

July 9th

Mohamed Rahali, Sr. Administrative Analyst

Department of Public Health

1380 Howard St, 4th Floor 430A San Francisco, CA 94103

Dear Mr. Rahali,

In response to Citywide Fiscal and Compliance Monitoring of Current Contracts/Grants for Community Forward SF for Fiscal Year FY23-24 letter dated 6/12/2024

Cited Finding: [m. [Core] In current audit, agency has at least 30 days of operating cash]

Community Forward's has always been primarily reliant on government funding for its resources to fund its operations. Most all our contracts are expense reimbursement as such, it has not been possible for us to create reserves.

In the specific example cited. Community Forward did have only 9-days of working capital due to slow payments from funders. When a city contractor does not pay on time for various reasons beyond our control, we find ourselves in situations where it is not possible to maintain the standard of maintaining 30-days cash on hand.

In particular, for both this fiscal and last our SF-DPH our largest funder has had issues in processing its contracts and invoices in a timely manner. The excessively large Accounts Receivable balances in our statements reflect this. Reviewing our A/R aging we have balances due in both 22-23 and 23-24 5-months in arrears.

Community Forward does recognize the importance of liquidity and have taken proactive steps to enhance our financial position.

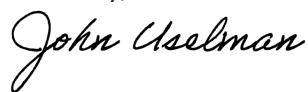
To mitigate our reliance on city contractors, in FY 21-22 we began efforts to bolster our revenue from non-governmental sources. For FY-23 these efforts reaped \$370k in donations. The fiscal year that ended June 30, 2024 our recorded revenue is \$675k.

For the current fiscal year 24-25 we have set a fundraising target of \$1.2 million for this fiscal year. These figures are grounded in concrete plans and strategies, including an 18-month development initiative launched in Q2 of FY 2024.

We are happy to discuss the matter further upon request.

Finally, we request that we be provided the full text and source for your finding so that we can keep current, understand and maintain the standards that are required by the City and County of San Francisco on non-profit organizations that operate in the city.

Sincerely,



John Uselman, CFO

John.Uselman@Communityforwardsf.org