

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

WITH SUMMARIZED FINANCIAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2022

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

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INDEPENDENT AUDITORS' REPORT



260 Sheridan Avenue, Suite 216
Palo Alto, CA 94306

To the Board of Directors of
Ecumenical Hunger Program
East Palo Alto, California 94303

Opinion

We have audited the accompanying financial statements of Ecumenical Hunger Program (a Nonprofit Organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets and functional expense for the year then ended and cash flows for the years ended June 30, 2023 and 2022, 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 Ecumenical Hunger Program (a Nonprofit Organization), as of June 30, 2023 and the changes in its net assets and functional expense for the year then ended and its cash flows for the years ended June 30, 2023 and 2022 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. 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 Ecumenical Hunger Program (a Nonprofit Organization) and to meet our other ethical responsibilities in accordance with 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 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 Ecumenical Hunger Program (a Nonprofit Organization)'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Ecumenical Hunger Program'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 Ecumenical Hunger Program'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 Summaried Comparative Information

We have previously audited the Ecumenical Hunger Program (a Nonprofit Organization)'s June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 15, 2023. 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.

Morton & Associates

Morton & Associates Inc.
Certified Public Accountants

Palo Alto, California
February 9, 2024

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2023

(With Summarized Financial Information for the Year Ended June 30, 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total All Funds June 30</u>	
			<u>2023</u>	<u>2022</u>
ASSETS				
Current Assets				
Cash & Equivalents	\$ 1,344,654	\$	\$ 1,344,654	\$ 8,048,800
Investments	6,951,082		6,951,082	
Prepaid Expenses	<u>1,380</u>		<u>1,380</u>	<u>17,855</u>
Total Current Assets	<u>8,297,116</u>		<u>8,297,116</u>	<u>8,066,655</u>
Fixed Assets				
Property & Equipment	4,443,485		4,443,485	4,393,522
Less: Accumulated Depreciation	<u>(1,406,220)</u>		<u>(1,406,220)</u>	<u>(1,280,724)</u>
Book Value of Fixed Assets	<u>3,037,265</u>		<u>3,037,265</u>	<u>3,112,798</u>
Other Assets				
TOTAL ASSETS	<u>\$ 11,334,381</u>	<u>\$</u>	<u>\$ 11,334,381</u>	<u>\$ 11,179,453</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 49,103	\$	\$ 49,103	\$ 75,219
Payroll & Related Liabilities	<u>73,709</u>		<u>73,709</u>	<u>75,302</u>
Total Current Liabilities	<u>122,812</u>		<u>122,812</u>	<u>150,521</u>
NET ASSETS				
Operating Fund	8,190,779		8,190,779	7,916,134
Property & Equipment Fund	<u>3,020,790</u>		<u>3,020,790</u>	<u>3,112,798</u>
Total Net Assets	<u>11,211,569</u>		<u>11,211,569</u>	<u>11,028,932</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 11,334,381</u>	<u>\$</u>	<u>\$ 11,334,381</u>	<u>\$ 11,179,453</u>

See accompanying notes.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2023

(With Summarized Financial Information for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total All Funds June 30	
			2023	2022
SUPPORT				
Contributions	\$ 2,140,326	\$ 50,000	\$ 2,190,326	\$ 3,087,647
Contribution of Real Property 224 Wisteria Drive				1,000,000
Contributions In-Kind	3,540,618		3,540,618	3,249,381
Foundation Grants	527,000		527,000	571,753
Government Grant				182,600
Total Support	6,207,944	50,000	6,257,944	8,091,381
REVENUE				
Interest & Dividends	84,988		84,988	3,351
Other Income	12,257		12,257	
Rental Income	30,000		30,000	8,000
Gain or Loss	(1,881)		(1,881)	(996)
Unrealized Gain or Loss	69,735		69,735	
Net Assets Released From Restriction	187,242	(187,242)		
Total Increases in Net Assets	6,590,285	(137,242)	6,453,043	8,101,736
EXPENSES				
Program Services	\$ 5,689,225	\$	\$ 5,689,225	\$ 4,670,183
Support Services				
Management & General	366,233		366,233	354,664
Fundraising	214,948		214,948	230,683
Total Support Services	581,181		581,181	585,347
Total Expenses	6,270,406		6,270,406	5,255,530
Increase (Decrease) In Net Assets Without Donor Restrictions	319,879	(137,242)	182,637	2,846,206
Net Assets, Beginning	10,891,690	137,242	11,028,932	8,182,726
Net Assets, Ending	\$ 11,211,569	\$	\$ 11,211,569	\$ 11,028,932

