EASTMONT COMMUNITY CENTER
INDEPENDENT ACCOUNTANT'S REVIEW REPORT
AND FINANCIAL STATEMENTS
Year Ended June 30, 2023

PREPARED BY

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EASTMONT COMMUNITY CENTER
Independent Accountant's Review Report and Financial Statements
June 30, 2023

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors

Eastmont Community Center
Los Angeles, California

We have reviewed the accompanying financial statements of Eastmont Community Center (a non-profit corporation), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, statements of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Eastmont Community Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Ho & Associates

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October 30, 2023

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EASTMONT COMMUNITY CENTER
Statement of Financial Position
June 30, 2023

ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 519,536	
Marketable Securities Measured at Fair Value	29,359	
Support, Revenue and Other Receivables - Net	377,267	
Total Current Assets		$ 926,162
Property and Equipment		
Land, Building and Equipment	899,606	
Accumulated Depreciation	(492,813)	
Net Property and Equipment		406,793
Total Assets		**$ 1,332,956**
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 37,444	
Payroll & Payroll Taxes Payable	49,786	
Total Current Liabilities/Total Liabilities		$ 87,230
Net Assets		
Without Donor Restrictions	1,245,726	
Total Net Assets		1,245,726
Total Liabilities and Net Assets		**$ 1,332,956**

See accompanying notes.

EASTMONT COMMUNITY CENTER
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	Total
Operating Support and Revenues		
Contributions	$ 79,002	$ 79,002
Contracts	967,830	967,830
Grants	329,291	329,291
ELA Farmers Market	143,412	143,412
Rental Income	50,345	50,345
Interest Earnings and Investment Income	3,735	3,735
Total Operating Support and Revenues	1,573,614	1,573,614
Operating Expenses		
Program Services		
Senior Center	187,359	187,359
Community Services	924,178	924,178
Education	28,366	28,366
Supporting Activities		
Administrative	518,919	518,919
Total Operating Expenses	1,658,821	1,658,821
Operating Support and Revenues in Excess of Operating Expenses	(85,207)	(85,207)
Change in Net Assets	(85,207)	(85,207)
Net Assets, Beginning	1,330,933	1,330,933
Net Assets, Ending	**$ 1,245,726**	**$ 1,245,726**

See accompanying notes.

EASTMONT COMMUNITY CENTER
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services			Supporting Activities	
	Senior Center	Community Services	Education	Administrative	Total
Payroll Expense	$ 102,063	$ 468,381	$ 22,850	$ 364,950	$ 958,244
Workers' Compensation Insurance	3,249			$ 5,815	$ 9,064
Accounting Fees				$ 5,310	$ 5,310
Board Activities Expense				$ 795	$ 795
Consultants		35,011		$ 28,713	$ 63,724
Continuing Education		589	37	$ 5,947	$ 6,573
Contract Service	27	6,158		$ 15,372	$ 21,556
Depreciation Expense	5,646	28,743	1,027	$ 15,911	$ 51,327
ECC Unrestricted		3,859	427	$ 8,955	$ 13,240
ELA Farmers Vendor Exp.		111,730			$ 111,730
Entertainment		22,885			$ 22,885
Facility & Equipment	1,865	29,006	662	$ 10,524	$ 42,056
Food Subsidy		59,777			$ 59,777
Marketing		8,581		$ 18	$ 8,600
Miscellaneous				$ 6,312	$ 6,312
Permits		4,378		$ 10	$ 4,388
Program Incentives		791	1,995	$ 100	$ 2,886
Property Taxes				$ 10,476	$ 10,476
Supplies	72,218	100,944	572	$ 10,664	$ 184,397
Telephone & Internet		67		$ 9,791	$ 9,858
Travel		39,065		$ 2,773	$ 41,838
Utilities		625		$ 15,345	$ 15,970
Vehicle Operating Costs	2,292	3,588	796	$ 1,139	$ 7,815
Total Expenses	$ 187,359	$ 924,178	$ 28,366	$ 518,919	$ 1,658,821

See accompanying notes.

