

**SCHOOLS, HEALTH, & LIBRARIES BROADBAND COALITION**

**FINANCIAL STATEMENTS**

December 31, 2024 and 2023

## CONTENTS

Independent Auditor's Report .....	1
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	5
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Schools, Health & Libraries Broadband Coalition  
Washington, D.C.

### ***Opinion***

We have audited the financial statements of Schools, Health & Libraries Broadband Coalition, which comprise the statements of financial position as of December 31, 2024 and 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 accompanying financial statements present fairly, in all material respects, the financial position of Schools, Health & Libraries Broadband Coalition as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Schools, Health & Libraries Broadband Coalition and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Schools, Health & Libraries Broadband Coalition'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 GAAS 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 GAAS, 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 Schools, Health & Libraries Broadband Coalition'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 Schools, Health & Libraries Broadband Coalition'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.

A handwritten signature in black ink that reads "Wegner CPAs LLP". The signature is written in a cursive, flowing style.

Wegner CPAs, LLP  
Alexandria, Virginia  
March 25, 2025

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 180,359	\$ 558,706
Certificate of deposit	269,001	-
Unconditional promises to give	42,877	21,034
Accounts receivable	27,550	37,101
Employee Retention Credit receivable	26,051	-
Prepaid expenses	4,396	3,342
	<u>550,234</u>	<u>620,183</u>
<b>Total assets</b>	<u>\$ 550,234</u>	<u>\$ 620,183</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 19,233	\$ 36,498
Accrued payroll	-	6,890
Deferred revenue	195,686	245,125
	<u>214,919</u>	<u>288,513</u>
Total liabilities	214,919	288,513
NET ASSETS		
Without donor restrictions	330,315	331,670
With donor restrictions	5,000	-
	<u>335,315</u>	<u>331,670</u>
Total net assets	335,315	331,670
<b>Total liabilities and net assets</b>	<u>\$ 550,234</u>	<u>\$ 620,183</u>

See accompanying notes.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>SUPPORT AND REVENUE</b>		
Contributions	\$ 130,317	\$ 85,111
Membership dues	713,555	743,582
Registration fees and sponsorships	392,854	350,474
Employee Retention Credit	45,147	-
Interest income	16,529	9,151
	<u>1,298,402</u>	<u>1,188,318</u>
Total support and revenue	1,298,402	1,188,318
<b>EXPENSES</b>		
Program services		
Conferences	458,369	458,686
Advocacy	267,775	282,159
Membership services	292,292	248,004
	<u>1,018,436</u>	<u>988,849</u>
Total program services	1,018,436	988,849
Supporting services		
Management and general	219,528	227,480
Membership development	61,793	55,009
	<u>281,321</u>	<u>282,489</u>
Total expenses	1,299,757	1,271,338
Change in net assets without donor restrictions	(1,355)	(83,020)
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	5,000	-
<b>Change in net assets</b>	3,645	(83,020)
Net assets at beginning of year	331,670	414,690
<b>Net assets at end of year</b>	<u>\$ 335,315</u>	<u>\$ 331,670</u>

See accompanying notes.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2024

	Program Services			Supporting Services		
	Conferences	Advocacy	Membership Services	Management and General	Membership Development	Total Expenses
Personnel	\$ 243,964	\$ 210,228	\$ 244,987	\$ 120,608	\$ 54,162	\$ 873,949
Professional fees	3,137	40,896	-	36,879	-	80,912
Consultants	1,000	-	9,150	-	-	10,150
Office expenses	-	-	17,762	21,271	7,021	46,054
Printing & postage	8,411	-	2,009	376	-	10,796
Supplies	4,189	-	5	13	-	4,207
Insurance	-	-	-	2,445	-	2,445
Occupancy	-	-	-	6,785	-	6,785
Dues & subscriptions	-	6,058	163	-	-	6,221
Advertising & promotion	4,941	-	-	-	610	5,551
Travel	23,876	9,221	16,572	1,548	-	51,217
Training	-	-	-	126	-	126
Information technology	60,655	-	-	29,477	-	90,132
Event fees and supplies	108,196	1,372	1,644	-	-	111,212
<b>Total expenses</b>	<b>\$ 458,369</b>	<b>\$ 267,775</b>	<b>\$ 292,292</b>	<b>\$ 219,528</b>	<b>\$ 61,793</b>	<b>\$ 1,299,757</b>

