Families Forward
Des Moines, Iowa

FINANCIAL REPORT

June 30, 2024

C O N T E N T S

Denman CPA LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Families Forward
Des Moines, Iowa

Opinion

We have audited the accompanying financial statements of Families Forward (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families Forward 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 of Families Forward and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Families Forward'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 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 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 Families Forward'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 Families Forward'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.

Denman CPA LLP

DENMAN CPA, LLP

West Des Moines, Iowa
November 7, 2024

Families Forward
STATEMENT OF FINANCIAL POSITION
June 30, 2024

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 545,721
Certificates of deposit	872,853
Accounts receivable	11,545
Contributions receivable	35,510
Prepaid expenses	4,224
Total current assets	1,469,853
OTHER ASSETS	
Certificates of deposit	488,977
Investments	713,337
Property and equipment, net of accumulated depreciation	1,844,930
Total other assets	3,047,244
Total assets	$ 4,517,097
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	$ 17,888
Accrued expenses	56,218
Deferred revenue	6,400
Client escrow	899
Tenant security deposits	13,050
Total current liabilities	94,455
NET ASSETS	
Net assets without donor restrictions	3,709,305
Net assets with donor restrictions	713,337
Total net assets	4,422,642
Total liabilities and net assets	$ 4,517,097

See Notes to Financial Statements.

Families Forward
STATEMENT OF ACTIVITIES
Year ended June 30, 2024

	Year ended June 30, 2024		
	Without donor restrictions	**With donor restrictions**	**Total**
REVENUES AND SUPPORT			
Contributions	$ 1,272,333	$ 500	$ 1,272,833
Contributions of nonfinancial assets	71,884		71,884
Program fees	464,782	–	464,782
Special events	114,097	–	114,097
Investment income	69,166	76,510	145,676
Net assets released from restrictions	31,550	(31,550)	–
Total revenue and support	2,023,812	45,460	2,069,272
EXPENSES			
Program services			
New Direction Shelter	499,848	–	499,848
Home Connection	362,600	–	362,600
Bidwell Pantry	473,467	–	473,467
Child Development Center	704,043	–	704,043
Supporting services			
Management and general	92,309	–	92,309
Fundraising	43,072	–	43,072
Total expenses	2,175,339	–	2,175,339
CHANGE IN NET ASSETS	(151,527)	45,460	(106,067)
NET ASSETS, beginning	3,860,832	667,877	4,528,709
NET ASSETS, ending	$ 3,709,305	$ 713,337	$ 4,422,642

See Notes to Financial Statements.

Families Forward
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2024

	Program Services					Support Services		
	New Directions Shelter	Home Connection	Bidwell Pantry	Child Development Center	Total	Management and General	Fundraising	Total
Salaries and benefits								
Salaries	$ 289,592	$ 154,480	$ 273,457	$ 450,511	$ 1,168,040	$ 53,130	$ 31,878	$ 1,253,048
Employee benefits	35,083	20,858	26,324	49,279	$ 131,544	5,523	3,314	140,381
Payroll taxes	24,583	12,857	23,167	37,812	$ 98,419	4,328	2,597	105,344
	349,258	188,195	322,948	537,602	1,398,003	62,981	37,789	1,498,773
Accounting	9,408	9,408	9,408	9,408	37,632	9,408	–	47,040
Client assistance	13,786	–	–	–	13,786	–	–	13,786
Consulting/management fee	3,430	6,247	3,977	5,364	19,018	3,050	1,830	23,898
Continuing education	517	239	76	852	1,684	34	21	1,739
Depreciation	38,062	82,066	29,200	29,826	179,154	–	–	179,154
Food supplies	–	–	16,036	30,382	46,418	–	–	46,418
Fundraising	–	–	–	–	–	–	435	435
Human resources	12,658	6,107	9,621	16,623	45,009	1,830	1,098	47,937
Information technology	2,268	1,947	7,315	6,668	18,198	362	217	18,777
Insurance	11,839	11,839	11,839	11,839	47,356	11,839	–	59,195
Maintenance	15,621	20,945	26,718	23,569	86,853	–	–	86,853
Office supplies	1,661	1,598	1,985	1,161	6,405	35	21	6,461
Other	4,151	3,765	8,215	4,704	20,835	203	121	21,159
Postage and shipping	1,503	1,607	1,337	1,335	5,782	519	311	6,612
Printing	2,877	2,918	4,842	4,798	15,435	1,009	606	17,050
Professional services	5,438	7,857	5,353	5,353	24,001	245	148	24,394
Program supplies	6,644	200	–	–	6,844	94	56	6,994
Telephone	4,658	5,558	5,087	5,087	20,390	–	–	20,390
Transportation	1,805	4,959	5,265	419	12,448	700	419	13,567
Utilities	14,264	7,145	4,245	9,053	34,707	–	–	34,707
Totals	$ 499,848	$ 362,600	$ 473,467	$ 704,043	$ 2,039,958	$ 92,309	$ 43,072	$ 2,175,339

