and Notes to the Financial Statements



**SCHOOL ON WHEELS, INC.**  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 1 - NATURE OF ACTIVITIES (cont.)**

In 2023, School on Wheels achieved the following targets:

- Celebrated their 30<sup>th</sup> anniversary!
- Tutored and mentored 1,664 unhoused students
- Trained and matched 1,226 volunteers to tutor these students
- Provided 425 Chromebooks/devices and 312 hotspots to students
- Distributed 2,500 brand new backpacks filled with school supplies
- Tutored in six counties in Southern California.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of School on Wheels, Inc. and changes therein are classified and reported as follows:

Contributions are recorded in the period received. Contributions received are recorded as net assets without donor restrictions, or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor by time or purpose are reported as an increase in net assets with donor restrictions. 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 statement of activities as net assets released from restrictions. The related expense or cost of assets purchased in order to satisfy the donor restriction is expensed or capitalized.

When restrictions are satisfied in the same accounting period that the contribution is received, both revenue and expenses are reported in the net assets without donor restrictions class.

When a donor makes a contribution but does not stipulate a restriction of any kind on the use of funds, the transaction is reported as an increase in net assets without donor restriction.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Although management believes its estimates are appropriate, changes in assumptions utilized in preparing such estimates could cause these estimates to change in the future. Accordingly, actual results could differ from those estimates. Significant estimates include allocation of overhead expense to program, fund-raising, and supporting services and determination of value of In Kind donations.

Cash and cash equivalents

School on Wheels, Inc. maintains its cash and cash equivalents in bank deposit accounts and other investment accounts which, at times, may exceed federally insured limits. The charity has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and cash equivalents include donor restricted cash and cash equivalents of \$296,046 and \$244,451 at December 31, 2023 and 2022, respectively.

Investments

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets (or liabilities). Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

Leases

In 2022, School on Wheels, Inc. adopted the new lease accounting standard ASC 842 whereby the lessee recognizes and records to its balance sheet a liability to make lease payments and a corresponding right of use asset representing School on Wheels, Inc.'s right to use the leased asset for the lease term. As monthly lease payments are made, the liability is amortized to zero by the end of the lease term. At the same time, the right of use asset is amortized to zero by the end of the lease term. Corresponding entries are posted to rent expense (Type B operating leases). Prior to adoption of ASC 842, the lessee's obligation to make noncancellable lease payments was the only footnote in the notes to the financial statements.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Building, furniture, equipment and right of use asset

Building, furniture and equipment are recorded at cost and depreciated using straight-line method over the estimated useful lives of the assets of 3 to 7 years. Maintenance, repairs and small property donations are expensed. Larger property donations and purchases for which there is a reasonable basis to measure value are capitalized and depreciated. Right of use assets are amortized over the life of the related noncancellable lease term.

Contributions in-kind

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at an estimated fair value in the period received. Total value of these in-kind donations includes the following:

Backpacks	\$ 65,992
Books	8,840
Clothing	10,562
Computers and Electronics	24,539
Field Trip and Holiday Events	27,140
Fundraising Auction Items	12,148
Furniture	500
Gift Cards	2,265
School Supplies	25,150
Toys	10,100
Uniforms	771
Other items	<u>77,100</u>
	<b><u>\$265,107</u></b>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Value of volunteer time

In 2023, School on Wheels had the honor of hosting 1,226 volunteers who donated a total of 50,000 hours in support of the organization's program services. The value of these services in 2023 was estimated to be \$37.32 per hour in California, for a total of \$1,866,000.

The value of volunteer time is based on the hourly earnings (approximated from yearly values) of all production and non-supervisory workers on private non-farm payrolls average, based on yearly earnings that come from the Current Employment Statistics (CES) database, which is available from the Bureau of Labor Statistics (BLS). Independent Sector indexes this figure to determine state values and increases it by 15.4 percent to estimate for fringe benefits.

Allocating functional expenses

Certain indirect natural expenses are allocated among the programs, supporting services, and fund-raising based upon management's estimates of employee hours incurred with respect to the various programs, supporting services and fund-raising.

**NOTE 3 - TAX STATUS**

School on Wheels, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and California Revenue and Taxation Code Section 23701(d). Accordingly, no provision has been made for Federal and state income taxes.

School on Wheels, Inc. accounts for income taxes by evaluating its tax positions and recognizes a liability for any positions that would not be considered "more likely than not" to be upheld under a tax authority examination. If such issues exist, School on Wheels, Inc.'s policy will be to recognize any tax liability so recorded, including applicable interest and penalties, as a component of income tax expense.

School on Wheels, Inc. has reviewed its tax positions and determined that an accrual for uncertain income tax positions and adjustment to the tax provision was not necessary. With few exceptions, School on Wheels, Inc. is no longer subject to U. S. Federal and state income tax examinations for fiscal years before 2020.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 4 - INVESTMENTS**

Investment in marketable securities are all Level 1 type investments and are measured at fair value. As of December 31, 2023, marketable equity and debt securities consisted of the following:

	<u>2023</u>	
	<u>Cost</u>	<u>Fair Value</u>
Fixed income corporate bonds	\$ <u>181,405</u>	\$ <u>158,996</u>

The fair values of marketable securities within Level 1 inputs were obtained based on quoted market prices for identical assets at the closing of the last business day of the fiscal year.

