Beyond Emancipation

Financial Statements
and Supplementary Information
and Other Audit Report

June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Beyond Emancipation
Oakland, California

Opinion

We have audited the accompanying financial statements of Beyond Emancipation ("B:E"), which comprise the statement of financial position as of June 30, 2023, 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 Beyond Emancipation as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Beyond Emancipation 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, B:E has adopted Financial Accounting Standards Board Topic 842, *Leases*. Our opinion is not modified with respect to that matter.

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, 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 Beyond Emancipation'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 and *Government 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, including omissions, 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 and *Government 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 Beyond Emancipation'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 Beyond Emancipation'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on page 19 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024, on our consideration of B:E's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of B:E's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering B:E's internal control over financial reporting and compliance.

Armanino LLP

Armanino LLP
San Francisco, California

May 29, 2024

Beyond Emancipation
Statement of Financial Position
June 30, 2023

ASSETS

Current assets		
Cash and cash equivalents	$	2,091,649
Contracts receivable		463,415
Grants and contributions receivable		132,500
Prepaid expenses and other assets		64,984
Total current assets		2,752,548
Noncurrent assets		
Property and equipment, net		20,811
Deposits		5,450
Operating lease right-of-use-asset		42,504
Total noncurrent assets		68,765
Total assets	$	2,821,313

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable and accrued expenses	$	45,393
Accrued payroll, taxes and benefits		101,608
Custodial funds		23,796
Operating lease liability		45,776
Total current liabilities		216,573
Net assets		
Without donor restrictions		
Unrestricted		1,473,011
Board designated		725,000
Total without donor restrictions		2,198,011
With donor restrictions		406,729
Total net assets		2,604,740
Total liabilities and net assets	$	2,821,313

Beyond Emancipation
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Contract revenue	$ 2,665,877	$ -	$ 2,665,877
Grants and contributions	784,524	301,800	1,086,324
In-kind contributions	121,894	-	121,894
Other income	6,214	-	6,214
Net assets released from restrictions	742,149	(742,149)	-
Total revenues and support	4,320,658	(440,349)	3,880,309
Functional expenses			
Program services			
Housing program	1,058,182	-	1,058,182
Education and career support	589,805	-	589,805
Life skills	1,270,012	-	1,270,012
Total program services	2,917,999	-	2,917,999
Support services			
Management and general	725,426	-	725,426
Fundraising	379,677	-	379,677
Total support services	1,105,103	-	1,105,103
Total functional expenses	4,023,102	-	4,023,102
Change in net assets	297,556	(440,349)	(142,793)
Net assets, beginning of year	1,900,455	847,078	2,747,533
Net assets, end of year	$ 2,198,011	$ 406,729	$ 2,604,740

The accompanying notes are an integral part of these financial statements.

Beyond Emancipation
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services				Support Services			
	Housing Program	Education and Career Support	Life Skills	Total Program Services	Management and General	Fundraising	Common Facility Costs	Total
Personnel expenses								
Salaries and Wages	$ 380,457	$ 300,940	$ 673,692	$ 1,355,089	$ 279,239	$ 261,175	$ 273,489	$ 2,168,992
Payroll taxes	31,278	24,852	55,971	112,101	23,049	20,364	24,327	179,841
Employee benefits	44,657	34,564	83,195	162,416	78,935	29,561	23,571	294,483
Workers compensation	7,689	5,857	13,957	27,503	5,903	6,277	5,910	45,593
Total personnel expenses	464,081	366,213	826,815	1,657,109	387,126	317,377	327,297	2,688,909
Professional fees	80,118	11,740	61,791	153,649	197,125	5,576	125,281	481,631
Direct assistance to clients	185,993	61,216	38,304	285,513	-	4,023	9,855	299,391
Occupancy	106,492	-	100	106,592	-	-	162,491	269,083
Telephone	14,781	2,563	6,939	24,283	11,936	4,986	53,803	95,008
Office supplies, copying and printing	12,983	2,906	1,110	16,999	5,805	9,863	16,411	49,078
Miscellaneous	-	-	-	-	-	-	36,259	36,259
Travel	3,451	1,924	434	5,809	19	28	118	5,974
Conference and meetings	2,445	1,101	2,047	5,593	5,474	2,752	6,128	19,947
Training and development	7,500	1,417	9,500	18,417	4,614	554	2,115	25,700
Equipment rental and maintenance	-	-	-	-	-	-	7,359	7,359
Depreciation and amortization	-	-	-	-	-	-	10,043	10,043
Dues and subscriptions	341	-	-	341	1,757	793	58	2,949
Bank charges and other fees	-	-	-	-	6,160	552	-	6,712
Expendable equipment	-	-	-	-	22,328	-	-	22,328
Bad debt expense	2,728	-	-	2,728	3	-	-	2,731
Facility cost allocation	48,260	38,312	85,848	172,420	83,079	33,173	(288,672)	-
Program supervision and evaluation allocation	119,535	94,892	220,273	434,700	-	-	(434,700)	-
Coaching allocation	9,474	7,521	16,851	33,846	-	-	(33,846)	-
Total expenses	1,058,182	589,805	1,270,012	2,917,999	725,426	379,677	-	4,023,102
Total expenses included in expense section on the statement of activities	$ 1,058,182	$ 589,805	$ 1,270,012	$ 2,917,999	$ 725,426	$ 379,677	$ -	$ 4,023,102

