

# TIME FOR CHANGE FOUNDATION

(A Nonprofit Organization)



**Financial Statements  
and  
Independent Auditors' Report**

**For the Years Ended June 30, 2024 and 2023**



**smithmarion**

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**To the Board of Directors**  
**Time for Change Foundation**  
San Bernardino, CA

## **Independent Auditors' Report**

### **Report on the Financial Statements**

#### **Opinion**

We have audited the financial statements of Time for Change Foundation, which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Time for Change Foundation, as of June 30, 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 Time for Change Foundation, 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 Time for Change Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 Time for Change Foundation'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 Time for Change Foundation'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.

*Smith Marion & Co.*

October 9, 2024  
Redlands, CA

**Time For Change Foundation**

## Statements of Financial Position

June 30, 2024 and 2023

<b>ASSETS</b>	<b>2024</b>	<b>2023</b>
<b>Current Assets</b>		
Cash	\$ 8,722,086	\$ 6,931,773
Accounts receivable	111,693	138,532
Prepaid expenses	-	6,158
<b>Total Current Assets</b>	<b>8,833,779</b>	<b>7,076,463</b>
 Certificates of Deposit	 50,832	 50,817
Property and equipment (net)	9,864,324	10,829,941
<b>Total Long-Term Assets</b>	<b>9,915,156</b>	<b>10,880,758</b>
<b>TOTAL ASSETS</b>	<b>\$ 18,748,935</b>	<b>\$ 17,957,221</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 184,423	\$ 53,941
Accrued expenses and other liabilities	91,667	95,482
Client deposits and savings	14,224	16,578
Grant advances	1,082	2,611
<b>Total Current Liabilities</b>	<b>291,396</b>	<b>168,612</b>
 <b>Long-Term Liabilities</b>		
Accrued interest	-	-
Loan payable - long-term portion	-	-
<b>Total Long-Term Liabilities</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>291,396</b>	<b>168,612</b>
 <b>Net Assets</b>		
Without donor restrictions		
Undesignated	13,882,694	13,890,233
With donor restrictions		
Purpose restrictions	4,574,845	3,898,376
<b>Total Net Assets</b>	<b>18,457,539</b>	<b>17,788,609</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 18,748,935</b>	<b>\$ 17,957,221</b>

# Time For Change Foundation

Statement of Activities

For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Grants	\$ 2,053,194	\$ 2,565,400	\$ 4,618,594
Contributions	479,866	-	479,866
Special events, net	160,311	-	160,311
Phoenix Square	40,219	-	40,219
Other income	186,718	-	186,718
Loss on sale of fixed asset	(162,925)	-	(162,925)
Net assets released from restriction	1,888,931	(1,888,931)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>4,646,314</b>	<b>676,469</b>	<b>5,322,783</b>
<b>EXPENSES</b>			
Program services	3,703,313	-	3,703,313
<b>Total Program Services</b>	<b>3,703,313</b>	<b>-</b>	<b>3,703,313</b>
Supporting services			
Management and general	875,747	-	875,747
Fundraising	74,793	-	74,793
<b>Total Supporting Services</b>	<b>950,540</b>	<b>-</b>	<b>950,540</b>
<b>TOTAL EXPENSES</b>	<b>4,653,853</b>	<b>-</b>	<b>4,653,853</b>
<b>Change in Net Assets</b>	<b>(7,539)</b>	<b>676,469</b>	<b>668,930</b>
Beginning net assets	13,890,233	3,898,376	17,788,609
<b>Ending Net Assets</b>	<b>\$ 13,882,694</b>	<b>\$ 4,574,845</b>	<b>\$ 18,457,539</b>

# Time For Change Foundation

## Statement of Activities

For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUES</b>			
Grants	\$ 1,844,396	\$ 4,251,250	\$ 6,095,646
Contributions	549,003	-	549,003
Special events, net	115,727	-	115,727
Phoenix Square	37,057	-	37,057
Other income	2,157,697	-	2,157,697
Net assets released from restriction	5,092,955	(5,092,955)	-
<b>TOTAL SUPPORT AND REVENUES</b>	<b>9,796,835</b>	<b>(841,705)</b>	<b>8,955,130</b>
<b>EXPENSES</b>			
Program services	3,077,849	-	3,077,849
<b>Total Program Services</b>	<b>3,077,849</b>	<b>-</b>	<b>3,077,849</b>
Supporting services			
Management and general	803,102	-	803,102
Fundraising	59,346	-	59,346
<b>Total Supporting Services</b>	<b>862,449</b>	<b>-</b>	<b>862,449</b>
<b>TOTAL EXPENSES</b>	<b>3,940,298</b>	<b>-</b>	<b>3,940,298</b>
<b>Change in Net Assets</b>	<b>5,856,537</b>	<b>(841,705)</b>	<b>5,014,832</b>
Beginning net assets	8,033,696	4,740,081	12,773,777
<b>Ending Net Assets</b>	<b>\$ 13,890,233</b>	<b>\$ 3,898,376</b>	<b>\$ 17,788,609</b>

