

SFMADE, INC. AND SUBSIDIARIES

DECEMBER 31, 2017

INDEPENDENT AUDITORS' REPORT

AND

CONSOLIDATED FINANCIAL STATEMENTS

SFMade, Inc. and Subsidiaries

Independent Auditors' Report and Consolidated Financial Statements

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Independent Auditors' Report

THE BOARD OF DIRECTORS
SFMADE, INC. AND SUBSIDIARIES
San Francisco, California

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SFMADE, INC. AND SUBSIDIARIES (collectively referred to as “SFMade”)**, which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SFMade’s preparation and fair presentation of the consolidated financial statements 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 SFMade’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SFMade and its subsidiaries as of December 31, 2017, 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.

Other Matter - Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information included on pages 15 and 16 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Handwritten signature of Hood & Strong LLP in cursive script.

San Francisco, California
November 7, 2018

SFMade, Inc. and Subsidiaries

Consolidated Statement of Financial Position

December 31, 2017

Assets

Cash and cash equivalents	\$	53,207
Accounts, contributions, and other receivables		584,600
Prepaid expenses and other assets		76,685
Furniture and equipment, net		9,116

Total assets	\$	723,608
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Liabilities and Net Assets

Liabilities:

Accounts payable and accrued expenses	\$	193,321
Line of credit		50,000

Total liabilities		243,321
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Net Assets:

Unrestricted		(12,991)
Temporarily restricted		493,278

Total net assets		480,287
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Total liabilities and net assets	\$	723,608
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See accompanying notes to the consolidated financial statements.

SFMade, Inc. and Subsidiaries

Consolidated Statement of Activities and Changes in Net Assets

Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Grants and contributions	\$ 508,937	\$ 606,400	\$ 1,115,337
Government grants	450,398		450,398
Program revenue	166,784		166,784
Interest	23		23
	1,126,142	606,400	1,732,542
Net assets released from restrictions	486,174	(486,174)	-
Total support and revenue	1,612,316	120,226	1,732,542
Expenses:			
Program services:			
Advising and education	674,332		674,332
Workforce and youth	210,350		210,350
Policy and practice	336,856		336,856
Affordable industrial space	293,760		293,760
Total program services	1,515,298		1,515,298
Fundraising	80,831		80,831
General and administrative	334,213		334,213
Total expenses	1,930,342	-	1,930,342
Changes in Net Assets	(318,026)	120,226	(197,800)
Net Assets, Beginning of Year	305,035	373,052	678,087
Net Assets, End of Year	\$ (12,991)	\$ 493,278	\$ 480,287

See accompanying notes to the consolidated financial statements.

SFMade, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended December 31, 2017

Cash Flows from Operating Activities:

Change in net assets	\$ (197,800)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	6,712
Loss on disposal of furniture and equipment	762
Changes in assets and liabilities:	
Receivables	(243,609)
Prepaid expenses and other assets	(39,891)
Accounts payable and accrued expenses	29,902

Net cash used by operating activities	(443,924)
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Cash Flows from Investing Activities:

Purchase of furniture and equipment	(5,435)
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Net cash used by investing activities	(5,435)
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Cash Flows from Financing Activities:

Borrowings on line of credit	50,000
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Net cash provided by financing activities	50,000
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Net Decrease in Cash and Cash Equivalents	(399,359)
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Cash and Cash Equivalents, Beginning of Year	452,566
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Cash and Cash Equivalents, End of Year	\$ 53,207
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See accompanying notes to the consolidated financial statements.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Note 1 - Nature of the Organization:

SFMade, Inc. (SFMade) was established in 2010 as an independent nonprofit organization to build and support a vibrant manufacturing sector in San Francisco that sustains companies producing locally-made products, encourages entrepreneurship and innovation, and creates employment opportunities for a diverse local workforce. SFMade engages directly with entrepreneurs and growing small companies, all of whom are headquartered in and manufacture within San Francisco, offering industry-specific education, networking opportunities, and connecting these companies to powerful local resources through collaboration with various funding and strategic partners that are some of San Francisco's most established and effective organizations.

SFMade collaborates with various funding and strategic partners to establish and deliver innovative programs for manufacturers, offers education to the general public, and provides new economic policy insight to the City, the Region, the State, and beyond. SFMade's main sources of revenue are from government grants and corporate and private contributions.

