EAST VALLEY FAMILY SERVICES
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS

JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
East Valley Family Services

Opinion

We have audited the financial statements of East Valley Family Services, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of East Valley Family Services 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Valley Family Services and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East Valley Family Services' ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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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 East Valley Family Service'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 East Valley Family Services' 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.

BD & Associates CPAs, PLLC

Henderson, Nevada
October 11, 2024

EAST VALLEY FAMILY SERVICES
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS		
Current Assets:		
Cash	$	29,591
Grants receivable		294,108
Inventory		8,975
Prepaid expenses		20,104
Other current assets		16,412
Total current assets		369,190
Property and equipment, net		60,313
Other assets:		
Right of use asset for operating leases		198,790
Total Assets	$	628,293
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$	41,671
Accrued expenses		60,419
Grants received in advance		4,930
Current portion of right of use liability for operating leases		138,517
Total current liabilities		245,537
Long-Term Liabilities:		
Right of use liability for operating leases		60,273
Total Liabilities		305,810
Net Assets:		
Without donor restrictions		313,508
With donor restrictions (see Note 7)		8,975
Total Net Assets		322,483
Total Liabilities and Net Assets	$	628,293

EAST VALLEY FAMILY SERVICES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

Net Assets without Donor Restrictions	
Revenue and Support	
Grant income	1,241,126
In-kind donations	313,271
Contributions	20,900
Other income	3,797
Investment income	3,199
Revenue and support	1,582,293
Net assets released from restrictions	15,197
Total revenue and support	1,597,490
Functional expenses	
Program services	1,613,661
Fundraising	2,106
Management and general	124,350
Total functional expenses	1,740,117
Change in net assets without donor restrictions	(142,627)
Net Assets with Donor Restrictions	
Contributions	18,775
Net assets released from restrictions	(15,197)
Change in net assets without donor restrictions	3,578
Change in Net Assets	(139,049)
Net assets, beginning of year	461,532
Net assets, end of year	$ 322,483

EAST VALLEY FAMILY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Fundraising	Management and General	Total
Advertising	$ -	$ 55	$ 1,619	$ 1,674
Automobile	11,938	-	180	12,118
Bank fees	1,993	-	-	1,993
Client assistance	192,962	-	-	192,962
Contracted services	84,511	-	5,986	90,497
Depreciation	22,065	-	-	22,065
Education and training	9,521	-	3,444	12,965
Equipment	11,046	-	358	11,404
In-kind expenses	317,677	-	-	317,677
Insurance	30,223	-	5,150	35,373
Office supplies	33,013	2,051	18,548	53,612
Permits and licenses	391	-	-	391
Professional fees	13,896	-	1,801	15,697
Public information	3,212	-	737	3,949
Rent	101,505	-	56,752	158,257
Salaries and related expenses	749,473	-	21,917	771,390
Travel	15,188	-	1,123	16,311
Utilities	15,047	-	6,735	21,782
	$ 1,613,661	$ 2,106	$ 124,350	$1,740,117

Cash flows from operating activities		
Change in nets assets	$	(139,049)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation		22,065
Gain on sale of property and equipment		(3,000)
In-kind inventory adjustment		4,411
Lease accretion		(4,850)
Changes in:		
Increase in grants receivable		(47,710)
Increase in prepaids		(388)
Decrease in other current assets		4,875
Increase in accounts payable		9,917
Increase in accrued expenses		9,085
Increase in grants received in advance		995
Net cash used in operating activities		(143,649)
Cash flows from investing activities		
Proceeds from sale of property and equipment		3,000
Purchases of property and equipment		(23,263)
Net cash used in investing activities		(20,263)
Net decrease in cash		(163,912)
Cash, beginning of year		193,503
Cash, end of year	$	29,591

NOTE 1 – NATUE OF ORGANIZATION

Organization

East Valley Family Services (the Organization) was incorporated in 2004 and provides help to families, children, and seniors in Southern Nevada to become and remain self-sufficient, healthy, and socially responsible. The programs the Organization provides are described below:

Differential Response – The Organization works together with Clark County Child Protective Services ("CPS") to assess families who need community support and assistance. The program is designed to help families break the cycle of CPS involvement without removing children.

Family Education – The Organization provides classes in parenting skills, car seat safety, safe sleep, Bears n Binkies, Choose your Partner Carefully and other educational classes.

Family Resource Center – The Organization provides basic needs such as food, energy, and transportation assistance, Work and ID cards, Birth certificate assistance, job referrals, assistance and application assistance to people of all ages to promote family wellness, economic stability, and social responsibility so families, neighborhoods and the community can be strengthened.

Peer Parent Program – The Organization assists in reuniting families that have had children removed from the home through active case management, advocacy in court, transportation assistance, employment readiness training, food assistance, goal setting, safety and moral support. Our Peer Parents have successfully navigated the Court system and have been reunited with their children for over two years. Through this program they guide parents through the system they too have endured to reunification.

Senior Respite – The Organization provides time for people over the age of 55 who take care of young children to rest and regroup, participate in monthly support groups and activities.