See accompanying notes.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

STATEMENT OF FUNCTIONAL EXPENSE

FOR THE YEAR ENDED JUNE 30, 2023

(With Summarized Financial Information for the Year Ended June 30, 2022)

EXPENSES	Program Services	Support Services		Total Support Services	Total June 30 2023	Total June 30 2022
		Management & General	Fundraising			
Salaries	\$ 841,456	\$ 215,769	\$ 117,848	\$ 333,617	\$ 1,175,073	\$ 993,753
Benefits	108,293	27,000	14,747	41,747	150,039	144,452
Payroll Taxes	66,741	17,114	9,347	26,461	93,202	85,610
Total Salaries & Benefits	1,016,490	259,883	141,942	401,825	1,418,314	1,223,815
Professional Fees	138,510	35,517	19,399	54,916	193,426	152,583
Supplies	17,533	4,496	2,456	6,952	24,484	32,881
Contributed Supplies	3,540,618				3,540,618	3,228,939
Telephone	8,242	2,113	1,164	3,267	11,510	21,641
Postage & Shipping	648	166	91	257	905	1,951
Occupancy	64,614	8,615	12,923	21,538	86,152	55,269
Contributed Space						20,442
Repairs & Maintenance	39,552	10,142	5,539	15,681	55,234	79,259
Printing & Publications	12,336	3,163	1,728	4,891	17,227	9,419
Dues & Publications	5,923	1,519	830	2,349	8,271	6,341
Advertising	1,673	429	234	663	2,336	1,081
Fundraising Costs			1,096	1,096	1,096	2,324
Travel & Transportation	13,769	3,531	1,928	5,469	19,228	25,036
Insurance	34,020	4,536	6,804	11,340	46,369	38,281
Miscellaneous		19,573		19,573	19,573	19,060
Depreciation	94,122	12,550	18,824	31,374	125,496	108,056
Program Expense	701,177				701,177	229,162
Total Expense	\$ 5,689,227	\$ 366,233	\$ 214,948	\$ 581,181	\$ 6,270,406	\$ 5,255,530

See accompanying notes.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>Current Year</u>	<u>Prior Year</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Increase (Decrease) in Net Assets	\$ 182,637	\$ 2,846,206
Adjustments to Reconcile Net increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	125,496	108,056
Gain or Loss	1,881	996
Unrealized Gain or Loss	(69,735)	
(Increase) Decrease in Assets:		
Prepaid Expenses	16,475	(16,475)
Increase (Decrease) in Liabilities:		
Accounts Payable	(26,116)	9,886
Payroll & Related Liabilities	<u>(1,593)</u>	<u>25,093</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:	<u>229,045</u>	<u>2,973,762</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property & Equipment Purchases	(49,963)	(231,455)
Stock Contributions	(66,780)	(86,341)
Contribution of 224 Wisteria Drive, East Palo Alto, CA		(1,000,000)
Investment Purchases	(8,129,807)	
Investment Sales	<u>1,313,359</u>	<u>85,345</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:	<u>(6,933,191)</u>	<u>(1,232,451)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
PPP Loan		(182,600)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES:		<u>(182,600)</u>
NET INCREASE (DECREASE) IN CASH	(6,704,146)	1,558,711
CASH & CASH EQUIVALENTS, BEGINNING	<u>8,048,800</u>	<u>6,490,089</u>
CASH & CASH EQUIVALENTS, ENDING	<u>\$ 1,344,654</u>	<u>\$ 8,048,800</u>
NON-CASH INVESTING ACTIVITIES		
SUPPLEMENTAL CASH FLOW INFORMATION		
Contributed Goods and Services	<u>3,540,618</u>	<u>3,249,381</u>

See accompanying notes.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

The Ecumenical Hunger Program (the Organization) is a non-profit public benefit corporation which was founded February 16, 1978 to channel food and resources to families experiencing hunger or poverty in the communities of East Palo Alto, Palo Alto and Menlo Park, California. The Organization works with families to eliminate their hunger and to break the cycle of poverty. The Organization provides food, clothing, household essentials, social advocacy and referral services. By providing its programs with compassion and respect, the Organization promotes the personal dignity of those it serves while encouraging self-reliance.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification of Net Assets

