DALY CITY PENINSULA PARTNERSHIP COLLABORATIVE

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2024

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INTRODUCTORY SECTION

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DALY CITY PENINSULA PARTNERSHIP COLLABORATIVE

Financial Statements
For the Year Ended June 30, 2024

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DALY CITY PENINSULA PARTNERSHIP COLLABORATIVE

BOARD OF DIRECTORS AND MANAGEMENT

JUNE 30, 2024

BOARD OF DIRECTORS

Melinda Dart, President
Elena Vera, Vice President
Anastacio Flores Jr., Treasurer
Tim Holechek, Secretary
Jessica Pace
Toni Presta
Karim Salgado
Alex Navarro
Nicole Krause
Jean Venus

MANAGEMENT

Mike Stancil, Executive Director
Jon Iiyama, Associate Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of the
Daly City Peninsula Partnership Collaborative
Daly City, California

Opinion

We have audited the accompanying financial statements of the Daly City Peninsula Partnership Collaborative (Partnership), a nonprofit organization, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, support, revenues and functional expenses, and changes in 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 Daly City Peninsula Partnership Collaborative 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. 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 from Daly City Peninsula Partnership Collaborative, and to meet our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Partnership's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Partnership'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Partnership's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Partnership's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2024. 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.

Maze & Associates

Pleasant Hill, California
April 29, 2025

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DALY CITY PENINSULA PARTNERSHIP COLLABORATIVE
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024
WITH COMPARATIVE AMOUNTS AS OF JUNE 30, 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and cash equivalents (Note 3)	$315,409	$382,180
Accounts and grants receivable (Note 2C)	777,007	318,493
Deposits	2,500	13,335
Total Current Assets	1,094,916	714,008
Non-Current Assets:		
Right-of-use asset (Note 7)	327,048	398,412
Property and equipment, net of accumulated depreciation of $333,484 and $288,598, respectively (Note 4)	482,996	361,382
Total Non-Current Assets	810,044	759,794
Total Assets	$1,904,960	$1,473,802
LIABILITIES		
Current Liabilities:		
Accounts payable	$27,323	
Deposits payable	10,835	
Lease liability (Note 7)	66,960	$62,071
Accrued vacation (Note 2F)	85,519	89,465
Total Current Liabilities	190,637	151,536
Non-Current Liabilities:		
Lease liability (Note 7)	283,908	350,868
Total Non-Current Liabilities	283,908	350,868
Total Liabilities	474,545	502,404
NET ASSETS (Note 2A)		
Without donor restrictions	1,430,415	971,398
Total Net Assets	1,430,415	971,398
Total Liabilities and Net Assets	$1,904,960	$1,473,802

See accompanying notes to financial statements.

DALY CITY PENINSULA PARTNERSHIP COLLABORATIVE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

WITHOUT DONOR RESTRICTIONS:	2024	2023
SUPPORT AND REVENUES (Accompanying Statement)	$7,018,612	$6,260,430
Total Support and Revenues	7,018,612	6,260,430
PROGRAM EXPENSES (Accompanying Statement)		
After School Academic Programs	406,903	286,978
Our Second Home	323,693	314,482
Healthy Aging Response Team	352,577	287,881
DCCSC program	790,208	1,345,763
COVE program	3,312,958	3,339,206
KKC Program	492,072	419,480
Total Program Expenses	5,678,411	5,993,790
SUPPORT SERVICES		
Management and general expenses	881,184	463,177
Total Support Services Expenses	881,184	463,177
Total Expenses	6,559,595	6,456,967
CHANGES IN NET ASSETS	459,017	(196,537)
Net Assets without donor restrictions, beginning of year	971,398	1,167,935
Net Assets without donor restrictions, end of year	$1,430,415	$971,398

See accompanying notes to financial statements.

DALY CITY PENINSULA PARTNERSHIP COLLABORATIVE
STATEMENT OF SUPPORT, REVENUES AND FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
WITH SUMMARIZED INFORMATION FOR THE YEAR ENDED JUNE 30, 2023

