

**INLAND VALLEY COUNCIL OF CHURCHES
DBA: INLAND VALLEY HOPE PARTNERS**

FINANCIAL STATEMENTS

**YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**



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**INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

Board of Directors
Inland Valley Council of Churches
dba: Inland Valley Hope Partners
Pomona, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Inland Valley Council of Churches dba: Inland Valley Hope Partners (the Organization), a California nonprofit public benefit corporation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 the Organization as of June 30, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Inland Valley Council of Churches dba: Inland Valley Hope Partners 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 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 the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibility 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 auditors' 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 the Organization'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 the Organization'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 Organization's 2022 financial statements and expressed an unmodified opinion on those statements in our report dated December 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.



CliftonLarsonAllen LLP

Glendora, California
October 17, 2023

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 540,801	\$ 887,298
Grants and Contributions Receivable	153,850	159,101
Investments, at Fair Value (Note 4)	371,719	353,389
Total Current Assets	1,066,370	1,399,788
NONCURRENT ASSETS		
Property and Equipment, Net (Note 5)	923,749	789,395
Right of Use Asset (ROU) - Financing, Net (Note 5)	18,247	3,927
Total Noncurrent Assets	941,996	793,322
Total Assets	\$ 2,008,366	\$ 2,193,110
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ -	\$ 4,000
Accrued Liabilities	52,652	42,153
Lease Liability - Financing - Current (Note 8)	4,829	2,342
Deferred Revenue	131,097	170,342
Total Current Liabilities	188,578	218,837
LEASE LIABILITY - FINANCING - NONCURRENT (NOTE 8)	13,751	-
NOTES PAYABLE - NONCURRENT	200,000	200,000
Total Liabilities	402,329	418,837
NET ASSETS		
Without Donor Restrictions:		
Undesignated	589,572	717,919
Board-Designated Reserve	9,858	9,858
Property and Equipment, Net	923,749	789,395
With Donor Restrictions	82,858	257,101
Total Net Assets	1,606,037	1,774,273
Total Liabilities and Net Assets	\$ 2,008,366	\$ 2,193,110

See accompanying Notes to Financial Statements.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2023	2022
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Contributions	\$ 301,494	\$ -	\$ 301,494	\$ 316,755
In-Kind Donations	287,491	-	287,491	265,432
Foundations and Organizations	353,406	30,500	383,906	386,806
Government Grants	631,506	-	631,506	840,401
Special Events (Net of Direct Expenses)	43,587	-	43,587	57,269
Total Public Support	<u>1,617,484</u>	<u>30,500</u>	<u>1,647,984</u>	<u>1,866,663</u>
Revenue:				
Rental Income and Fees	12,000	-	12,000	12,000
Farmer's Market	65,467	-	65,467	53,508
Interest Income	722	-	722	228
Investment Income (Note 4)	18,330	-	18,330	(51,876)
Loss on Disposal of Equipment	(982)	-	(982)	-
Total Revenue	<u>95,537</u>	<u>-</u>	<u>95,537</u>	<u>13,860</u>
Total Public Support and Revenue	1,713,021	30,500	1,743,521	1,880,523
NET ASSETS RELEASED FROM RESTRICTIONS	<u>204,743</u>	<u>(204,743)</u>	<u>-</u>	<u>-</u>
Total Public Support, Revenue, and Net Assets Released from Restrictions	1,917,764	(174,243)	1,743,521	1,880,523
EXPENSES				
Program Services:				
Food Security	735,718	-	735,718	811,799
Housing	734,855	-	734,855	565,270
Farmer's Market	171,672	-	171,672	126,583
Total Program Services	<u>1,642,245</u>	<u>-</u>	<u>1,642,245</u>	<u>1,503,652</u>
Support Services:				
Management and General	152,399	-	152,399	129,998
Fundraising	117,113	-	117,113	101,509
Total Support Services	<u>269,512</u>	<u>-</u>	<u>269,512</u>	<u>231,507</u>
Total Expenses	<u>1,911,757</u>	<u>-</u>	<u>1,911,757</u>	<u>1,735,159</u>
CHANGE IN NET ASSETS	6,007	(174,243)	(168,236)	145,364
Net Assets - Beginning of Year	<u>1,517,172</u>	<u>257,101</u>	<u>1,774,273</u>	<u>1,628,909</u>
NET ASSETS - END OF YEAR	<u>\$ 1,523,179</u>	<u>\$ 82,858</u>	<u>\$ 1,606,037</u>	<u>\$ 1,774,273</u>