# Time For Change Foundation

Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Services	Supportive Services			Grand Total
		Management and General	Fund Raising	Total	
Salaries and wages	\$ 1,160,307	\$ 244,679	\$ -	\$ 244,679	\$ 1,404,986
Payroll taxes	93,067	19,626	-	19,626	112,693
Employee benefits	65,973	13,912	-	13,912	79,885
Total payroll and related expense	1,319,347	278,217	-	278,217	1,597,564
Auto	12,301	-	-	-	12,301
Client support	733,496	-	-	-	733,496
Dues and subscriptions	45,477	-	-	-	45,477
Rent	23,177	-	-	-	23,177
Repairs and maintenance	76,749	32,893	-	32,893	109,642
Utilities and telephone	92,358	39,582	-	39,582	131,940
Security	248,153	106,351	-	106,351	354,504
Insurance	65,804	28,202	-	28,202	94,006
Interest	767	-	-	-	767
Advertising	204,566	29,224	58,448	87,672	292,238
Travel	87,041	34,816	2,487	37,303	124,344
Training	707	303	-	303	1,010
Office	485,029	194,012	13,858	207,870	692,899
Other operating expenses	34,721	14,881	-	14,881	49,602
Total expenses before depreciation	2,110,346	480,264	74,793	555,057	2,665,403
Depreciation expense	273,620	117,266	-	117,266	390,886
	\$ 3,703,313	\$ 875,747	\$ 74,793	\$ 950,540	\$ 4,653,853



# Time For Change Foundation

Statement of Functional Expenses  
For the Year Ended June 30, 2023

	Program Services	Supportive Services			Grand Total
		Management and General	Fund Raising	Total	
Salaries and wages	\$ 879,760	\$ 259,540	\$ -	\$ 259,540	\$ 1,139,300
Payroll taxes	71,284	21,030	-	21,030	92,314
Employee benefits	49,386	14,569	-	14,569	63,955
Total payroll and related expense	1,000,430	295,139	-	295,139	1,295,569
Auto	12,909	-	-	-	12,909
Client support	642,389	-	-	-	642,389
Dues and subscriptions	37,769	-	-	-	37,769
Rent	24,205	-	-	-	24,205
Repairs and maintenance	80,399	34,457	-	34,457	114,856
Utilities and telephone	61,189	26,224	-	26,224	87,413
Security	131,473	56,345	-	56,345	187,818
Insurance	81,162	34,783	-	34,783	115,944
Interest	36,419	-	-	-	36,419
Advertising	145,576	20,797	41,593	62,390	207,965
Travel	94,582	37,832	2,702	40,535	135,117
Training	3,795	1,626	-	1,626	5,421
Office	526,791	210,716	15,051	225,767	752,558
Other operating expenses	28,911	12,390	-	12,390	41,301
Total expenses before depreciation	1,907,568	435,170	59,346	494,516	2,402,084
Depreciation expense	169,852	72,794	-	72,794	242,645
	<u>\$ 3,077,849</u>	<u>\$ 803,102</u>	<u>\$ 59,346</u>	<u>\$ 862,449</u>	<u>\$ 3,940,298</u>