In accordance with FASB ASC subtopic 958-205-05-6, the Organization reports its financial position and operating activities in two classes of net assets:

- Net Assets Without Donor Restrictions include those assets over which the Board of Directors has discretionary control in carrying out the operations of the Organization. Under this category, the Organization maintains an Operating and a Property and Equipment Fund. Any net assets designated by the Board for specific purposes, such as the Board Designated Endowment Fund, are also categorized as net assets without donor restrictions. The Organization has elected to classify revenue with donor restrictions received in the current period for which the restriction has been met in the current period, as net assets without donor restrictions.
- Net Assets With Donor Restrictions include those assets which are subject to a donor restriction and for which the applicable restriction was not met as of the end of the current reporting period. They also include assets which are subject to a non-expiring donor restriction such as donor contributions to an endowment fund.

Cash and Cash Equivalents consist of all highly liquid investments with an initial maturity of three months or less.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments in securities with readily determinable fair values and all investments in debt securities are stated at fair value in accordance with FASB ASC 958-325-50-2 and 820-10. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

In general, fair values are determined by the most relevant available and observable valuation inputs and are classified into the following three levels:

- Level 1 values are based on quoted prices in active markets for identical securities.
- Level 2 values are based on significant observable market inputs, such as quoted prices in inactive markets.
- Level 3 values are based on significant unobservable inputs that reflect the Organization's determination of assumptions that market participants might reasonably use in valuing the securities.

Contributions are recorded when cash is received and are considered to be available for operations unless specifically restricted by the donor.

Furniture and Equipment with a useful life of three or more years and a cost or value in excess of \$1,000 is recorded at cost or, if contributed, at the estimated fair market value, at level 1 inputs, when donated. Depreciation is computed using the straight-line method over the assets estimated useful lives ranging from three to thirty-nine years. Depreciation is charged to the activity benefiting from the use of the property or equipment.

Functional Expense Allocation - The cost of providing services and other activities has been summarized on a functional basis in the statements of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated on the basis of estimates of time and effort dedicated to program services and both the management & general and fundraising support services.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Income Taxes No provision for income tax has been provided for in the financial statements since the Organization is exempt from federal and state income taxes under IRS Section 501(c)(3) and Section 23701a of the California Revenue and Taxation Code. Ecumenical Hunger Program has not been classified as a private foundation.

Change in Accounting Principle In February 2016, the Financial Accounting Standards Board issued Accounting Standards Codification 842, Leases, to increase transparency and comparability among organizations by recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent amount the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Ecumenical Hunger Program adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after July 1, 2022 through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

Ecumenical Hunger Program elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The standard did not have a material impact on the Ecumenical Hunger Program's financial statements for the year ended June 30, 2023.

NOTE 3: CONCENTRATION OF CREDIT RISK

At June 30, 2023, the Organization's uninsured cash balance totaled \$371,834 for amounts held in accounts that exceed the FDIC/SPIC coverage limit of \$250,000/\$500,000.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4: LIQUIDITY

Ecumenical Hunger Program held \$8,295,736 of financial assets available to meet cash needs for general expenditures within one year of June 30, 2023. That amount consists of checking account cash \$245,177, savings account of \$227,642 and money market account of \$355,543 plus Comerica Securities (treasury bills) of \$6,951,082.

Ecumenical Hunger Program has a goal to maintain cash on hand to meet normal monthly operating expenses, which on average approximate \$300,000 in cash, net of non-cash contributions. This increased significantly from the prior year due to increased program expenses for the new Family Sustainability program supporting five families.

NOTE 5: SIMPLE IRA PLAN

Ecumenical Hunger Program maintains a Simple IRA Plan for employees who earn a minimum of \$5,000 and have worked a full year. Employees can contribute to the plan by making Elective Deferrals. Ecumenical Hunger Program has authorized nonelective contributions of 2% of compensation to be contributed on behalf of the employee. Total amount contributed for the year ended June 30, 2023 was \$7,674 and for the year ended June 30, 2022 was \$13,249.

At June 30, 2023, the Organization adopted a 401K plan for employees.