See accompanying Notes to Financial Statements.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	Program Services			Total Program Expenses	Support Services		Total Support Expenses	Total Expenses	
	Food Security Programs	Housing Programs	Healthy Living		Management and General	Fundraising		2023	2022
PERSONNEL EXPENSES									
Salaries Expense	\$ 198,069	\$ 93,401	\$ 28,568	\$ 320,038	\$ 76,720	\$ 74,068	\$ 150,788	\$ 470,826	\$ 447,777
Employee Benefits Expense	31,914	17,202	2,539	51,655	16,436	14,680	31,116	82,771	72,072
Payroll Taxes	15,867	8,432	2,955	27,254	6,183	5,057	11,240	38,494	37,815
Total Personnel Expenses	<u>245,850</u>	<u>119,035</u>	<u>34,062</u>	<u>398,947</u>	<u>99,339</u>	<u>93,805</u>	<u>193,144</u>	<u>592,091</u>	<u>557,664</u>
NONPERSONNEL EXPENSES									
Automobile Expenses	24,431	129	129	24,689	129	-	129	24,818	27,476
Board/Volunteer/Staff Dev.	219	109	-	328	1,550	348	1,898	2,226	864
Direct Client Services	319,253	501,717	91,909	912,879	-	-	-	912,879	776,038
Occupancy	43,993	63,943	9,543	117,479	15,382	15,382	30,764	148,243	158,620
Office/Technology	22,008	17,636	9,513	49,157	6,546	7,669	14,215	63,372	51,478
Depreciation	23,572	17,592	-	41,164	12,284	-	12,284	53,448	52,311
Interest	324	324	324	972	233	-	233	1,205	503
Professional Services	42,016	5,750	19,465	67,231	15,710	2,963	18,673	85,904	76,441
Special Events/Marketing	14,052	8,620	6,727	29,399	1,226	6,553	7,779	37,178	35,362
Total Nonpersonnel Expenses	<u>489,868</u>	<u>615,820</u>	<u>137,610</u>	<u>1,243,298</u>	<u>53,060</u>	<u>32,915</u>	<u>85,975</u>	<u>1,329,273</u>	<u>1,179,093</u>
Less: Special Event Expenses	-	-	-	-	-	(9,607)	(9,607)	(9,607)	(1,598)
Total Functional Expenses	<u>\$ 735,718</u>	<u>\$ 734,855</u>	<u>\$ 171,672</u>	<u>\$1,642,245</u>	<u>\$ 152,399</u>	<u>\$ 117,113</u>	<u>\$ 269,512</u>	<u>\$ 1,911,757</u>	<u>\$1,735,159</u>

See accompanying Notes to Financial Statements.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (168,236)	\$ 145,364
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	52,145	48,384
Amortization of ROU Asset	1,303	3,927
Unrealized (Gain)/Loss on Investments	(11,317)	54,797
Change in Operating Assets:		
Grants and Contributions Receivable	5,251	(635)
Change in Operating Liabilities:		
Accounts Payable	(4,000)	4,000
Accrued Liabilities	10,499	(3,362)
Deferred Revenue	(39,245)	133,460
Net Cash Provided(Used) by Operating Activities	(153,600)	385,935
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(187,802)	(209,242)
Proceeds from Sale of Investments	-	694,207
Purchases of Investments	-	(694,923)
Net Cash Used by Investing Activities	(187,802)	(209,958)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on Finance Leases	(5,095)	(2,628)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(346,497)	173,349
Cash and Cash Equivalents - Beginning of Year	887,298	713,949
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 540,801	\$ 887,298
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest on Notes Payable	\$ -	\$ 503
SUPPLEMENTAL DISCLOSURES OF NONCASH INFORMATION AND FINANCING ACTIVITIES		
Right of Use Asset From Lease Agreement	\$ 19,550	\$ -

See accompanying Notes to Financial Statements.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Inland Valley Council of Churches dba: Inland Valley Hope Partners (the Organization) was organized in 1968 and is comprised of member churches that work with synagogue, businesses, and community groups to address hunger and homelessness in the community. The Organization provides hunger, shelter, and transitional housing programs for families and individuals in need and seeks to build client self-sufficiency through the following programs:

- Direct food assistance
- Emergency housing
- Advocacy support
- Classes in budgeting, tenant rights, and parenting; drug and alcohol education
- Weekly support groups; counseling

The Organization also sponsors a certified farmer's market to assist local farmers and increase the local low-income residents' access to fresh fruits and vegetables.

Basis of Accounting

The financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and liabilities.

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Use of Estimates

The preparation of 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, liabilities, and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

Costs of providing the Organization's programs and other activities have been presented in the statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit.

Cash and Cash Equivalents

The Organization defines its cash and cash equivalents to include only cash on hand, demand deposits, and liquid investments with original maturities of three months or less.

**INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classes

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Net assets are June 30, 2023 subject to donor restrictions are as follows:

Subject to Expenditure for Specified Purpose:

David Bloye Charitable Remainder Trust	\$	52,358
Bank of America		25,000
Charis Fund		5,000
Kiwanis Foundation		500
Total	\$	82,858

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2023.

