

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

FINANCIAL STATEMENTS

**YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)**



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**INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
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YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)**

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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, 2024, 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, 2024, 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:

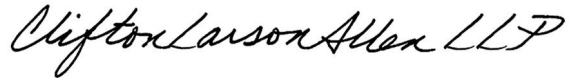
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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.

Board of Directors
Inland Valley Council of Churches
dba: Inland Valley Hope Partners

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements and expressed an unmodified opinion on those statements in our report dated October 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.



CliftonLarsonAllen LLP

Glendora, California
December 4, 2024

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2023)

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 448,077	\$ 540,801
Grants and Contributions Receivable	241,344	153,850
Investments, at Fair Value (Note 4)	403,868	371,719
Total Current Assets	1,093,289	1,066,370
NONCURRENT ASSETS		
Grants and Contributions Receivable	125,000	-
Property and Equipment, Net (Note 5)	939,655	923,749
Right of Use Asset (ROU) - Financing, Net (Note 5)	14,337	18,247
Right of Use Asset (ROU) - Operating, Net (Note 5)	569,071	-
Total Noncurrent Assets	1,648,063	941,996
Total Assets	\$ 2,741,352	\$ 2,008,366
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 21,305	\$ -
Accrued Liabilities	53,323	52,652
Lease Liability - Financing - Current (Note 8)	4,829	4,829
Lease Liability - Operating - Current (Note 8)	50,367	-
Deferred Revenue	52,977	131,097
Total Current Liabilities	182,801	188,578
LONG TERM LIABILITIES		
Lease Liability - Financing - Noncurrent (Note 8)	10,640	13,751
Lease Liability - Operating - Noncurrent (Note 8)	518,704	-
Notes Payable	200,000	200,000
Total Long-Term Liabilities	729,344	213,751
Total Liabilities	912,145	402,329
NET ASSETS		
Without Donor Restrictions:		
Undesignated	627,123	589,572
Board-Designated Reserve	9,858	9,858
Property and Equipment, Net	939,655	923,749
With Donor Restrictions	252,571	82,858
Total Net Assets	1,829,207	1,606,037
Total Liabilities and Net Assets	\$ 2,741,352	\$ 2,008,366

See accompanying Notes to Financial Statements.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
PUBLIC SUPPORT AND REVENUE				
Public Support:				
Contributions	\$ 310,185	\$ -	\$ 310,185	\$ 301,494
In-Kind Donations	637,173	-	637,173	287,491
Foundations and Organizations	403,875	252,571	656,446	383,906
Government Grants	592,124	-	592,124	631,506
Special Events (Net of Direct Expenses)	54,123	-	54,123	43,587
Total Public Support	1,997,480	252,571	2,250,051	1,647,984
Revenue:				
Rental Income and Fees	12,000	-	12,000	12,000
Farmer's Market	60,708	-	60,708	65,467
Interest Income	419	-	419	722
Investment Income (Note 4)	32,150	-	32,150	18,330
Other Income	2,510	-	2,510	-
Loss on Disposal of Equipment	-	-	-	(982)
Total Revenue	107,787	-	107,787	95,537
Total Public Support and Revenue	2,105,267	252,571	2,357,838	1,743,521
NET ASSETS RELEASED FROM RESTRICTIONS	82,858	(82,858)	-	-
Total Public Support, Revenue, and Net Assets Released from Restrictions	2,188,125	169,713	2,357,838	1,743,521
EXPENSES				
Program Services:				
Food Security	909,974	-	909,974	735,718
Housing	766,078	-	766,078	734,855
Farmer's Market	185,115	-	185,115	171,672
Total Program Services	1,861,167	-	1,861,167	1,642,245
Support Services:				
Management and General	155,491	-	155,491	152,399
Fundraising	118,010	-	118,010	117,113
Total Support Services	273,501	-	273,501	269,512
Total Expenses	2,134,668	-	2,134,668	1,911,757
CHANGE IN NET ASSETS	53,457	169,713	223,170	(168,236)
Net Assets - Beginning of Year	1,523,179	82,858	1,606,037	1,774,273
NET ASSETS - END OF YEAR	<u>\$ 1,576,636</u>	<u>\$ 252,571</u>	<u>\$ 1,829,207</u>	<u>\$ 1,606,037</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, 2024
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2023)