Families Forward
STATEMENT OF CASH FLOWS
Year ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (106,067)
Adjustment to reconcile change in net assets to cash flows from operating activities	
Depreciation	179,154
Realized and unrealized (gains) on investments, net	(76,509)
Donated property and equipment	(71,884)
Changes in operating assets and liabilities	
Accounts receivable	21,795
Contributions receivable	45,773
Prepaid expenses	3,521
Accounts payable	(6,834)
Accrued expenses	1,224
Deferred revenue	(11,250)
Client escrow	(1,211)
Tenant security deposits	(750)
Net cash flows from operating activities	(23,038)
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of certificates of deposit	(800,000)
Proceeds from sale of investments	31,550
Purchase of investments	(51,249)
Purchase of property and equipment	(150,903)
Net cash flows from investment activities	(970,602)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(993,640)
CASH AND CASH EQUIVALENTS	
Beginning	1,539,361
Ending	$ 545,721
SCHEDULE OF NONCASH INVESTING ACTIVITIES	
Reinvested certificate of deposit interest	$ 50,749
Donated property and equipment	$ 71,884

See Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Families Forward (the Organization) is organized as an Iowa Nonprofit Corporation and was formed from a merger of Hawthorn Hill with Bidwell Riverside and BRC-HH on July 1, 2023. The Organization's mission is to provide compassionate, life-changing assistance to families and their path to self-sufficiency. This includes operating housing programs for homeless families with children and to provide services to assist families with children in achieving economic self-sufficiency.

Programs offered in the Des Moines, Iowa area include an emergency shelter services for homeless families with children, supportive housing, a distribution center that provides individuals and families with food, clothing, and household items and a Child Development Center which provides comprehensive education and care for children age 24 months to 5 years.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are presented on the basis of net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. All other net assets, including board-designated or appropriated amounts, are net assets without donor restrictions and are reported as part of the net assets without donor restriction class.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management of the Organization to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents include money market funds and all highly liquid investments with a maturity date of less than three months from the date of purchase. The Organization's cash balances that are maintained in bank accounts may exceed Federal Deposit Insurance Corporation limits from time to time. The Organization has not experienced any losses in such accounts and management believes that it is not exposed to any significant credit risk on cash.

Certificates of Deposit

The Organization has multiple certificates of deposit at local banks and are carried at cost, which approximates fair value. These certificates bear interest at rates from 0.50% to 5.39% and have maturity dates through October 2026.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for credit losses and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements. The Organization has recorded an allowance for credit losses of $-0-, as of June 30, 2024.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pooled Cash and Investments

Cash includes $58,549 of pooled checking and money market funds held at the Community Foundation of Greater Des Moines (Community Foundation) for the year ended June 30, 2024.

Investments consist of assets held at the Community Foundation that are carried at fair value and are reported with investments on the statements of financial position, with gains and losses resulting from market fluctuations recognized in the period in which the fluctuations occur. Investment income is reported as an increase or decrease in net assets without donor restrictions, unless the use of the assets is restricted by the donor and the restrictions have not been met in the reporting period in which the income was recognized.

Assets held by the Community Foundation under designated agency agreements consist of pooled cash held by and funds invested at the Community Foundation. The Organization holds a share of the pooled funds and not direct ownership of the underlying investments. The funds are subject to the policies and governing documents of the Community Foundation, including control over investment and asset management.

Property and Equipment and Depreciation

Property and equipment are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Contributions of cash that must be used to acquire property and equipment and assets donated with explicit restrictions regarding their use are reported as restricted support.

The Organization reports expirations of donor restrictions and reclassifies net assets with donor restrictions to net assets without donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Furniture and equipment	5-20 years
Vehicles	5 years
Building and improvements	5-39 years

Client Escrow

The Organization retains a percentage of program fees for the benefit of clients. The fees are returned to the client upon successful completion of the program.

Net Assets

The Organization's net assets and changes therein are classified and reported as follows:

Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions or law. The governing board has designated from net assets without donor restrictions, net assets for board designated reserves.

With Donor Restrictions

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Program Fees

Program fees consist of rental fees for housing leased to participants of the Home Connection program, under year long leases that then convert to month to month agreements, with set rent payments. Revenue is recognized on a straight line basis over the term of the lease.