Released by Satisfying the Restricted Purpose:

David Boyle Charitable Remainder Trust	\$	164,743
Bank of America		40,000
Total	\$	204,743

Grants and Contributions Receivable

Grants and contributions receivable represent amounts due from governmental agencies. Management believes that all receivables are fully collectible, therefore no provisions for uncollectible accounts were recorded.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

All contributions are considered to be available for use unless specifically restricted by the donor. Amounts received that are restricted to specific use or future periods are reported as contributions with donor restrictions. Restricted contributions that are received and released in the same period are reported as promises to give without donor restrictions. Unconditional promises to give expected to be received in one year or less are recorded at net realizable value. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are stated at cost if purchased or at estimated fair market value if donated. Such donations are recorded as unrestricted 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 restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Depreciation is provided on a straight-line basis over the estimated useful lives of the asset. The Organization capitalizes all expenditures for land, buildings, and equipment in excess of \$1,000.

Comparative Totals

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Contributed Assets and Services

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair values in the period received.

Investments

Investments are recorded at fair value. Both unrealized gains and losses from the fluctuation of market value and realized gains and losses from the sale of investments are reflected in the statement of activities if they are material.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues are received primarily from contributions and government grants. Contributions restricted by the donor for a specific purpose are deemed to be earned and reported as revenue when the gift is received or pledged. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restriction. Unconditional promises to give expected to be received in more than one year are recorded at fair value at the date of the promise. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Grants and Contracts

The liability and related expenses for grants and contracts are recorded when incurred. Grant and contract revenues for cost reimbursement awards are recognized to the extent of the eligible expenses incurred.

Conditional Grants

Grants and contracts that are conditioned upon the performance of certain requirements or the incurrence of allowable qualifying expenses (barriers) are recognized as revenues in the period in which the conditions are met. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. As of June 30, 2023, the Organization has conditional grants of \$262,191 of which \$131,097 is recognized as deferred revenue in the statement of financial position.

Income Taxes

The Organization is a nonprofit entity exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, no provision has been made for income taxes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Organization is not required to file informational returns with the Internal Revenue Service because it is organized under religious statute. However, the Organization develops a pro forma informational return annually to satisfy its funder's requirements.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases* (ASC 842). The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, and operating lease liabilities on the statement of financial position. Finance leases are included in financing ROU assets, and lease liabilities – financing on the statement of financial position.

ROU assets represent the Organization’s right to use an underlying asset for the lease term and lease liabilities represent the Organization’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization uses rates implicit in the lease, or if not readily available, the Organization’s incremental borrowing rate. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

Subsequent Events

The Organization has evaluated subsequent events through October 17, 2023, the date these financial statements were available to be issued.

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 statement of financial position date, are comprised the following as of June 30, 2023:

Cash and Cash Equivalents	\$ 540,801
Accounts Receivable	153,850
Operating Investments	371,719
Less: Board-Designated Net Assets	(9,858)
Total	<u>\$ 1,056,512</u>

As part of liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$9,858 as of June 30, 2023.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CONCENTRATION OF CREDIT RISK

The Organization places its temporary cash investments with high-credit, quality financial institutions. At times, such investments may be in excess of the Federal Deposits Insurance Corporation insurance limit. The Organization has not incurred losses related to these investments.

NOTE 4 INVESTMENTS

Investments are stated at fair value as follows:

	2023
	Fair Value
Core Account (Level 1)	\$ 7,474
Equities (Level 1)	224,933
Fixed Income (Level 1)	139,312
Total	\$ 371,719
	2022
	Fair Value
Core Account (Level 1)	\$ 7,248
Mutual Funds (Level 1)	63,709
Equities (Level 1)	96,203
Fixed Income (Level 1)	186,229
Total	\$ 353,389

Levels 1 through Level 3 have been assigned to the fair value measurement of investments. The fair value level of measurement is determined as follows:

Level 1 – Quoted prices in an active market for identical assets.

Level 2 – Quoted prices for similar assets and market-corroborated inputs.

Level 3 – The Organization’s own assumptions about market participation, including assumptions about risk, developed based on the best information available in the circumstances.