**Time For Change Foundation**  
Statements of Cash Flows  
For the Years Ended June 30, 2024 and 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2024</b>	<b>2023</b>
Change in net assets	\$ 668,930	\$ 5,014,832
<i>Adjustments to reconcile change in net assets to net cash provided by operations:</i>		
<i>Noncash items:</i>		
Depreciation	390,886	242,645
Accrued interest	-	(461,219)
Gain/loss on disposal of asset	162,925	-
Loan forgiveness	-	(1,433,930)
<i>(Increase) decrease in cash due to:</i>		
Accounts receivable	26,839	(38,657)
Prepaid expenses	6,158	(4,860)
Certificates of Deposit	(15)	(14)
Deposits	-	-
<i>Increase (decrease) in cash due to:</i>		
Accounts payable	130,482	(197,505)
Accrued expenses	(3,815)	18,660
Client deposits and savings	(2,354)	(10,642)
Grant advance	(1,529)	(152,094)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>1,378,507</b>	<b>2,977,216</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Property and equipment purchased	(47,708)	(3,788,634)
Property and equipment sold	459,515	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>411,807</b>	<b>(3,788,634)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	200,000	150,000
Payments on line of credit	(200,000)	(150,000)
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash</b>	<b>1,790,314</b>	<b>(811,418)</b>
Beginning cash and cash equivalents	6,931,773	7,743,191
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 8,722,087</b>	<b>\$ 6,931,773</b>
<b>Supplemental Data:</b>		
Interest paid	\$ 767	\$ 87

## **Note 1 – Summary of Significant Accounting Policies**

### **Activities**

Time for Change Foundation (the Organization) is a non-profit organization that provides housing and support services to low-income families in the State of California. Activities include emergency shelter, permanent supportive housing, developing affordable housing, counseling, educational services, and basic needs such food, clothing, and transportation assistance.

### **Basis of Accounting**

The financial statements of the Organization are presented on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized in the period in which the liability is incurred (goods have been received or services rendered).

### **Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The following provides an explanation of net assets categories included in the accompanying financial statements:

*Net Assets without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

*Net Assets with Donor Restrictions* – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

### **Cash and Cash Equivalents**

The Organization considers 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, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to for other long-term purposes are excluded from this definition.

### **Concentrations of Credit and Market Risk**

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Organization’s cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

The Organization maintains cash at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC fully insures all funds up to \$250,000. At year end the Organization had no amounts that exceeded the FDIC limits.

**Revenue and Revenue Recognition**

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Consequently, at June 30, 2024 and 2023, contributions of \$1,082 and \$2,611, respectively, have not been recognized in the accompanying statements of activities because the conditions on which they depend has not yet been met.

A portion of the Organization is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions.

**Accounts Receivable**

Accounts receivable represent consideration from state and local government agencies, of which the Organization has an unconditional right to receive. Accounts receivables are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2024, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**Leases**

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the consolidated statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

**Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

**Client Deposits and Savings**

Client deposits and savings consists of amounts held in trust with the Organization for client savings and rental deposits.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement(s) of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

### **Income Taxes**

The Organization is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

### **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 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.

### **Property, Equipment, and Depreciation**

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as with donor restrictions.

The Organization capitalized all property and equipment acquisitions in excess of \$5,000 with useful lives greater than one year. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Depreciation of physical properties is calculated using the straight-line method over the estimated useful lives of the assets. Useful lives of property and equipment are as follows:

Vehicles	5 years
Equipment	5-10 years
Improvements	10 years
Buildings	30 years

### **Fair Value Measurement**

Certain assets and liabilities are recorded at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

**Certificates of Deposit**

Certificates of Deposit are held with local financial institution with original maturities of more than 90 days and are not considered cash and cash equivalents. Certificates of Deposit are valued at original cost-plus accrued interest, which approximate fair value.

**Advertising**

The costs of indirect-response advertising are charged to expenses as incurred. Advertising costs for the years ended June 30, 2024 and 2023, were \$292,238 and \$207,965, respectively.

**Note 2 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 8,722,086	\$ 6,931,773
Accounts receivable	111,693	138,532
Less those unavailable for general expenditures, donor restrictions	<u>(4,574,845)</u>	<u>(3,898,376)</u>
	<u>\$ 4,258,934</u>	<u>\$ 3,171,929</u>

The Organization regularly monitors liquidity to meet its ongoing operating needs and other contractual commitments.

**Note 3 – Long-Term Debt**

**Phoenix Square**

The Organization entered into two agreements with Affordable Housing Solutions of San Bernardino, Inc. (Lender), to provide rehabilitation and/or permanent financing for the housing development known as Phoenix Square.