Seniors and Disability Resource Center – The Organization provides help to older individuals and people with disabilities, along with their families and caregivers, to find services and resources to keep living well and independently. The Organization provides assistance to families and children who have special medical needs.

Supplemental Nutrition Program ("SNAP") – The Organization provides help to low-income individuals and families in buying the food they need for good health and assisting clients to apply for SNAP, TANF, and Medicaid Services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Accounting Standards Board (the FASB) sets generally accepted accounting principles in the United States of America (GAAP) to ensure consistent reporting. References to GAAP issued by the FASB in the accompanying footnotes are to the FASB Accounting Standards Codification (ASC).

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization presents a classified statement of financial position with additional qualitative information about the availability of resources and liquidity in Note 3.

The accompanying financial statements are presented in accordance with FASB ASC 958, Not-for-Profit Organizations. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. All available contributions are considered to be available without restriction unless specifically restricted by the donor. Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 amount of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Management periodically evaluates the Organization's policies, and the estimates and assumptions related to such policies. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a remaining maturity of three months or less at the time of purchase to be cash equivalents.

The Organization has concentrated its credit risk for cash by maintaining deposits in financial institutions, which at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Grants Receivable

Grants receivable represent unreimbursed costs under the Organization's grants. Revenue is recorded once the Organization incurs program specific costs that are reimbursed by the granting agency. The Organization does not anticipate any collection losses with respect to the receivable balance. As a result, no allowance for doubtful accounts is deemed necessary as of June 30, 2024. If accounts become uncollectible, the balances will be charged to expense when that determination is made.

Inventory

Inventory is comprised of in-kind donations of goods held for distribution as part of the Organization's charitable activities. Inventory is initially recognized at the fair market value of the contributed goods on the date of the donation. The cost of goods distributed is determined on a first-in, first-out basis.

Property and Equipment

The Organization capitalizes significant expenditures for property and equipment at cost, generally those that exceed $1,000 per organizational policy. Property and equipment that are contributed to the Organization are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the assets ranging between five and fifteen years.

Leases

In February 2016, the FASB issued ASU 2016-02, Leases ("Topic 842"), which supersedes existing guidance for accounting for leases m1der Topic 840, Leases. The FASB also subsequently issued additional ASU's, which amend and clarify Topic 842. The most significant change in the new leasing guidance is the requirement to recognize right-of-use ("ROU") assets and lease liabilities for finance and operating leases on the statement of financial position.

The Organization elected to adopt Topic 842 effective July 1, 2022 using transition method B. The adoption had a material impact on the Organization's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

The Organization has elected to apply the portfolio approach to account for ROU assets and liabilities, where applicable.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Organization has elected the practical expedient that does not require the Organization to separate lease and non-lease components for its leases. The Organization has elected to use the risk-free rate as the discount rate for its operating and financing leases.

The Organization has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Short-term disclosures include only those leases with a term greater than one month and 12 months or less, and expense is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less that do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise, are not recorded on the statement of financial position.

The Organization has elected to use the package of transition practical expedients.

The Organization leases office space and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

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. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term using the applicable rate. Operating lease ROU assets also includes any lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization's lease terms may include options to extend or te1minate the lease when it is reasonably certain that the Organization will exercise the option.

None of the Organization's leases contain provisions for variable rent payments, material residual value agreements, or ratios that must be maintained.

Revenue Recognition

All donor-restricted contributions arc reported as increases in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

Contributions may be considered conditional or unconditional. A conditional contribution exists if both a) one or more barriers exist and b) the right of return to the contributor for assets transferred (or a right of release of the promisor from its obligation) depends on overcoming the stated barriers before a recipient is entitled to the assets transferred or promised. In cases of ambiguous donor stipulations or stipulations that are not clearly unconditional, contributions are presumed to be conditional. Conditional contributions are recognized when conditions have been substantially met or waived by the donor. Unconditional contributions arc recognized when received or when the right to receive is obtained through documentation.

Grant revenue may be considered a contribution, entirely an exchange transaction, or a combination of the two. 1f a grant is considered a contribution; it is recognized as described in the above paragraph. If a grant is considered an exchange transaction, it falls under the guidance of Topic 606 and additional steps are taken to ensure correct recording of revenue. The performance obligation is satisfied when the services outlined in the grant contract are rendered. For the year ending June 30, 2024, all exchange grant revenue was recognized at a point-in-time when services were performed.

Program revenue is recognized at a point-in-time when services are performed, and payment becomes receivable upon service completion.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Materials and Services

Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided the Organization has a clearly measurable and objective basis for determining the value. In the case of materials where such values cannot reasonably be determined, the donation is not recorded.

During the fiscal year ended June 30, 2024, the Organization received all donated food from Three Square which included both federal and non-federal commodities. The donated food is recorded in the financial statements as in-kind donations and in-kind expenses. The donations are valued at the fair value of one pound of donated food product that is provided by the donor. The fair value determined and provided by the donors during the year was $1.57 per pound for non-federal commodities and $1.53 per pound for federal commodities.