See accompanying notes.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2023

	Program Services			Supporting Services		
	Conferences	Advocacy	Membership Services	Management and General	Membership Development	Total Expenses
Personnel	\$ 195,090	\$ 212,793	\$ 233,946	\$ 112,048	\$ 47,574	\$ 801,451
Professional fees	2,970	27,740	-	27,518	-	58,228
Consultants	34,304	5,000	-	37,500	-	76,804
Office expenses	214	-	8,267	20,933	7,435	36,849
Printing & postage	4,863	-	-	114	-	4,977
Supplies	4,469	-	-	601	-	5,070
Insurance	-	-	-	1,819	-	1,819
Occupancy	-	-	-	6,752	-	6,752
Dues & subscriptions	-	16,444	-	-	-	16,444
Advertising & promotion	413	-	-	-	-	413
Travel	23,243	17,949	4,588	2,761	-	48,541
Training	5,810	-	-	3,644	-	9,454
Information technology	47,998	-	-	13,790	-	61,788
Event fees and supplies	139,312	2,233	1,203	-	-	142,748
<b>Total expenses</b>	<b>\$ 458,686</b>	<b>\$ 282,159</b>	<b>\$ 248,004</b>	<b>\$ 227,480</b>	<b>\$ 55,009</b>	<b>\$ 1,271,338</b>

See accompanying notes.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,645	\$ (83,020)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
(Increase) decrease in assets		
Unconditional promises to give	(21,843)	5,193
Accounts receivable	9,551	(27,151)
Employee Retention Credit receivable	(26,051)	-
Prepaid expenses	(1,054)	2,014
Increase (decrease) in liabilities		
Accounts payable	(17,265)	(44,107)
Accrued payroll	(6,890)	6,890
Deferred revenue	(49,439)	71,790
Net cash flows from operating activities	(109,346)	(68,391)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of certificate of deposit	(262,500)	-
Interest retained in certificate of deposit	(6,501)	-
Net cash flows from investing activities	(269,001)	-
<b>Net change in cash</b>	(378,347)	(68,391)
Cash at beginning of year	558,706	627,097
<b>Cash at end of year</b>	<u>\$ 180,359</u>	<u>\$ 558,706</u>

See accompanying notes.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Schools, Health & Libraries Broadband Coalition (SHLB) strives to close the digital divide by promoting high-quality broadband for anchor institutions and their communities. SHLB members include hundreds of commercial and nonprofit organizations who support the mission. SHLB is primarily funded through contributions and membership dues.

**Promises to Give**

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**Accounts Receivable**

Accounts receivable represents amounts due from customers for membership dues outstanding. Management believes the composition of accounts receivable is consistent with historical conditions and accounts receivable are expected to be settled within a relatively short time frame based on current conditions. As such, credit losses are expected to be insignificant.

**Contributions**

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

**Revenue Recognition**

SHLB's membership period is based on the anniversary date of the member. SHLB generally bills members in advance of the applicable membership period, and membership dues received in advance of the applicable membership period are deferred and recognized as revenue in that future period. Membership dues are nonrefundable.

Educational conferences and courses provide educational opportunities for SHLB members and nonmembers to unite broadband champions from across the country to discuss the most pressing policy issues facing community anchor institution broadband access. Revenue for registration fees is recognized when the meeting takes place. Sponsorships are recognized as revenue when that meeting takes place.

Deferred revenue represents membership dues received in advance and sponsorships received in advance for conventions taking place in the following year. Deferred revenue includes \$35,000 and \$25,000 for the years ending December 31, 2024 and 2023, respectively, of sponsorships for next year's meeting.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Accounts receivable and contract liabilities from customers were as follows:

	2024	2023
Accounts receivable at beginning of year	\$ 37,101	\$ 9,950
Accounts receivable at end of year	27,550	37,101
Contract liabilities at beginning of year	\$ 220,125	\$ 173,335
Contract liabilities at end of year	160,686	220,125

**Income Tax Status**

SHLB is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Leases**

SHLB does not recognize short-term leases in the statement of financial position. For these leases, SHLB recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. SHLB also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, SHLB uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, which is allocated on the basis of estimates of time and effort.