	Programs			
	After School Academic Programs	Our Second Home	Healthy Aging Response Team	DCCSC
SUPPORT AND REVENUES				
Contributions and grants	$123,443	$266,407	$357,450	$504,812
Individual contributions				870
Program income	15,997	37,593		
Other income				3,000
In-kind contributions (Note 5)		4,846	43,350	209,944
Program reimbursements		92,944		469,465
Total Support and Revenues	139,440	401,790	400,800	1,188,091
EXPENSES				
Salaries	329,189	187,140	165,737	446,453
Benefits	12,894	18,944	16,074	55,584
Insurance	575	357	223	895
Mileage reimbursement and car allowance	630	1,348	1,031	170
Communications	910	15,209	502	3,624
Utilities		6,504	8,500	1,766
Professional services	3,092	37,434	43,519	10,093
Other contractual services	1,197	17,390	26,036	18,227
Office expense	1,058	3,071	3,053	15,085
Special departmental	1,365	20,614	42,608	893
Supplies	5,505	9,696	243	1,063
Education and training	47,246	148	1,496	1,300
Memberships and subscriptions				
Travel and meetings	157		14	80
Depreciation (Note 4)				
Lease amortization (Note 7)				
Program expenses	100	67		2,005
In-kind expense (Note 5)		4,846	43,350	209,944
Rental assistance				22,340
Client assistance			138	150
Rental expense	1,900	412		
Miscellaneous	1,085	513	53	536
Total Expenses	406,903	323,693	352,577	790,208
CHANGE IN NET ASSETS	($267,463)	$78,097	$48,223	$397,883

(Continued)

See accompanying notes to financial statements.

Programs			Support Services	Totals	
COVE	KKC	Total Programs	Management and General	2024	2023
$20,000	$27,469	$1,299,581	$735,337	$2,034,918	$1,605,350
	4,925	5,795	8,598	14,393	16,839
		53,590		53,590	99,880
	(10,835)	(7,835)	6,691	(1,144)	11,291
3,093,686		3,351,826	131,832	3,483,658	3,447,620
124,631	568,591	1,255,631	177,566	1,433,197	1,079,450
3,238,317	590,150	5,958,588	1,060,024	7,018,612	6,260,430
162,734	239,607	1,530,860	455,505	1,986,365	1,820,154
10,393	9,492	123,381	47,238	170,619	102,273
288	451	2,789	20,452	23,241	24,305
1,598	166	4,943	1,263	6,206	3,902
769	3,033	24,047	4,347	28,394	25,356
	586	17,356	699	18,055	15,743
5,397	116,278	215,813	9,824	225,637	108,133
23,386	28,186	114,422	96,787	211,209	150,891
537	621	23,425	8,681	32,106	21,688
426	3,652	69,558	11,526	81,084	47,567
9,059	1,976	27,542	3,730	31,272	40,701
4,211	1,561	55,962	5,315	61,277	6,450
					17,275
14	435	700	1,616	2,316	5,220
			44,886	44,886	24,127
			9,293	9,293	14,527
	9,784	11,956	3,785	15,741	78
3,093,686		3,351,826	131,832	3,483,658	3,447,620
		22,340		22,340	455,937
		288		288	1,513
	73,857	76,169	6,097	82,266	71,223
460	2,387	5,034	18,308	23,342	52,284
3,312,958	492,072	5,678,411	881,184	6,559,595	6,456,967
($74,641)	$98,078	$280,177	$178,840	$459,017	($196,537)

DALY CITY PENINSULA PARTNERSHIP COLLABORATIVE
STATEMENT OF CHANGES IN CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$459,017	($196,537)
Adjustments to reconcile to net cash provided by (used for) operating activities:		
Lease amortization	9,293	14,527
Depreciation	44,886	24,127
Decrease (increase) in deposits	10,835	(13,335)
Decrease in prepaid expenses		100,000
(Increase) decrease in receivables	(458,514)	393,426
Increase in accounts payable	27,323	
Increase in deposits payable	10,835	
(Decrease) increase in accrued vacation	(3,946)	13,616
Cash Flows Provided by Operating Activities	99,729	335,824
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment and furniture	(166,500)	(59,279)
Cash Flows (Used) by Investing Activities	(166,500)	(59,279)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayments to the City of Daly City		(200,000)
Cash Flows (Used) by Financing Activities		(200,000)
Net (decrease) increase in cash and cash equivalents	(66,771)	76,545
Cash and cash equivalents, beginning of year	382,180	305,635
Cash and cash equivalents, end of year	$315,409	$382,180
Supplemental disclosure of cash flow information:		
Non-Cash Activities		
Contribution of goods, rent and services	$3,483,658	$3,447,620

No taxes or interest were paid by the Organization during fiscal years ended June 30, 2024 or 2023.

See accompanying notes to financial statements.

NOTE 1 – REPORTING ENTITY

A. General

The Daly City Peninsula Partnership Collaborative (Partnership) was incorporated on April 4, 2003. The Partnership is a 501(c)(3) nonprofit public benefit corporations whose mission is to promote and facilitate collaborative efforts to ensure that all members of the Daly City community have access to health, education and social services.