In 2017, building on SFMade's regional policy collaboration efforts, the organization engaged with the city of San Jose, existing funding and strategic partners, and new collaborators to create Manufacture: San Jose Program. This program has the goal to drive resources, knowledge, and visibility to the city's manufacturers by leveraging SFMade's existing programs and expertise.

PlaceMade was founded in 2013 with fiscal sponsorship by SFMade through July 2015 at which time it obtained its 501(c)(3) exemption determination as a supporting organization of SFMade. PlaceMade accomplishes its mission through strategic collaborations with the public and private sectors to design, build, renovate, and rent modern, affordable industrial space for manufacturers and other related industrial users in the City of San Francisco. SFMade's Board of Directors appoints the PlaceMade's Board of Directors and SFMade has an economic interest in PlaceMade therefore PlaceMade has been consolidated with SFMade. Certain staff and directors of SFMade also serve as directors and board members of PlaceMade.

During 2015, SFMade also assisted in the formation of a new entity, the Urban Manufacturing Alliance (UMA). UMA was under SFMade's fiscal sponsorship through December 31, 2015. The UMA, a national collaborative of non-profit, for profit and government stakeholders across major US Cities, works together to grow manufacturing businesses, to create living wage jobs and catalyze sustainable localized economies. UMA obtained its 501(c)(3) exemption determination in September 2015. SFMade continues to support UMA through providing accounting and administrative support services. However, SFMade does not control the operations or board of UMA and therefore UMA has not been consolidated with SFMade.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

During 2017, SFMade formed a new entity, 150 Hooper, Inc. (150 Hooper) to acquire and complete construction on a project in-construction at 150 Hooper Street in San Francisco. 150 Hooper intends to rent the industrial space on an affordable basis to manufacturers and other related industrial users. 150 Hooper was formed as a separate California public benefit corporation. SFMade's Board of Directors may appoint two of the five members of the 150 Hooper Board of Directors, SFMade controls the operations through common management and SFMade has an economic interest in 150 Hooper. As of December 31, 2017, no significant activity had occurred which would be required to be reflected and consolidated in SFMade's financial statements. 150 Hooper filed an exemption application with the Internal Revenue Service in March 2018 and received notification of approval in July 2018. Certain staff and directors of SFMade also serve as directors and board members of 150 Hooper.

As shown in the accompanying consolidated financial statements, for the year ended December 31, 2017, SFMade incurred a decrease in net assets of \$197,800 and had \$12,991 of negative unrestricted net assets as of December 31, 2017 in part as a result of PlaceMade being in the process of completing the 150 Hooper transaction which did not close until 2018 as described in Note 6. Subsequent to year end, PlaceMade received loans of \$8,700,000 and a contribution of \$10,000,000 to fund the 150 Hooper transaction as mentioned in Note 6.

Note 2 - Summary of Significant Accounting Policies:

a. Method of Accounting

The consolidated financial statements of SFMade have been prepared on the accrual basis. The accounts of SFMade are maintained in accordance with accounting principles generally accepted in the United States of America relevant to nonprofit organizations.

b. Principles of Consolidation

The consolidated financial statements include the accounts of SFMade, Inc. and PlaceMade, Inc., collectively SFMade. All significant intercompany accounts have been eliminated in consolidation.

c. Description of Net Assets

Unrestricted Net Assets

The portion of net assets that is neither temporarily nor permanently restricted by donor imposed stipulations.

Temporarily Restricted Net Assets

The portion of net assets of which use by SFMade is limited by donor-imposed stipulations that either expire by passage of time, or can be fulfilled and removed by actions of SFMade.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

At December 31, 2017, temporarily restricted net assets, including contributions receivable, were restricted for program and time purposes of approximately \$420,700 and \$72,600, respectively.

For the year ended December 31, 2017, net assets released from restriction consisted of program and time purposes of approximately \$480,900 and \$5,300, respectively.

Permanently Restricted Net Assets

The portion of net assets of which use by SFMade is limited by donor-imposed stipulations that neither expire by passage of time, nor can be fulfilled or removed by actions of SFMade. SFMade has no permanently restricted net assets at December 31, 2017.

d. Contributions, Grants and Receivables

Contributions and grants are recognized at their fair value when the donor makes an unconditional promise to give to SFMade. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. As restrictions are fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets. If a restriction is fulfilled in the same fiscal year in which the contribution is received, SFMade classifies the support as unrestricted.