Program fees for providing child care services reflect the consideration the Organization expects to be entitled to in exchange for providing the care. The amounts are due from the State of Iowa's Department of Human Services (DHS) and parents. Generally DHS is billed for services bi-weekly and parents are billed weekly.

Performance obligations are determined based on the nature of the services being provided. Substantially all of the Organization's revenues are recognized at a point-in-time as each unit of service is a distinct and billable event to DHS or parents and the consumers are simultaneously receiving and consuming the benefit of the service. The transaction price is determined based upon contractually agreed upon rates with DHS and stated rates for parent payments.

Public Support

Contributions are recognized as revenue when the donor makes a promise to give to the Organization which is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Unconditional contributions are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. An allowance for credit losses is provided based upon management's judgment, including such factors as prior history and nature of the contribution.

Public support that is expected to be collected within one year is recorded at its net realizable value. Public support that is expected to be collected in future years is reported at fair value using present value techniques. The discount on those amounts is computed using an interest rate applicable in the year in which the contribution was received. All grants and contributions receivable as of June 30, 2024 are anticipated to be collected in the following year and, therefore, no discount has been recorded.

Revenue from government and private grants are generally considered to be subject to conditions that must be met before the Organization is entitled to funding. The Organization recognizes revenue from grants and contracts when all material barriers have been overcome in order for the Organization to be entitled to the funding. Typically these barriers are overcome when qualifying expenditures have been incurred or defined outcomes have been achieved. Revenues from grants and contracts whose conditions have been met are recorded as grants and contributions receivable until funded by the grantor. Funding received prior to the conditions being met are recorded as refundable advances.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are recorded at their fair values in the period received. Such contributions that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Numerous volunteers have donated significant amounts of time to the Organization. The value of these services has not been recorded to the financial statements as the criteria for recognition has not been met.

Contributions of nonfinancial assets are recorded at their estimated fair value at the date of the gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expense Allocations

The allocations of expenses shown on the statement of functional expenses were made first by direct allocation to program areas from supporting documentation. Salaries and directly related costs were assigned to program areas based on time reports. Other expenses such as utility costs and building repairs and maintenance were allocated using percentages determined to be the best representation of usage. Additional allocations, where possible, were prepared using estimates determined by management.

Liquidity and Availability

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	June 30, 2024
Cash and cash equivalents	$ 545,721
Certificates of deposit	872,853
Accounts receivable	11,545
Contributions receivable	35,510
Total	$ 1,465,629

As part of the Organization's liquidity management, it has policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash in excess of immediate requirements in money market accounts and certificates of deposit. These accounts are available to draw upon in the event of an unanticipated liquidity need as of June 30, 2024.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization other than a private foundation under Section 509(a)(1).

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Management believes that the Organization is no longer subject to income tax examinations for years prior to 2022.

NOTE 2 CONTRIBUTIONS RECEIVABLE

Contributions receivable consist primarily of pledges as of the year ended June 30, 2024 and all are due within one year. The Organization has recorded an allowance for credit losses receivables of $-0- as of June 30, 2024.

NOTE 3 INVESTMENT IN ASSETS HELD AT THE COMMUNITY FOUNDATION OF GREATER DES MOINES

Investment income consisted of the following:

Interest and dividends	$ 87,351
Realized gains	19,107
Change in unrealized gains	42,927
Investment fees	(3,709)
	$ 145,676

The Organization follows the Fair Value Measurements and Disclosures Topic of the *FASB Accounting Standards Codification,* which establishes a framework for measuring fair value and expands disclosures about fair value measurement. 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. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities, Level 1, and the lowest priority to unobservable inputs, Level 3. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are generally available indirect information, such as quoted prices for identical or similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active. Level 3 inputs are the most subjective, are generally based on the management's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances. The Organization had no Level 1 or Level 2 investments at June 30, 2024.

Following is a description of the valuation methodologies used for the Organization's investments measured at fair value. There have been no changes in the methodologies used at June 30, 2024:

> *Pooled investments* – Pooled investments consist of assets held by the Community Foundation. Although the pooled funds include investments in equity, fixed income, real assets, and other marketable securities, the pool itself is not a publicly traded instrument. Management estimates the fair value of its pooled investments at the statement of financial position date based on its relative ownership investment in the pool. All funds held at the Community Foundation are measured using Level 3 inputs as provided by the Community Foundation as there is no direct ownership of the underlying investments. However, the underlying investments in the pooled funds by the Community Foundation using Level 1, Level 2, and Level 3 inputs and other investments using the net asset value.

The following tables set forth by level within the fair value hierarchy the Organization's investments at fair value as of June 30, 2024. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

June 30, 2024	Level 1	Level 2	Level 3	Total
Pooled investments	$ –	$ –	$ 713,337	$ 713,337

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the year ended June 30, 2024.