Donated professional services arc recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Unpaid volunteers have donated their time to the Organization's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

The Organization received the following in-kind donations as of June 30, 2024:

Food	$ 282,989
Other	23,456
Program - supplies	6,826
	$ 313,271

Advertising

Advertising costs, if any, are expensed as incurred. Total advertising costs included in program services, fundraising and management and general was $1,674 for the year ended June 30, 2024.

Concentrations

A substantial portion of the Organization’s receivables and other operating assets and activities are concentrated in southern Nevada. Accordingly, changes in the southern Nevada economy or the financial condition of its grantors or donors could adversely affect the realization of its assets and future operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles has established a framework for measuring fair value and established a fair value hierarchy based on the inputs used to measure fair value. This framework maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market date obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 – Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no income tax is reflected in the accompanying financial statements. In addition, the Organization is classified as a public charity under IRC Section 509(a)(1) and 170(b)(1)(A)(vi); therefore, no provision for income taxes is made in the accompanying financial statements.

As of June 30, 2024, the Organization had not identified any uncertain tax positions under ASC Topic 740, *Income Taxes*, requiring adjustments to its financial statements. In the event the Organization were to recognize interest and penalties related to uncertain tax positions, it would be recognized in the financial statements as interest expense for interest and miscellaneous for penalties. Generally, 2021 through 2023 are open to examination by the federal and state taxing authorities. There are no income tax examinations currently in process.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation Methodology

The statement of functional expenses presents expenditures by both their nature and their function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on management's estimate of time and effort.

NOTE 3 – LIQUIDITY AND AVAILABILIITY

As of June 30, 2024 the Organization has $323,699 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of $29,591 and grant receivables of $294,108.

Contractual or donor-imposed restrictions are not available for general expenditure. Contractual obligations include a line of credit collateral (as further discussed Note 6). As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In the event of an unanticipated liquidity need, the Organization could draw upon the available line of credit.

NOTE 4 – PROPERTY AND EQUIPMENT

As of June 30, 2024, property and equipment consisted of the following:

Vehicles	$	125,122
Furniture and equipment		43,545
Leasehold improvements		3,500
		172,167
Less: accumulated depreciation		(111,854)
	$	60,313

Depreciation expense for the year ended June 30, 2024 was $22,065.

NOTE 5 – RIGHT OF USE OPERATING LEASES

At June 30, 2024, balance sheet information related to leases was as follows:

Operating lease ROU assets	$	198,790
Operating lease liabilities:		
Operating lease liabilities, current portion	$	138,517
Operating lease liabilities, net of current portion		60,273
Total operating lease liabilities	$	198,790

For the year ended June 30, 2024, components of lease expense were as follows:

Operating lease expense	$	128,509

For the year ended June 30, 2024, supplemental cash flow information related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows used for operating leases	$	140,253

Weighted-average remaining lease term and discount rate were as follows at June 30, 2024:

Weighted-average remaining lease term in years for operating leases	1.42
Weighted-average discount rate for operating leases	3.81%

As of June 30, 2024, the undiscounted future lease payments under noncancelable leases by year ended June 30 were as follows:

2024	$	71,343
2025		134,049
Total undiscounted cash flows		205,392
Less present value discount		(6,602)
Total lease liabilities	$	198,790

NOTE 6 – LINE OF CREDIT

The Organization has a $20,000 line of credit with the Bank of Nevada that renews annually. Interest on this loan is computed on a 365/360 basis by applying the ratio of interest rate over a year of 360 days, multiplied by the actual number of days the principle balance is outstanding. All interest payable under this loan is computed using this method as well. This yields a higher effective interest rate than the rate stated in the loan documents. The line of credit was collateralized by certificates of deposit of the Organization. The terms of the line of credit are for 12 months and expires in May 2025. As of June 30, 2024, the outstanding balance was $0.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Some non-cash net assets with donor restrictions have been purchased with monies from grantors and are only to be used for their related program. If the Organization ceases to operate the program the assets would be given to the succeeding organization. Net assets with donor restrictions are restricted for the purpose of TEFAP Inventory in the amount of $8,975 as of June 30, 2024.

NOTE 8 – EMPLOYEE BENEFIT PLAN

The Organization has a 401K Profit-Sharing Plan (the "Plan") that was established in July 2010 and qualifies as a deferred salary arrangement under Section 401(a) of the Internal Revenue Code and is available to all eligible employees. Eligible employees become a participant in the Plan after they have completed at least 1,000 hours of service within a twelve-month period. Through payroll deduction, plan participants contribute elective deferrals up to the maximum amount allowed by law and the Plan. Participants must complete at least one year of service to receive employer matching contributions under this Plan. The Organization matches 5% of the Matched Employee Contributions into the employee benefit plan. Total Organization contributions for the year ended June 30, 2024, was $4,723.

NOTE 9 – SUBSEQUENT EVENTS

Management of the Organization has evaluated subsequent events through October 11, 2024, the date on which the originally issued financial statements were issued. There were no subsequent events that required disclosure.