Terms of the loans require 3% basic interest with annual installments due June 15<sup>th</sup> each year for the previous calendar year, commencing June 15, 2012. Absent prepayment acceleration, each of the annual payments due June 15, 2012, through and including June 15, 2067 (Maturity Date), shall be in an amount to equal fifty-two and one-half percent (52.5%) and twenty-two and one-half percent (22.5%) of “residual receipts” for the prior calendar year. Residual receipts are defined as the amount gross rents exceeds operating expenses each calendar year. Total loan payments for years ended June 30, 2024 and 2023, were \$- for both years. Due to the terms of the loan, a five-year maturity schedule has not been prepared. The balance as of June 30, 2024 and 2023, is \$- and \$-, respectively. Accrued interest for the loan as of June 30, 2024 and 2023, is \$- and \$-, respectively.

On January 12, 2023, the Lender forgave the full amount of the Organization’s loan and released the Organization from any responsibility to repay. Loan forgiveness revenue from the loan balance and accrued interest of \$1,930,998 is reflected in other income on the statement of activities for the year ended June 30, 2023.

## Time for Change Foundation

Notes to Financial Statements  
For the Years Ended June 30, 2024 and 2023

### Note 4 – Property and Equipment

At June 30, 2024, the balance of the property and equipment was:

	Balance at 6/30/23	Additions	Deletions	Balance at 6/30/24
Non depreciable asset				
Land	\$ 1,361,110	\$ -	\$ (55,556)	\$ 1,305,554
CIP	189,264	-	(179,746)	9,518
Depreciable asset				
Buildings	10,030,036	-	(444,444)	9,585,592
Leasehold improvements	242,788	47,708	-	290,496
Equipment	83,531	-	-	83,531
Vehicles	203,857	-	-	203,857
Total property and equipment	12,110,586	47,708	(679,746)	11,478,548
Accumulated depreciation	(1,280,645)	(390,886)	57,307	(1,614,224)
Total accumulated depreciation	(1,280,645)	(390,886)	57,307	(1,614,224)
Net property and equipment	\$ 10,829,941	\$ (343,178)	\$ (622,439)	\$ 9,864,324

Total depreciation for the year amounted to: \$ 390,886

At June 30, 2023, the balance of property and equipment was:

	Balance at 6/30/22	Additions	Deletions	Balance at 6/30/23
Non depreciable asset				
Land	\$ 1,361,110	\$ -	\$ -	\$ 1,361,110
CIP	1,138,374	3,629,641	-	189,264
Depreciable asset				
Buildings	5,334,292	4,695,744	-	10,030,036
Leasehold improvements	210,788	32,000	-	242,788
Equipment	78,841	4,690	-	83,531
Vehicles	203,857	-	-	203,857
Total property and equipment	8,327,262	8,362,075	-	12,110,586
Accumulated depreciation	(1,043,310)	(242,645)	5,310	(1,280,645)
Net property and equipment	\$ 7,283,952	\$ 8,119,430	\$ 5,310	\$ 10,829,941

Total depreciation for the year amounted to: \$ 242,645

There were no indicators of asset impairment during the years ended June 30, 2024 and 2023.

### Note 5 – Leases

As of June 30, 2024, the Organization did not have any leases with terms longer than 12 months. The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. Total short-term lease cost was approximately \$21,841 for the year ended June 30, 2024. There were no noncash investing and financing transactions related to leasing for the year ended June 30, 2024.

## Note 6 – Special Events

The Organization conducts various special events and fundraisers during the course of the year. The following is a summary of these activities for the years ended June 30:

	<b>2024</b>	<b>2023</b>
	<b>Gala</b>	<b>Gala</b>
Gross special event revenue	\$ 220,567	\$ 191,819
Less cost of direct benefit to donors	(60,256)	(76,092)
Net special events revenue	<u>\$ 160,311</u>	<u>\$ 115,727</u>

## Note 7 – Line of Credit

The Organization has an unsecured line of credit with Bank of America in the amount of \$150,000. At June 30, 2024 and 2023, there was an outstanding balance of \$- and \$-, respectively, on the line of credit. The line of credit is collateralized by the assets of the Organization held in accounts at Bank of America.

## Note 8 – Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

	<b>2024</b>	<b>2023</b>
Housing and support services	\$ 1,895,204	\$ 2,147,989
Positive family futures and reunification	75,155	84,663
Higher education and entrepreneurship	225,107	181,536
Leadership development	87,250	87,406
Economic development	2,292,129	1,396,782
Total	<u>\$ 4,574,845</u>	<u>\$ 3,898,376</u>

## Note 9 – Subsequent Events

Management evaluated the activity of the Organization through October 9, 2024, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

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