NOTE 3 INVESTMENT IN ASSETS HELD AT THE COMMUNITY FOUNDATION OF GREATER DES MOINES (continued)

Investments measured at fair value on a reoccurring basis using significant unobservable inputs (Level 3 inputs)

Pooled investments	
Beginning of year	$ 667,877
Contributions	500
Investment income (loss)	76,510
Distributions	(31,550)
End of year	$ 713,337

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Land	$ 363,510
Building and improvements	3,431,826
Furniture and equipment	236,349
Vehicles	92,828
Total at cost	4,124,513
Accumulated depreciation	(2,279,583)
Total property and equipment	$ 1,844,930

NOTE 5 ENDOWMENT FUNDS

The Organization's endowment consists primarily of investments of donor-restricted assets held in perpetuity to provide long term income for maintenance of the Organization.

Absent explicit donor stipulations to the contrary, the Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) original value of the gifts donated to the endowment, (b) original value of subsequent gifts to the endowment, and (c) to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with the standard of prudence prescribed by UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the various funds
(2) The purposes of the donor-restricted endowment funds
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The Organization's investment policies

NOTE 5 ENDOWMENT FUNDS (continued)

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. Those policies attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return. The Organization expects its endowment assets, over time, to produce an average rate of return of approximately 5.2% to 8.2% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund, investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Spending Policy – Donor-restricted endowment. The Organization has a policy of appropriating for distribution up to 5% of the endowment's value at December 31 of the prior year for operating expenses. Net income in excess of distributions, administrative fees, and direct expenses are to remain in the fund. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment funds to grow at an average rate of 1-2% above inflation annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets and net assets by type of fund were as follows:

Net assets with donor restrictions, beginning of year	$ 667,877
Contributions	500
Investment income	76,510
Distributions	(31,550)
Net assets with donor restrictions, end of year	$ 713,337

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows:

Endowment funds for non-recurring expenditures	$ 597,000
Accumulated investment gains	116,337
Total funds	713,337

NOTE 7 NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board of Directors has designated funds to support the Organization's general charitable activities and projects otherwise not budgeted and provided for by the operating funds. The principal may be distributed to the operating funds of the Organization upon the approval of the majority of the Board of Directors at a meeting where a quorum is present. The income shall be distributed annually to the operating funds at the direction of the Board of Directors.

The funds are held in certificates of deposit with a balance of $1,361,830 at June 30, 2024.

NOTE 8 RETIREMENT PLAN

The Organization has a defined contribution retirement plan which covers employees who have met specific eligibility requirements. Under the plan, the Organization is required to match employee contributions equal to a maximum of 3% of covered employee compensation. Total retirement plan cost was $22,592 for the year ended June 30, 2024.

NOTE 9 CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Organization received $71,884 of property and equipment during the year ended June 30, 2024. The Organization recognizes contributions of nonfinancial assets within revenue. In valuating equipment, the Organization estimates fair value at the date of donation.

All donated assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restricted associated with the donated assets.

NOTE 10 MERGER

On July 1, 2023, Hawthorn Hill merged with Bidwell Riverside and BRC-HH, a nonprofit entity whose sole existence was based on the previous interrelationships between Bidwell Riverside Center and Hawthorn Hill. Hawthorn Hill was the surviving entity and there was no consideration for these mergers. Effective, July 1, 2023, the combined Organization became known as Families Forward.

The primary reason for the merger was due to the fact that there was already a large amount of shared activities between the entities, with staff time being allocated between both entities. A summary of the balance sheet composition of the entities as of July 1, 2023, is as follows:

	Bidwell Riverside Center	Hawthorn Hill	BRC-HH	Total
Assets	$ 2,354,765	$ 2,287,220	$ –	$4,641,985
Liabilities	$ 50,422	$ 62,857	$ –	$ 113,279
Net Assets without donor restriction	$ 1,643,297	$ 2,217,915	$ –	$3,861,212
Net asset with donor restriction	$ 661,046	$ 6,448	$ –	$ 667,494

NOTE 11 CONCENTRATIONS AND CONTINGENCIES

The Organization is committed under various grants and agreements to restrict, for varying periods of time, the availability of certain properties to housing or similar restrictive uses. In the event of default, funds received under the grants or agreements may be repayable to the granting organizations. Further, in the event of the sale of the properties, all or a portion of the proceeds of the sale may be repayable to the granting Organizations. The amount of repayments under the grants and agreements has not been determined.

NOTE 12 SUBSEQUENT EVENTS

The Organization has evaluated events and transactions occurring through November 7, 2024 the date the financial statements were available to be issued. There were no other subsequent events to be accrued or disclosed.