All investment returns are classified as unrestricted. The following summarizes the investment return:

	2023	2022
Dividend Income	\$ 9,659	\$ 6,951
Unrealized Gain/(Loss)	11,317	(54,797)
Investment Fees	(2,646)	(4,030)
Total	\$ 18,330	\$ (51,876)

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2023	2022
Nondepreciable Assets:		
Land	\$ 152,385	\$ 152,385
Construction in Progress	154,268	248,437
Total Nondepreciable Assets	306,653	400,822
Depreciable Assets:		
Buildings	347,615	347,615
Leasehold Improvements	324,612	305,802
Equipment	442,454	183,542
Right of Use Asset	19,550	19,635
Vehicles	119,846	119,846
Total Depreciable Assets	1,254,077	976,440
Total Property and Equipment	1,560,730	1,377,262
Less: Accumulated Depreciation	(618,734)	(583,940)
Property and Equipment, Net	\$ 941,996	\$ 793,322
Depreciation Expense	\$ 53,448	\$ 52,311

NOTE 6 LONG-TERM DEBT

In February 2013, the Organization obtained a promissory note payable to Richard D. Frame Charitable Remainder Unitrust for \$200,000. However, the irrevocable charitable trust also signed in February 2013, stated that the Organization will not have to pay principal or accrued interest during the life of the note. At the termination of the charitable trust, this promissory note will be forgiven, releasing the Organization of this debt.

NOTE 7 PENSION PLAN

The Organization has established a defined contribution pension plan for the benefit of its employees. The plan is contributory and is administered by the Organization. VOYA Financial is the plan custodian. Under the plan an employee may put a pre-tax amount into his/her account. The Organization matches employee contributions by 25% (up to 8% of the employee's annual salary). An employee must have one year of service to receive the employer match. The Organization contributed \$3,574 in matching contributions to the plan in 2023 and \$3,975 in 2022.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 LEASE

The Organization leases equipment with a term ending in 2028, with a non-cancelable lease agreement. The following table provides quantitative information concerning the Organization's leases.

	<u>2023</u>	<u>2022</u>
Finance Lease Costs:		
Amortization of Right-of-Use Asset	\$ 1,303	\$ 3,927
Interest on Lease Liabilities	1,205	503
Total Lease Costs	<u>\$ 2,508</u>	<u>\$ 4,430</u>
Other Information:		
Operating Cash Flows From Financing Leases	\$ 2,508	\$ 4,430
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liability	19,550	-
Weighted-Average Remaining Lease Term - Financing Lease	4.8 years	0.7 years
Weighted-Average Discount Rate - Financing Lease	10%	10%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 4,829
2025	4,829
2026	4,829
2027	4,829
2028	4,422
Total Lease Payments	<u>23,738</u>
Less: Interest	<u>(5,158)</u>
Present Value of Lease Liabilities	<u>\$ 18,580</u>

NOTE 9 IN-KIND DONATIONS

The Organization receives in-kind rent and utilities for shelter and rooms. The value of such in-kind donations is recorded as contribution revenue and occupancy expense. In addition, the Organization receives in-kind food, supplies, and counseling services. The value of such in-kind donations is recorded as contribution revenue. The value of in-kind rent, utilities, food, and services received for the years ended June 30, 2023 and 2022 was \$287,491 and \$265,432, respectively.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 IN-KIND DONATIONS (CONTINUED)

The Organization receives in-kind donations as follows:

- Supplies – Various supplies and goods are received from Shelter Partnerships, Inc. These supplies and goods were utilized in the Organization’s food security and housing programs. There were no associated donor restrictions. The Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products. The value of such items is \$10,704.
- Food – The Organization receives on average some 5,000 pounds of food from the USDA on a weekly basis. The food was utilized in the Organization’s food security program. There were no associated donor restrictions. The Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products. The estimated value of this food is \$243,737.
- Services – The Organization receives professional counseling services. These services were utilized in the Organization’s housing program. There were no associated donor restrictions. Contributed services are valued at estimated fair value based on current rates for similar counseling services. The value of these services is \$2,450.
- Rent – The Organization receives in-kind rent for a portion of its administrative office space and shelter space from First Christian Church. There were no associated donor restrictions. Contributed in-kind rent is valued at the estimated fair value based on current rates per its lease agreement with First Christian Church. The value of this in-kind rent is \$30,600.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Obligations Under Facility Agreements Scoped out of ASC 842

The Organization leases its administrative office space and shelter office space from First Christian Church for \$5,450 per month on annual basis. Of this amount, an in-kind donation of \$2,550 per month or \$30,600 per year is provided from the First Christian Church. The lease period is from July 1, 2022 through June 30, 2023. The lease was renewed in July 2023 through June 30, 2024 and the future minimum lease payment is \$71,940.

Contracts

Amounts received or receivable from grantor agencies are subject to audit and review by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Organization. The amount, if any, of expenses which may be disallowed by the grantor is not determinable although the Organization expects such amounts if any, to be immaterial.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 11 FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, pension expense, other employee benefits, payroll taxes which are allocated on the basis of estimates of time and effort. In addition, occupancy, office expenses and technology, insurance, interest and some professional service fees and special events and marketing were allocated using the Organization's simplified allocation method which indicates major program functions benefit from the indirect costs to approximately the same degree and the cost to each program were equitably distributed.



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