NOTE 6: CONTRIBUTIONS IN-KIND

Contributions In-Kind are recorded at their estimated fair market values as of the date of donation. During the current period, the Organization received no volunteer professional services. Services are usually valued on the number of hours provided multiplied by the hourly rate which would have had to have been paid had these services not been contributed. The Organization pays for most services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization with its specific assistance programs and various committee assignments. The Organization received 3,453 volunteer hours for the year ended June 30, 2023 which valued at \$15 per hour would amount to \$51,795. The Organization also received \$3,510,204 of contributed supplies and \$30,414 of contributed rent, which were valued at an estimated value for a typical food, toy or clothing donation.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7: FIXED ASSETS

Fixed assets are recorded at cost or, if donated, at estimated fair market value. As of June 30, fixed assets consisted of:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
224 Wisteria Drive Building	\$ 765,100	\$ 765,100
224 Wisteria Drive Land	400,000	400,000
Buildings	1,478,709	2,246,791
Land	768,082	768,082
Improvements	142,082	92,119
Warehouse	232,261	232,261
Landscaping	251,200	251,200
Furniture & Equipment	169,538	169,538
Vehicles	<u>236,513</u>	<u>236,512</u>
Fixed Assets, Cost	4,443,485	5,161,603
Less Accumulated Dep.	<u>(1,406,220)</u>	<u>(1,280,724)</u>
Fixed Assets, Net	<u>\$ 3,037,265</u>	<u>\$ 3,880,879</u>

NOTE 8: RELATED PARTY TRANSACTIONS

In compliance with its policy on transactions between a related party such as a Board Member or alternatively a family member of staff or of a Board Member and between the Organization, the Board reviews such transactions to determine that it is paying no more than it believes it would under an arm's length transaction. During the current period, the Board reviewed and approved payments to the mother totaling \$117,500 and the daughter of the Executive Director totaling \$159,224 for fund raising services and for program services.

NOTE 9: INVESTMENTS

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Treasury Bills	\$ <u>6,951,082</u>	\$ _____
Total Investments	\$ <u>6,951,082</u>	\$ _____

All investments held by the Organization are Level 1 investments. Level 1 investments are quoted market prices in active markets for identical assets or liabilities.

Investments consist of Treasury Bills held by Comerica. Investments received through donations are recorded at their fair market value and in accordance with Board policy are generally sold upon receipt.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10: COMPARATIVE FINANCIAL INFORMATION

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

NOTE 11: REVENUE RECOGNITION

Revenue from contracts with customers is derived primarily from rental income. Economic factors driven by industry conditions, employment, inflation and other world events impact the timing and level of revenue recognized by the Organization. Periods of economic downturn resulting from any of the above factors may result in declines in revenue recognized by the Organization.

The Organization determines the appropriate revenue recognition for these contracts through the following steps:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Rental income is recognized as revenue over the period of tenancy, which is on a periodic basis. Rental income provides economic as well as other benefits to tenants and are therefore accounted for as exchange transactions rather than as contributions. All distinct performance obligations are recognized over the same period of time.

NOTE 12: ADVERTISING

Advertising costs are expensed as incurred and totaled \$2,336 and \$1,081 during the years ended June 30, 2023 and June 30, 2022, respectively.

NOTE 13: LEASES

The Organization holds an annually renewed operating lease for some office space with the Sobrato Foundation, at a rate of \$1 plus common area maintenance of \$1,796 a month. The Organization also holds a month to month lease with Public Storage at a rate of \$1,016 a month.

ECUMENICAL HUNGER PROGRAM
(A NONPROFIT ORGANIZATION)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

NOTE 14: CONTRIBUTION OF 224 WISTERIA DRIVE, EAST PALO ALTO, CALIFORNIA

In February of the year ended June 30, 2023, the owner of 224 Wisteria Drive, East Palo Alto, California donated the property to the Organization, with an estimated value of \$1,000,000. The property currently is occupied by tenant renters who paid \$30,000 during the year ended June 30, 2023. The Organization intends to utilize this property for transitional housing once the current lease expires in December of 2024.

The Organization has invested \$165,100 in improvements to the property since its acquisition. The current lease rate is \$2,500 a month, on a month to month basis. The Organization is currently in negotiation with the tenant.

NOTE 15: INVENTORY

Inventory is not included on the balance sheet because it is almost immediately contributed to clients. Management feels it would not be a fair representation to assign a value to goods that are on site, or that the valuation of the items would be material. The organization records income and expense simultaneously from contributed goods.

NOTE 16: DATE OF MANagements REVIEW & SUBSEQUENT EVENTS

In preparing the financial statements, the Organization has evaluated events and transactions subsequent to June 30, 2023 for potential recognition or disclosure through February 9, 2024, the date that the financial statements were available to be issued and subject to market risk.