	Program Services			Total Program Expenses	Support Services		Total Support Expenses	Total Expenses	
	Food Security Programs	Housing Programs	Healthy Living		Management and General	Fundraising		2024	2023
PERSONNEL EXPENSES									
Salaries Expense	\$ 203,353	\$ 97,928	\$ 31,335	\$ 332,616	\$ 89,550	\$ 72,511	\$ 162,061	\$ 494,677	\$ 470,826
Employee Benefits Expense	30,115	15,353	448	45,916	16,595	13,577	30,172	76,088	82,771
Payroll Taxes	15,774	8,387	3,001	27,162	6,997	5,724	12,721	39,883	38,494
Total Personnel Expenses	249,242	121,668	34,784	405,694	113,142	91,812	204,954	610,648	592,091
NONPERSONNEL EXPENSES									
Automobile Expenses	23,600	75	75	23,750	38	38	76	23,826	24,818
Board/Volunteer/Staff Dev.	1,755	-	-	1,755	220	31	251	2,006	2,226
Direct Client Services	482,968	505,607	89,149	1,077,724	-	940	940	1,078,664	912,879
Occupancy	52,470	88,910	15,678	157,058	18,785	18,785	37,570	194,628	148,243
Office/Technology	20,899	18,006	8,088	46,993	6,270	6,261	12,531	59,524	63,372
Depreciation	23,571	17,592	11,828	52,991	10,582	-	10,582	63,573	53,448
Interest	430	429	430	1,289	215	214	429	1,718	1,205
Professional Services	34,921	7,823	21,623	64,367	4,338	3,815	8,153	72,520	85,904
Special Events/Marketing	20,118	5,968	3,460	29,546	1,901	4,142	6,043	35,589	37,178
Total Nonpersonnel Expenses	660,732	644,410	150,331	1,455,473	42,349	34,226	76,575	1,532,048	1,329,273
Less: Special Event Expenses	-	-	-	-	-	(8,028)	(8,028)	(8,028)	(9,607)
Total Functional Expenses	<u>\$ 909,974</u>	<u>\$ 766,078</u>	<u>\$ 185,115</u>	<u>\$ 1,861,167</u>	<u>\$ 155,491</u>	<u>\$ 118,010</u>	<u>\$ 273,501</u>	<u>\$ 2,134,668</u>	<u>\$ 1,911,757</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, 2024
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 223,170	\$ (168,236)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	59,663	52,145
Amortization of ROU Asset	3,910	1,303
Unrealized (Gain)/Loss on Investments	(23,150)	(11,317)
Change in Operating Assets:		
Grants and Contributions Receivable	(212,494)	5,251
Right of Use Asset (ROU) - Operating	(569,071)	-
Change in Operating Liabilities:		
Accounts Payable	21,305	(4,000)
Accrued Liabilities	671	10,499
Deferred Revenue	(78,120)	(39,245)
Lease Liability - Operating	569,071	-
Net Cash Provided(Used) by Operating Activities	(5,045)	(153,600)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(75,569)	(187,802)
Purchases of Investments	(8,999)	-
Net Cash Used by Investing Activities	(84,568)	(187,802)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on Finance Leases	(3,111)	(5,095)
Net Cash Used by Financing Activities	(3,111)	(5,095)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(92,724)	(346,497)
Cash and Cash Equivalents - Beginning of Year	540,801	887,298
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 448,077	\$ 540,801
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, 2024

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, 2024

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, 2024 subject to donor restrictions are as follows:

Subject to Expenditure for Specified Purpose:	
Kiwanis Foundation	\$ 500
Pilgrim Congregational Church	2,071
Subject to Passage of Time:	
Raunch Family Foundation	250,000
Total	<u>\$ 252,571</u>

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, 2024.