**Advertising**

Advertising costs are expensed as incurred. Advertising costs totaled \$610 for the year ended December 31, 2024.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Date of Management's Review**

Management has evaluated subsequent events through March 25, 2025, the date which the financial statements were available to be issued.

**NOTE 2—RETIREMENT PLAN**

SHLB sponsors a 401(k)-retirement plan covering substantially all its employees. SHLB matches participants' contributions to the plan up to 4% of the individual participant's compensation. Full-time employees are eligible to participate in the plan immediately upon hire. Contributions to the plan for the years ended December 31, 2024 and 2023 totaled \$28,289 and \$20,979, respectively.

**NOTE 3—CONCENTRATIONS**

SHLB maintains cash balances at a financial institution located in Washington, D.C. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024 and 2023, SHLB's uninsured cash balances totaled approximately \$19,000 and \$309,000, respectively.

**NOTE 4—OPERATING LEASES**

In May 2020, SHLB entered into a monthly virtual service contract. The agreement is month-to-month and can be terminated with 90 day written notice. For the years ended December 31, 2024 and 2023, lease cost totaled \$6,785 and \$6,752, respectively.

**NOTE 5—NET ASSETS**

Net assets without donor restrictions includes a board designated reserve of \$262,500 for the years ended December 31, 2024 and 2023, respectively, which are intended for future operations. The reserve may not be liquidated without board approval.

Net assets with donor restrictions are restricted for the purpose of the annual research fund.

**NOTE 6—EMPLOYEE RETENTION CREDIT**

During the year ended December 31, 2024, SHLB claimed Employee Retention Credits (ERC) totaling \$45,147 under the provisions the Coronavirus Aid, Relief, and Economic Security Act, as amended. Employers are eligible for the ERC if they experience either a significant decline in gross receipts or the full or partial suspension of operations because of governmental orders limiting commerce, travel, or group meetings due to COVID-19. SHLB determined it had a significant decline in gross receipts and claimed the ERC for the second calendar quarter of 2020 and third calendar quarter of 2021. The Internal Revenue Service (IRS) generally has five years from the date an ERC claim is filed to audit the claim. Therefore, the IRS may audit SHLB's eligibility for the ERC and its substantiation of the amounts claimed. If the IRS determines SHLB was ineligible for the ERC, SHLB could be required to repay the amount claimed along with penalties and interest.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024 and 2023

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**NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN**

On April 27, 2020, SHLB received a \$58,335 loan under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration. The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by SHLB during the covered period. Eligible expenses may include payroll costs, rent, and utilities. Any unforgiven portion is payable over two years.

The loan was forgiven on February 4, 2022. SHLB must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of the SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review SHLB's good-faith certification concerning the necessity of the loan request, whether SHLB calculated the loan amount correctly, whether SHLB used loan proceeds for the allowable uses specified in the CARES Act, and whether SHLB is entitled to loan forgiveness in the amount claimed on its application. If SBA determines SHLB was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**NOTE 8—LIQUIDITY AND AVAILABILITY**

The following table reflects SHLB's financial assets as of the date of the statement of financial position:

	2024	2023
Financial assets at year-end		
Cash	\$ 180,359	\$ 558,706
Certificate of deposit	269,001	-
Unconditional promises to give	42,877	21,034
Accounts receivable	27,550	37,101
Employee Retention Credit receivable	26,051	-
	<u>545,838</u>	<u>616,841</u>
Total financial assets at end of year	545,838	616,841
Less those unavailable for general expenditure within one year due to:		
Restricted by donor with purpose restrictions	(5,000)	-
Board designated reserve	(262,500)	(262,500)
	<u>(267,500)</u>	<u>(262,500)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 278,338</u>	<u>\$ 354,341</u>

As part of SHLB's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**SCHOOLS, HEALTH & LIBRARIES BROADBAND COALITION**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

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**NOTE 9—COMMITMENTS**

SHLB has a contract with a hotel for a future planned meeting. The contract contains a penalty clause for cancellation. The potential liability, if all the contracts were cancelled, is approximately \$101,000 as of December 31, 2024. SHLB does not intend to cancel any of these commitments.