B. Programs

After School Academic Programs (ASAP) – Classes are offered at 15 schools in the four school districts in Daly City: Bayshore, Brisbane, South San Francisco Unified and Jefferson Elementary School District.

Kindergarten Readiness (KR) – Summer program that serves children who will be entering Kindergarten in the Fall and who have not attended a curriculum based preschool program and/or are English language learners. Students meet their Kindergarten teacher in their future classroom, learn basic academic preparedness, and practice appropriate classroom behavior.

Literacy Tutoring – Children who are behind their grade level in reading are referred by their classroom teacher to this program. The low ratio of teacher to students builds a more personal environment that allows each tutor to determine each child’s learning style. Reading and writing are enhanced by games, music and other creative activities.

Homework Assistance – Instructional aids from the same school sites assist children with a history of low homework completion or poor quality assignments by offering adequate structure, space and supervision to do their homework on campus during after school hours.

Enrichment Classes – Offers life-long enriching activities to children, as well as enlarge the scope of a child’s learning by offering a variety of experiences for them to explore. Classes include dance, music, art, science and other enjoyable classes.

Our Second Home Early Childhood Family Resource Center (OSH) – Daly City’s first family resource center dedicated to the needs of children and the adults in their lives. Housed in a warm and welcoming natural environment, OSH works with families, early childhood professionals, and caregivers to promote healthy development, academic readiness and safety for children in Daly City and Northern San Mateo County.

Healthy Aging Response Team (HART) – HART is a collaboration of friendly peers working towards a common goal: To assist our aging and disabled participants in navigating community resources and the health care system. We seek to support participant engagement in programs that will keep them active in their community and fulfilled throughout their lives. We offer individual and group sessions that meet weekly. We tackle social isolation by fostering community and encouraging participants to try new weekly activities such as BINGO, arts and crafts, poetry writing sessions, movie day, chair exercises, planting succulents, and more. These group sessions have encouraged many seniors to share their daily lives and make new friends.

NOTE 1 – REPORTING ENTITY - Continued

HART participates in the Program to Encourage Active Rewarding Lives (PEARLS), designed for seniors 60 and older who are experiencing loneliness, sadness, isolation, or decreased motivation. PEARLS enhances the quality of life within our senior community.

We have successfully supported many seniors and are currently active in the following locations: Brunswick St. Apartments in Daly City, San Pedro Commons in Colma, and The Colma Veterans Village.

Daly City Community Service Center (DCCSC) – DCCSC is a vital support hub, connecting individuals and families in need with essential services such as emergency shelter, food, income-eligible housing assistance, clothing, counseling, and other economic resources.

In addition to providing immediate assistance, DCCSC focuses on homelessness prevention and housing stability through case management and rental assistance for those at risk of losing their homes. By collaborating with local organizations, businesses, and government agencies, the center links clients to long-term support systems that foster financial independence and overall well-being.

Dedicated to building a strong and supportive community, DCCSC remains committed to ensuring individuals and families have access to the resources they need to thrive.

Community Outreach and Volunteer Engagement (COVE)– COVE is dedicated to fostering connections and providing essential resources that promote social, cultural, and economic well-being. We offer food resources across San Mateo County, back-to-school initiatives that support local families, and cooking classes that bring people together while linking them to additional support. Our volunteer program builds a strong network of dedicated individuals who not only support COVE but also serve as a resource for other departments, amplifying our collective impact. Our vision is to create an engaged community where everyone plays a role in shaping sustainable solutions that uplift one another.

Kapwa Kultural Center & Cafe (KKC)– Kapwa Kultural Center & Cafe (KKC) is a Filipina/x/o youth-focused social enterprise and cafe providing innovative programming for ages 16-24 that combines leadership skills, workforce preparedness, entrepreneurial mentorship, ethnic studies to support positive cultural identity formation, and mental health education. All of this is delivered in a culturally-affirming and responsive way. This means offering educational programs that honor cultural traditions/practices to empower youth and promote overall wellness with many of the activities rooted in the expressive arts (e.g. mural making, art creation, poetry, spoken word, dance, movement, and other art forms).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation and Financial Statement Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC), No. 958, *Financial Statements of Not-for-Profit Organizations*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Partnership reports information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations that are not subject to or are no longer subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose 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.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

B. Support and Revenues

The Partnership relies on grants from local, county, and State governments, public and private foundations, and contributions from individuals and corporations. All contributions are recorded upon receipt, and are considered to be available for use and classified as without donor restriction unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When net assets with donor restriction expires, with donor restrictions are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions.