Released by Satisfying the Restricted Purpose:	
David Bloye Charitable Remainder Trust	\$ 52,358
Bank of America	25,000
Charis Fund	5,000
Kiwanis Foundation	500
Total	<u>\$ 82,858</u>

Grants and Contributions Receivable

Grants and contributions receivable represent amounts due from governmental agencies and foundations. 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, 2024

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, 2024

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, 2024, the Organization has conditional grants of \$103,203 of which \$52,977 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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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, a risk-free rate based on the information available at commencement date in determining the present value of lease payments. 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 December 4, 2024, 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, 2024:

Cash and Cash Equivalents	\$	448,077
Accounts Receivable		241,344
Operating Investments		403,868
Less: Board-Designated Net Assets		(9,858)
Total		\$ 1,083,431

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, 2024.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

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:

	2024
	Fair Value
Core Account (Level 1)	\$ 9,202
Equities (Level 1)	241,626
Fixed Income (Level 1)	153,040
Total	\$ 403,868
	2023
	Fair Value
Core Account (Level 1)	\$ 7,474
Mutual Funds (Level 1)	-
Equities (Level 1)	224,933
Fixed Income (Level 1)	139,312
Total	\$ 371,719

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:

	2024	2023
Dividend Income	\$ 12,815	\$ 9,659
Unrealized Gain/(Loss)	23,150	11,317
Investment Fees	(3,815)	(2,646)
Total	\$ 32,150	\$ 18,330

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2024	2023
Nondepreciable Assets:		
Land	\$ 152,385	\$ 152,385
Construction in Progress	154,268	154,268
Total Nondepreciable Assets	306,653	306,653
Depreciable Assets:		
Buildings	347,615	347,615
Leasehold Improvements	400,180	324,612
Equipment	442,454	442,454
Right of Use Asset - Financing	19,550	19,550
Vehicles	119,846	119,846
Total Depreciable Assets	1,329,645	1,254,077
Total Property and Equipment	1,636,298	1,560,730
Less: Accumulated Depreciation	(682,306)	(618,734)
Property and Equipment, Net	\$ 953,992	\$ 941,996
Depreciation Expense	\$ 63,573	\$ 53,448

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 \$2,636 in matching contributions to the plan in 2024 and \$3,574 in 2023.

INLAND VALLEY COUNCIL OF CHURCHES DBA: INLAND VALLEY HOPE PARTNERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 LEASES

The Organization leases equipment and certain operating facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2033. The following table provides quantitative information concerning the Organization's leases.

	2024	2023
Finance Lease Costs:		
Amortization of Right-of-Use Asset	\$ 3,910	\$ 1,303
Interest on Lease Liabilities	1,718	1,205
Operating Lease Costs	35,970	-
Total Lease Costs	\$ 41,598	\$ 2,508
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Financing Leases	\$ 5,628	\$ 2,508
Operating Cash Flows from Operating Leases	\$ 35,970	\$ -
Right-of-Use assets Obtained in Exchange for New Operating Lease Liabilities:	\$ 593,519	\$ -
Weighted-Average Remaining Lease Term - Financing Leases	3.8 years	4.8 years
Weighted-Average Discount Rate - Financing Leases	10%	10%
Weighted-Average Remaining Lease Term - Operating Leases	9.5 years	N/A
Weighted-Average Discount Rate - Operating Leases	3.95%	N/A

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, 2024, is as follows:

Year Ending June 30,	Financing Leases	Operating Leases
2025	\$ 4,829	\$ 71,940
2026	4,829	71,940
2027	4,829	71,940
2028	4,422	71,940
2029	-	71,940
Thereafter	-	323,730
Total Lease Payments	18,909	683,430
Less: Interest	(3,440)	(114,359)
Present Value of Lease Liabilities	\$ 15,469	\$ 569,071

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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, 2024 and 2023 was \$637,173 and \$287,491, respectively.

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 \$80,928.
- 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 \$492,745.
- 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 \$500.
- 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 \$63,000.

NOTE 10 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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NOTE 11 CONTRIBUTIONS RECEIVABLE

Contributions receivable represent promises to give which have been made by donors but have not yet been received by the Organization. The Organization determined that discounting of contributions which will not be received in the subsequent year is not material to the financial statements and therefore not discounted. The Organization considers the contributions receivable fully collectible; accordingly, no allowance for uncollectible receivables has been established.

Contributions receivable were as follows:

	2024	2023
Receivables in Less Than One Year	\$ 241,344	\$ 153,850
Long-Term Contributions Receivable:		
Receivable in One to Five Years	125,000	-
Receivable Over Five Years	-	-
Total Long-Term Contributions Receivable	125,000	-
Total Contributions Receivable	\$ 366,344	\$ 153,850

NOTE 12 COMMITMENTS AND CONTINGENCIES

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.



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