Revenue from government grants and contracts are recognized as unrestricted revenue when earned, that is, generally as the related costs are incurred under the grant or contract agreements. Amounts expended in excess of reimbursements are reported as receivables.

Conditional promises to give are not recorded as contribution revenue until the conditions are substantially met. There were no conditional promises to give at December 31, 2017.

SFMade reviews individual receivable balances at year end to evaluate the appropriate allowance based on subsequent collection and historical collection experience with the donors for uncollectible receivables and contributions. Management has deemed all receivables to be fully collectible and therefore no allowance for doubtful accounts has been provided for. At December 31, 2017, contributions, grants and other receivables are expected to be collected within the subsequent fiscal year.

e. Program Revenue

Program revenue consists of fees for educational workshops on manufacturing industry-specific topics, SFMade member selling events, and consulting services performed, and is reported in the year in which such programs and services are conducted.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

f. Cash Equivalents

Cash equivalents include funds held in interest-bearing checking accounts.

g. Prepaid Expenses and Other Assets

Prepaid expenses and other assets include deposits and other prepaid operating expenses.

h. Furniture and Equipment

Furniture and equipment are stated at cost if purchased and at fair market value on the date of donation if donated, less accumulated depreciation. Major additions and betterments costing more than \$500 are capitalized; maintenance and repairs are charged to expense as incurred. Upon retirement or disposal of assets, the cost and related accumulated depreciation are removed from the accounts and gain or loss, if any, is reflected in the operations in the year of retirement or disposal.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, five years for furniture and three years for computer equipment.

i. Contributed Services and Goods

Contributions of services are recognized when received if such services (a) enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated.

A number of volunteers have donated significant amounts of time in SFMade's program services. The value of donated volunteer services has not been recognized in the accompanying consolidated financial statements because such volunteer services do not meet the above-mentioned criteria.

In-kind contributions consist of donated services and goods. For the year ended December 31, 2017, these contributions were utilized for program events of approximately \$3,000.

j. Functional Expense Allocations

Certain expenses are allocated among program services, fundraising and general and administrative based on the program benefited and estimates made by management.

k. Income Taxes

SFMade and PlaceMade are exempt from federal income tax on related income under the Internal Revenue Code, Section 501(c)(3). Accordingly, no provision for income taxes has been reflected in these consolidated financial statements.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

SFMade follows the guidance on accounting for uncertainty in income taxes issued by Financial Accounting Standards Board (FASB) Accounting Standards Certification (ASC) Topic 740. As of December 31, 2017, management evaluated SFMade's tax positions and concluded that SFMade had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements.

l. Use of Estimates

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

m. Recent Accounting Pronouncements

Pronouncements Effective in the Future

In February 2016, the FASB issued authoritative guidance regarding *Leases*. The new standard will supersede much of the existing authoritative literature for leases. This guidance requires lessees, among other things, to recognize right-of-use assets and liabilities on their balance sheet for all leases with lease terms longer than twelve months. The standard will be effective for SFMade, since it is not deemed a public business entity, for its fiscal year beginning after December 15, 2019, and for interim periods beginning after December 15, 2020 with early application permitted. Entities are required to use modified retrospective application for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements with the option to elect certain transition reliefs. SFMade is currently evaluating the impact of this new guidance.

In August 2016, the FASB issued authoritative guidance regarding *Presentation of Financial Statements of Not-for-Profit Entities*. The guidance in this ASU makes improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB's improvements to net asset classification requirements and the information presented about a not-for-profit entity's liquidity, financial performance, and cash flows. The amendments in the update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. Amendments should be applied on a retrospective basis in the year the update is first applied. SFMade is currently evaluating the impact of this pronouncement.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

In June 2018, the FASB issued authoritative guidance regarding *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The guidance in this ASU clarifies and improves current guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. It provides a framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The amendments in the update does not apply to transfers of assets from governments to businesses. The amendments in the update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018. Early application of the amendments in the update is permitted and applied prospectively. SFMade is currently evaluating the impact of this pronouncement.

n. Subsequent Events

SFMade evaluated subsequent events from December 31, 2017 through November 7, 2018, the date these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements, except as disclosed in Note 1, 3, and 6.