C. Receivables

Contributions and grants receivable are stated at the amount the Partnership's management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to bad debt expense and a credit to a valuation based on its assessment of the current status of individual accounts. Management believes the entire balance of receivables is collectible, and therefore, no allowance was recorded as of June 30, 2024 and 2023, respectively.

D. Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Those expenses which cannot be specifically identified by function type have been allocated to functions based upon management's best estimate of usage. For certain such expenses, such as payroll costs, these estimates are based on time incurred in different activities. For other expenses, such as travel, an allocation has been made based upon purpose.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Partnership allocated its expenses on a functional basis among its various programs and support services. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expenses studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Partnership.

E. Property and Equipment

Property and equipment is stated at cost. Donated assets are recorded at their estimated fair market values at date of donation. Depreciation is computed over the estimated useful lives of the respective assets on a straight-line basis. Expenses for maintenance, repairs and minor renewals are charged against operations as incurred. The Partnership's practice is to capitalize property and equipment with an original cost in excess of $500.

F. Accrued Vacation

Accrued vacation is comprised of unpaid vacation. Vacation is accrued as earned and sick leave is not accrued since it does not vest. All accrued vacation is considered to be a current liability. The balance at June 30, 2024 and 2023 was $85,519 and $89,465, respectively.

G. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Income Taxes

The Partnership is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the Partnership qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The Partnership paid no taxes on unrelated business income in the years ended June 30, 2024 or 2023, respectively.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the Partnership does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Partnership's tax returns will not be challenged by the taxing authorities and that the Partnership will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Partnership's tax returns remain open for federal income tax examination for three years from the date of filing.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I. Advertising Costs

Advertising costs, if any, are expensed as incurred.

J. In-Kind Contributions

Donated goods, if any, are recorded in the financial statements at the estimated fair value in the period received. Contributions of donated services that create or enhance a non-financial asset, or require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. See Note 5 for further details on donated goods, rent and services.

K. Fair Value Measurements

The Partnership reports certain assets and liabilities at fair value in the financial statements. 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. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on observable and non-observable inputs. Observable inputs consist of data obtained from independent sources. Non-observable inputs reflect industry assumptions. These two types of inputs are used to create the fair value hierarchy, giving preference to observable inputs.

The three-tier hierarchy categorizes the inputs as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3: Unobservable inputs for the asset or liability. In these situations, the Partnership develops inputs using the best information available in the circumstances.

L. Lease Accounting

The Partnership recognizes and measures its leases in accordance with FASB ASC 842, *Leases*. The Partnership determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of the existing contract are changed. The Partnership's policy is to recognize leases in excess of $5,000. Lease liabilities and a right of use (ROU) asset are recognized at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a discount rate. The discount rate is the implicit rate if it is readily determinable or otherwise The Partnership uses its incremental borrowing rate. See Note 7 for further details.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

During the year ended June 30, 2023, the Partnership adopted the requirements of Financial Accounting Standards Board's (FASB) Accounting Standards Update No. 2016-02, *Leases*. This Update requires entities to recognize right-of-use assets and lease obligation liabilities on the statement of financial position. This includes leases of all property, plant, and equipment and excludes (1) leases of intangible assets, (2) leases to explore for or use nonregenerative resources, (3) leases of biological assets, (4) leases of inventory, and (5) leases of assets under construction. In fiscal year 2023, The Partnership took an inventory of its leases and determined that its office lease applied to this Update. As such, the right-of-use asset and liability associated with its office lease has been recorded on the Statement of Financial Position. See Note 7 for details of this lease.

M. Prior Year Totals

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2023, from which the summarized information was derived. Certain prior year balances have been reclassified to conform with the current year presentation, however, there was no impact on net assets.

N. Subsequent Events

The Partnership evaluated subsequent events for recognition and disclosure through April 29, 2025, the date which these financial statements were available to be issued. Management concluded that no material subsequent events occurred since June 30, 2024 that requires recognition or disclosure in such financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash balances all cash balances and highly liquid investments with maturity dates of less than three months, which are neither held nor restricted by donors for long-term purposes.