For the year ended December 31, 2023, investment income consists of interest income of \$58,550.

**NOTE 5 - FIXED ASSETS**

Fixed assets at December 31, 2023 are summarized as follows:

Database Software	\$ 156,555
Office Equipment and Computers	90,592
Office Furniture and Fixtures	83,257
Leasehold Improvements	<u>149,314</u>
	479,718
Less accumulated depreciation	<u>(455,738)</u>
Net fixed assets	\$ <u>23,980</u>

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 6 - LEASE LIABILITY**

School on Wheels, Inc. leases office space with a lease term ending May 2025. The lease is a Type B operating lease.

The weighted average lease term and interest rate is 17 months and 5% respectively.

Lease costs included in the Statement of Activities is as follows:

Amortization of Right of Use	\$ 58,469
Interest expenses	<u>8,341</u>
Total Lease Expenses	<u>\$ 66,810</u>

Average minimum gross lease payments by year is as follows:

<u>December 31</u>	
2024	\$ 66,810
2025	<u>28,175</u>
	94,985
Adjustment to present value at 5%	<u>(7,834)</u>
Total Lease Liability	<u>\$ 87,151</u>

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**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are summarized as follows:

	<u>2023</u>
Technology	\$135,202
Scholarships funds	93,198
BUS program	30,021
Geographic	25,125
Board reserve fund	<u>12,500</u>
	<u>\$296,046</u>

**NOTE 8 - RELATED PARTY TRANSACTIONS**

The former Executive Director of School on Wheels, Inc. continues to provide executive advisory services on a pro bono basis.

A member of the Board of Directors was paid \$6,662 for Development Consulting services.

**NOTE 9 - COMMITMENTS**

School on Wheels, Inc. operates two facilities. The administrative office is occupied under a month to month lease. A second location lease expires in May 2025 and is capitalized as a Type B operating lease.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 10 - GOVERNING BOARD DESIGNATIONS**

School on Wheels, Inc.'s governing Board has designated certain amounts of net assets without donor restriction for specific purposes. Unlike donor restricted funds, Board designated funds are decided upon for any purpose by the governing Board. The Board may change or alter designation of funds at any time.

The following designation was in place as of December 31, 2023:

	<u>2023</u>
Operating Reserve Fund	<u>\$ 87,500</u>

The Board established this designation to fulfill its agreement with a grantor who donated \$12,500 towards the same purpose. Total operating reserve fund between Board designation and donor restricted funds is \$100,000.

**NOTE 11 - EMPLOYEE BENEFIT PLANS**

School on Wheels, Inc. sponsors an IRC sec 403 (b) Tax-Sheltered Annuity Plan in which all employees are eligible to participate. All employees are eligible to make elective contributions, up to \$22,500, into the plan from the first date of employment. Employees ages 50 or over may make catch up contributions of an additional \$7,500. School on Wheels, Inc. may make matching contributions.

For the year ended December 31, 2023, School on Wheels, Inc. made matching contributions totaling \$19,986.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements



**SCHOOL ON WHEELS, INC.**  
**(a Non-Profit Corporation)**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 12 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects School on Wheels, Inc.'s financial assets as of the balance sheet date, reduced by amounts not available for general use within one year or because of contractual or donor-imposed restrictions.

	<u>2023</u>	<u>2022</u>
Financial assets at year end--		
Cash	<b>\$2,527,812</b>	\$2,315,920
Investments	<u><b>158,996</b></u>	<u>339,748</u>
Total financial assets at year end	<b>2,686,808</b>	2,655,668
Less financial assets unavailable for general expenditures--		
Donor restricted funds	<b>(296,046)</b>	(244,451)
Board designation (see footnote 8)--		
Operating reserve fund	<u><b>(87,500)</b></u>	<u>(87,500)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><b>\$2,303,262</b></u>	<u>\$2,323,717</u>

As part of School on Wheels, Inc.'s liquidity management, it establishes detailed budgets before the start of the year, then, on a monthly basis, closely monitor actual financial performance compared to budgets. Financial assets are maintained in very liquid accounts available at all times for use to cover costs.

**NOTE 13 - SUBSEQUENT EVENT**

School on Wheels, Inc. has evaluated events and transactions occurring subsequent to the statement of financial position date of December 31, 2023 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through March 18, 2024, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements

**SCHOOL ON WHEELS, INC.**  
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NOTES TO FINANCIAL STATEMENTS

December 31, 2023

**NOTE 14 - CONCENTRATION OF RISK**

School on Wheels, Inc. maintains its cash and cash equivalents in bank deposit accounts and other investment accounts which, at times, may exceed federally insured limits. School on Wheels, Inc. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

See Accompanying Independent Auditor's Report and Notes to the Financial Statements