Note 3 - Commitments and Contingencies:

Government Grants

Government grants and contracts require the fulfillment of certain conditions as set forth in the agreements and are subject to audit and final acceptance by the government agency. SFMade does not believe the results of any audits or actions by government agencies in relation to grants recorded will have a material impact on the consolidated statement of financial position or consolidated statement of activities and changes in net assets at December 31, 2017.

Line of Credit

SFMade has a revolving line of credit with New Resource Bank of \$150,000 with an interest rate of Prime plus 2.50%, but not less than 6.00%, expiring April 15, 2018. The interest rate at December 31, 2017 was 7.00%. There was an outstanding balance of \$50,000 at December 31, 2017. Any borrowings are collateralized by substantially all assets of SFMade. Under the terms of the line of credit agreement, SFMade is required to maintain certain financial ratios and comply with certain other covenants. As of December 31, 2017, SFMade was in compliance with the terms of the agreement.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Subsequent to year end, the existing revolving line of credit agreement of \$150,000 was amended and renewed as of August 2, 2018 with an effective date of April 15, 2018 between Amalgamated Bank successor by merger to New Resource Bank. The interest rate is Prime plus 1.50%, but not less than 6.00%, expiring April 15, 2019.

Note 4 - Related Party Transactions:

At December 31, 2017, contributions receivable from members of the Board of Directors and the corporations by whom they are employed totaled approximately \$20,000. For the year ended December 31, 2017, contributions from members of the Board of Directors and the corporations by whom they are employed totaled approximately \$251,500.

Certain members of the Board of Directors are affiliated with banking and professional service firms providing services to SFMade.

Note 5 - Retirement Plan:

In 2016, SFMade adopted a Savings Incentive Match Plan under Section 408(p) of the Internal Revenue Code. Effectively, all employees are eligible to participate in the plan and may defer a portion of salary. SFMade will make a matching contribution of employee contributions up to 3% of the employee's compensation. SFMade's contribution was approximately \$30,400 for the year ended December 31, 2017.

Note 6 - Subsequent Events:

150 Hooper Transaction

On June 26, 2015, PlaceMade entered into a Contribution and Reimbursement Agreement and a Development Agreement for the development and eventual purchase of industrial space in San Francisco toward the fulfillment of its charitable mission. After four extensions, the agreements expired July 29, 2016 as PlaceMade had not secured the full financing contributions necessary to purchase the property. PlaceMade then negotiated a Master Lease, a revised Development Agreement and a new Right to Purchase Agreement for the property under development, all of which were executed on May 31, 2017. The agreements provide the seller exclusive right of cancellation and other options if funding for the purchase is not committed within the timeline. In August 2017 PlaceMade received a non-binding reservation agreement from the City of San Francisco for New Markets Tax Credits financing for the purchase of the property.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

In March 2018, PlaceMade received approximately \$8,300,000 in net proceeds from financing agreements related to the purchase of and capital expenditures at 150 Hooper Street in San Francisco. This financing arrangement was structured with a third party financial institution (the “NMTC Investor”) associated with Capital One, N.A., an investment fund, and two community development entities (the “CDEs”) majority owned by the investment fund. This transaction was designed to qualify under the federal New Market Tax Credit (“NMTC”) program, pursuant to Section 45D of the Internal Revenue Code of 1986, as amended. Through this transaction, PlaceMade has secured low interest financing and the potential for future debt forgiveness related to the building at 150 Hooper Street. Upon closing of the NMTC transaction, PlaceMade provided an aggregate of approximately \$16,700,000, of which \$8,700,000 was borrowed from Northern California Community Loan Fund (NCCLF) and the remainder from a private contribution of \$10,000,000, to the investment fund, in the form of a loan receivable, with a term of 40 years, bearing an interest rate of 3.3679% per annum. This \$16,700,000 in proceeds plus \$8,300,000 of net capital from the NMTC Investor were contributed to and used by the CDEs to make loans in the aggregate of \$23,700,000 to another subsidiary of SFMade, 150 Hooper. These loans bear interest at a fixed rate of 2.3930%. 150 Hooper is using the loan proceeds to purchase the building under construction at 150 Hooper Street and complete the construction. These capital assets will serve as collateral to the financing arrangement. This transaction also includes a put/call feature whereby, at the end of a seven-year compliance period, PlaceMade may be obligated or entitled to repurchase the NMTC Investor’s interest in the investment fund. The value attributable to the put price is nominal. Consequently, if exercised, the put could result in the forgiveness of the NMTC Investor’s interest in the investment fund, and result in a net non-operating gain of up to \$8,300,000. The call price will be valued at the net present value of the cash flows of the lease inherent in the transaction.