Cash is comprised of cash held in one financial institution, which is insured by the Federal Depository Insurance Corporation up to $250,000 and is reported using the Level 1 fair value measurement. The Partnership maintains cash in bank deposit accounts which at times may exceed FDIC limits. The Partnership has not experienced any losses on its FDIC-insured and uninsured accounts and believes they are not exposed to any significant credit risk on its cash balances.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are depreciated using the straight-line method:

Description	Life
Building	39 years
Furniture & Equipment	3-5 years

NOTE 4 – PROPERTY AND EQUIPMENT (Continued)

Depreciation is computed by the straight-line method over the estimated useful lives of the assets. Depreciation is charged as an expense against operations, and accumulated depreciation is reported on the statement of financial position.

At June 30, assets and accumulated depreciation of the Partnership's leasehold improvement, furniture and equipment were:

	Balance June 30, 2023	Additions	Balance June 30, 2024
Property and equipment being depreciated			
Building	$609,279	$73,817	$683,096
Equipment and furniture	40,701	$92,683	133,384
Sub-total	649,980	166,500	816,480
Less accumulated depreciation for:			
Building	(257,114)	(24,836)	(281,950)
Equipment and furniture	(31,484)	(20,050)	(51,534)
Total accumulated depreciation	(288,598)	(44,886)	(333,484)
Property and equipment, net	$361,382	$121,614	$482,996

NOTE 5 – IN-KIND CONTRIBUTIONS

The Partnership records the value of in-kind contributions when there is an objective basis available to measure their fair value. The Partnership receives substantial donations of food and supplies, as well as donated office space.

Donations of food and goods are recorded at their fair values on the statement of activities in the period received. The fair values of donated food are obtained from Second Harvest of Silicon Valley who is a member of Feeding America, that uses the federal rate per pound. Other donations of goods are valued based on equivalent costs if the items were to be purchased. Typically these donations are without donor restrictions and are utilized in the Partnership's programs within the reporting period, or soon thereafter.

In-kind rent and utilities consists of office space, program facility space, and utilities on properties owned by the City of Daly City (City), and are valued based on the square footage of the space, using a fair value rate of the type of space.

Donated services consist primarily of IT, telephone and internet expenses that are valued based on the City's budget.

NOTE 5 – IN-KIND CONTRIBUTIONS (Continued)

For the years ended June 30, contributed nonfinancial assets recognized in the accompanying statement of support, revenues and functional expenses amounted to the following:

	2024	2023
Goods	$3,230,364	$3,176,220
Rent	228,894	242,544
Services	24,400	28,856
	$3,483,658	$3,447,620

In addition, the Partnership received 1,549 hours of contributed services from volunteers. These services do not meet the recognition criteria, therefore, the value of these services is not reflected in the accompanying statement of revenues and functional expenses.

NOTE 6 – LIQUIDITY AND AVAILABILITY OF RESOURCES

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, consisted of cash the following at December 31:

Total current financial assets:	2024	2023
Cash and cash equivalents	$315,409	$382,180
Accounts receivable	777,007	318,493
Total current financial assets	1,092,416	700,673
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	$1,092,416	$700,673

NOTE 7 – LEASES

The Partnership assumed an office space lease in Colma, California, classified as an operating lease, in July 2022. The assumed lease is subject to monthly rental payments of $6,205 from February 1, 2023 to January 31, 2024. The Partnership executed a new lease, under its name, with monthly payments of $6,422 beginning on February 1, 2024. Under the terms of this new lease, rent is subject to 3.5% annual increases every February.

NOTE 7 – LEASES (Continued)

The lease agreements do not provide an implicit rate, therefore, the Partnership has elected to use the risk-free rate of 0.29% as its incremental borrowing rate, based on the information available at the commencement date in determining the present value of lease payments. As of June 30, 2024, the lease asset is $327,048, and the lease liability is $350,868.

Future asset amortization and lease payment for the office space are as follows:

	Asset	Liability
2025	$71,364	$66,960
2026	71,364	72,113
2027	71,364	77,548
2028	71,364	83,276
2029	41,592	50,971
Total	$327,048	$350,868

NOTE 8 – COMMITMENTS AND CONTINGENCIES

On April 15, 2020, the Partnership executed a Bill of Sale with Tselogs Corporation to purchase a commercial property lease in Colma, California. On July 1, 2022, the Partnership purchased the commercial property lease for $100,000, using in funds from a San Mateo County Innovation Grant. As part of the Sale, the Partnership assumed the current lease agreement for the commercial property space beginning July 1, 2022 and expiring January 31, 2024. On February 1, 2024, the Partnership executed a new five-year lease agreement for the commercial property space, expiring January 31, 2029. The commercial space was purchased for the Partnership's Kapwa Kultural Center & Café program.

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