EASTMONT COMMUNITY CENTER
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in Net Assets from Operating Activities		$ (85,207)
Adjustments to Reconcile Decrease in Net Assets from Operating Activities to Net Cash used in Operating Activities:		
Depreciation	$ 51,327	
(Increase) Decrease in Operating Assets		
Increase in Support, Revenue and Other Receivables	(293,816)	
Increase (Decrease) in Operating Liabilities		
Increase in Accounts Payable	32,864	
Decrease in Farmer's Market Vendor Payable	(3,144)	
Increase in Payroll & Payroll Taxes Payable	14,566	
Total Adjustments to Decrease in Net Assets from Operating Activities		(198,203)
Net Cash Used in by Operating Activities		(283,410)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - Increase in Shares	(1,227)	
Additions of Property & Furniture	(55,202)	
Net Cash Used in Investing Activities		(56,429)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(339,839)
CASH & CASH EQUIVALENTS, Beginning of Year		859,375
CASH & CASH EQUIVALENTS, End of Year		$ 519,536

See accompanying notes.

EASTMONT COMMUNITY CENTER
Notes To Financial Statements
June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Eastmont Community Center (the Center), a California non-profit corporation, in collaboration with the Christian Church (Disciples of Christ) is established to enhance the quality of life for children, youth, working adults and seniors in low-income families by providing needed education, social services, and health and wellness services that promote personal development and self-sufficiency. In addition to providing emergency services such as food and clothing, housing, and job search counseling, Eastmont also offers child development services, educational programs for youth, English-as-a Second-Language and Citizenship classes, adult literacy programs and senior services which include hot meals and low-impact exercise activity.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under this basis, revenues are recognized when earned and expenditures are recognized when incurred.

Financial Statement Presentation

Generally accepted accounting principles (GAAP) require classification of the Center's net assets, revenues as well as expenses based on the existence or absence of donor-imposed restrictions in the statement of financial position and the amounts of change in each of those classes of net assets in the statement of activities. The Center has no restricted net assets as of June 30, 2023.

Cash and Cash Equivalents

The Center considers all highly liquid investments with an original maturity of three months or less and accounts receivable from credit card companies to be cash equivalents. Credit card receivables from contributions are short-term, highly liquid in nature, and typically convert to cash within three days of the contribution.

Investment

The Center classifies its marketable equity securities as trading securities and are carried in the financial statements at fair value. Realized gains and losses on trading securities determined using the first-in, first-out (FIFO) method as well as unrealized holding gains and losses are included in operating revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Depreciation

The Center's equipment and leasehold improvements are depreciated using the straight-line method or the double declining balance method over the useful life of the asset.

Impairment of Long-lived Assets

The Center reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. The measurement of possible impairment is based primarily on the undiscounted future operating cash flows without interest charges generated through the use of these assets during their remaining estimated useful life. The assessed recoverability of long-lived assets will be impacted if estimated future operating cash flows are not achieved. The Center believes that no events occurred that would impair the carrying value of its long-lived assets during the year ended June 30, 2023.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The Center reports its assets and liabilities that are measured at fair value using a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than quoted prices included in level 1, such as Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At each reporting period, the Center performs a detailed analysis of its assets and liabilities that are measured at fair value. All assets and liabilities for which the fair value measurement is based on significant unobservable inputs or instruments which trade infrequently and therefore have little or no price transparency are classified as Level 3.

Advertising

The Center expenses advertising expenses as they are incurred.

Revenue Recognition

Effective July 1, 2020, the Center implemented the requirements in the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers.

The revenue recognition guidance requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services.

As the Center had not contracts providing services directly to customers, neither the statement of activities nor the statement of financial position were affected by ASC 606.

Cost Reimbursable Grants and Contracts
Revenue from cost reimbursable grants and contracts is recorded to the extent of expenses incurred applicable to the grant or contract. Any difference between expenses incurred and the total funds received (not to exceed the grant or contract maximum) is recorded as a receivable or an advance whichever is applicable. Revenue from other grants is recognized on an accrual basis as earned according to the provisions of the grant. All grants and contracts benefit the public and there are no exchange transactions with grantors.

Cash Contributions
Contributions, whether restricted or unrestricted, are recognized as revenue when they are received. Unconditional promises to give are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the conditions expire, whichever occurs first.

Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the cash or other assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Donations In-Kind
The value of significant contributed goods are reflected as contributions in the accompanying financial statements if an objective basis is available to measure the fair value of such goods at the date of donation. In-kind contributions, including volunteer services that meet recognition criteria prescribed by generally accepted accounting principles and other non-cash contributions are reflected as contributions and expenses at their estimated fair values when received.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Functional Allocation of Expenses

The cost of the Center's various program services, supporting activities and fundraising activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and payroll tax expenses, which are allocated on the basis of estimates of time and effort, as well as depreciation and building expenses, which are allocated on a square footage basis. Additional cost allocation criteria were:

Computer & Building:	Based or estimates of time and cost of technology utilized
Telecommunications:	Based on line counts by functional category
Office Supplies Expense:	Based on time and effort by functional category being benefitted
Vehicle Expense:	Based on mileage driven by functional category

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. MARKETABLE EQUITY SECURITIES

The Center had investments in marketable equity securities with:

Total Cost:	$28,131
Total Fair Market Value:	29,359
Excess of Fair Market Value over cost reported as an Unrealized Gain:	$ 1,227

The change in net unrealized holding Gain of $1,227 has been included in change in net assets for the year ended June 30, 2023. All of the unrealized gain recognized during the year ended June 30, 2023, are for equity securities still held at year end. The fair value of all equity securities has been measured on a recurring basis using Level 1 inputs, which are based on unadjusted quoted market prices within active markets. There have been no changes in valuation approaches or techniques and related inputs.

NOTE 3. SUPPORT, REVENUE AND OTHER RECEIVABLES

Contract receivable are stated at the amount management expects to collect from the granting agencies. The majority of the contracts receivable are due from governmental agencies with an established history of paying the amounts due. Management closely monitors outstanding balances and based on collection experience, has determined that no allowance for doubtful accounts is necessary as of June 30, 2023.

NOTE 4. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment consist of the following:

Description	Cost	Accumulated Depreciation
Land & Building	$634,579	$354,249
Building Improvements	58,394	47,018
Furniture & Equipment	206,634	91,546
	$899,606	**$492,813**

NOTE 5. INCOME TAXES

The Center is exempt from taxation under Internal Revenue Section 501(c)(3) and California Revenue and Taxation Code Section 23701(d). Accordingly, no provision for income taxes has been made in these financial statements.

An organization is required to recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. The Center has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of any audit by taxing authorities at the federal and state levels. The primary tax positions evaluated relate to the Center's continued qualification as a tax-exempt organization and whether there are related business income activities that would be taxable. Management has determined that all income tax positions will more likely than not be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

NOTE 6. INTEREST AND TAXES

For purpose of the Statement of Cash flows, the Center paid $0 in income taxes and $0 in interest expense.

NOTE 7. CONTINGENCIES

The Center has received county funds for specific purposes that are subject to review and audit by contracting agencies. Although such audits could generate expenditure disallowances under the terms of the grants or contracts, management believes that disallowed amounts, if any, will not be significant.

NOTE 8. CONCENTRATION OF CREDIT RISKS

Financial instruments which potentially subject the Center to concentration of credit risk consist of cash and cash equivalents (which is federally insured up to certain limits). The total cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. The Center has not experienced any loss in such accounts to date. The Center has cash balances on deposit with the financial institutions on June 30, 2023, that exceeded the balance insured by the FDIC.

The center receives a substantial portion of its operating funds from county government grants which are generally subject to renewal each year. These funds are deemed to be earned and reported as revenue when the Center has provided the service or incurred the expenses in accordance with the specific requirements of the grants. For the year ended June 30, 2023, the Center derived approximately 62% of its total public support and revenue from government agency contract grants. Any material reduction in the contract amounts granted would have a material adverse effect on the Center's business, results of operations and financial condition.

NOTE 9. LIQUIDITY AND AVAILABLILITY OF FINANCIAL ASSETS

The following reflects the Center's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial Assets at year-end:	
Cash and Cash Equivalent	$519,536
Investments Without Donor Restriction	29,359
Support, Revenue, and other Receivables	377,267
Financial assets available to meet cash needs for general expenditures within one year.	$926,162

NOTE 10. NEW ACCOUNTING GUIDANCE IMPLEMANTATION

Effective in the current fiscal year beginning July 1, 2022, Eastmont adopted ASU 2016.02, Leases (Topic 842). Eastmont only had short-term leases of 12 months or less, as a result, the ASU does not have an impact on the current fiscal year's financial statements.

NOTE 11. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through October 30, 2023, the date on which the financial statements were available to be issued.