The NMTC Investor is subject to 100% recapture of the New Market Tax Credits it receives for a period of seven years as provided in the Internal Revenue Code and applicable U.S. Treasury regulations. PlaceMade is required to be in compliance with various regulations and contractual provisions that apply to the New Market Tax Credit arrangement. Noncompliance with applicable requirements could result in the NMTC Investor’s projected tax benefits not being realized and, therefore, require PlaceMade to indemnify the NMTC Investor for any loss or recapture of New Market Tax Credits related to the financing until such time as the recapture provisions have expired under the applicable statute of limitations. PlaceMade does not anticipate any credit recapture will be required in connection with this financing arrangement.

SFMade, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

NCCLF and New Resource Loans

On March 28, 2018 NCCLF loaned \$8,700,000 to PlaceMade as mentioned above with an interest rate of 5.50% payable monthly with the principal due on March 28, 2025. The loan contains certain financial and non-financial covenants and is secured by the capital assets described above. On March 28, 2018, NCCLF sold a participating interest in the loan to New Resource Bank in an amount of \$5,700,000. The interest rate on this participating interest is 5.50% payable monthly, expires April 1, 2025, and is secured by a first deed of trust on the 150 Hooper building.

Rental Income

Subsequent to year end, 150 Hooper entered into non-cancelable lease agreements with various tenants and SFMade for the 150 Hooper building with annual rent escalations of 1.5% to 3% which expire at various dates through June 30, 2031. Some tenants have various options to extend. The rental income will fund the loan payments on the financing transaction of the 150 Hooper purchase described above.

SFMade, Inc. and Subsidiaries

Consolidating Statement of Financial Position (See Independent Auditors' Report)

December 31, 2017

	<u>SFMade, Inc.</u>	<u>PlaceMade, Inc.</u>	<u>Eliminations</u>	<u>Total Consolidating</u>
Assets				
Cash and cash equivalents	\$ 49,145	\$ 4,062		\$ 53,207
Accounts, contributions, and other receivables	702,844	83,854	\$ (202,098)	584,600
Related party loan receivable	60,000		(60,000)	-
Prepaid expenses and other assets	14,562	62,123		76,685
Furniture and equipment, net	9,116			9,116
Total assets	\$ 835,667	\$ 150,039	\$ (262,098)	\$ 723,608
Liabilities and Net Assets				
Liabilities:				
Accounts payable and accrued expenses	\$ 97,343	\$ 298,076	\$ (202,098)	\$ 193,321
Line of credit	50,000			50,000
Related party loan payable		60,000	(60,000)	-
Total liabilities	147,343	358,076	(262,098)	243,321
Net Assets:				
Unrestricted	195,046	(208,037)		(12,991)
Temporarily restricted	493,278			493,278
Total net assets	688,324	(208,037)	-	480,287
Total liabilities and net assets	\$ 835,667	\$ 150,039	\$ (262,098)	\$ 723,608

SFMade, Inc. and Subsidiaries

Consolidating Statement of Activities and Changes in Net Assets (See Independent Auditors' Report)

Year Ended December 31, 2017

	<u>SFMade, Inc.</u>	<u>PlaceMade, Inc.</u>	<u>Eliminations</u>	<u>Total Consolidating</u>
Support and Revenue:				
Grants and contributions	\$ 1,115,337			\$ 1,115,337
Government grants	450,398			450,398
Program revenue	69,703	\$ 97,081		166,784
Interest	21	2		23
	1,635,459	97,083		1,732,542
Net assets released from restrictions				-
Total support and revenue	1,635,459	97,083		1,732,542
Expenses:				
Program services:				
Advising and education	674,332			674,332
Workforce and youth	210,350			210,350
Policy and practice	336,856			336,856
Affordable industrial space		293,760		293,760
Total program services	1,221,538	293,760		1,515,298
Fundraising	73,984	6,847		80,831
General and administrative	274,257	59,956		334,213
Total expenses	1,569,779	360,563		1,930,342
Changes in Net Assets	65,680	(263,480)		(197,800)
Net Assets, Beginning of Year	622,644	55,443		678,087
Net Assets, End of Year	\$ 688,324	\$ (208,037)		\$ 480,287