Beyond Emancipation
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities	
Change in net assets	$ (142,793)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	10,043
Amortization of operating lease right-of-use-asset	55,189
Changes in operating assets and liabilities	
Contracts receivable	85,090
Grants and contributions receivable	430,000
Other receivables	8,775
Prepaid expenses and other assets	(3,289)
Deposits	12,859
Accounts payable and accrued expenses	17,284
Accrued payroll, taxes and benefits	11,054
Custodial funds	2,044
Operating lease liability	(58,206)
Net cash provided by operating activities	428,050
Cash flows from investing activities	
Purchase of property and equipment	(13,844)
Net cash used in investing activities	(13,844)
Net increase in cash	414,206
Cash and cash equivalents, beginning of year	1,677,443
Cash and cash equivalents, end of year	$ 2,091,649

Supplemental schedule of noncash investing and financing activities

Right-of-use-asset obtained in exchange for lease liability	$ 97,693

The accompanying notes are an integral part of these financial statements.

Beyond Emancipation
Notes to Financial Statements
June 30, 2023

1. NATURE OF OPERATIONS

Beyond Emancipation ("B:E") is a nonprofit corporation located in Oakland, California. B:E provides a transformational environment for transition-aged youth who have experience in foster care and/or probation placements so that they can live more healthy, productive and connected lives. B:E serves 500 youth ages 14-26 each year in Alameda County. Without assistance, as they transition into adulthood, these young people face extremely high rates of poverty, unemployment, homelessness, and incarceration.

All of B:E's services are rooted in a coaching model: Creative, Connected, Resourceful and Whole. The coaching model is built on the premise that youth need to identify, access and cultivate their own strengths, voice and values, if they are to achieve enduring success in school, the workplace and housing. By doing so, youth are able to uncover competing beliefs and challenge the behaviors that may interfere with their ability to identify and realize their aspirations. With coaching, young people move from being program supported to internally motivated and develop the inner resiliency, sense of competence and external support networks key to long term success.

B:E's core programs include:

Housing program: B:E specializes in transitional housing. B:E's THP+ programs provide housing and supportive services for up to 36 months from emancipated youth ages 18-23, including pregnant and parenting moms and their children. B:E also provides THP+NMD transitional housing for non-minor dependents ages 18-21 and their children, who are still in care. B:E operates three transitional housing models: community housing provides on-site supportive services in a peer community setting; host housing places youth with a host family to promote connectivity and supportive relationships; and B:E administers and supports youth in a housing voucher program.

Education and career support: B:E supports youth ages 14-26 to complete high school, secure their diploma or obtain a GED and actively supports youth on multiple postsecondary pathways including 2 and 4-year degree programs, and vocational and career and technical education. B:E's b2b program is a comprehensive college support and retention program offered in partnership with local colleges. B:E's career services support youth ages 14-24 to explore employment options and to seek and maintain employment.

Life skills: The program is designed to work with youth ages 14-21, who are still in foster care, to help them build the skills and support needed to ensure a successful transition from the foster care system to adulthood. Program components include 1:1 and group activities that emphasize high school completion, college readiness, career exploration, financial literacy, health and wellness, identity formation and building community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of B:E have been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to non-profit organizations. Accordingly, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

- *Net assets without donor restrictions* - net assets not subject to donor-imposed stipulations. The Board of Directors has designated $725,000 of the net assets without donor restrictions for operating reserves. The amounts designated are not available for B:E's operations without Board of Directors' approval.
- *Net assets with donor restrictions* - net assets subject to donor-imposed stipulations that may or will be met, either by actions of B:E and/or the passage of time. When a restriction expires, net assets with restriction are reclassified to net assets without restriction and reported in the statement of activities as net assets released from restriction. Net assets with donor restrictions also includes those net required to be held in perpetuity according to donor direction. There were no net assets required to be held in perpetuity at June 30, 2023.

Change in accounting principle

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

B:E adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 through a cumulative effect adjustment, with certain practical expedients available.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

As a result of the adoption of the new lease accounting guidance, B:E recognized on July 1, 2022, an initial lease liability of $103,982 which represents the present value of the remaining operating lease payments of $106,478 discounted using a risk free rate of 2.84%, and a right-of-use asset of $97,693, which represents the lease liability of $103,982 reduced by the deferred rent liability of $6,289 as of July 1, 2022.

The standard had a material impact to B:E's statement of financial position as of June 30, 2023, but did not have a material impact on B:E's statement of activities, nor statement of cash flows for the year then ended. The most significant impact was the recognition of the ROU asset and lease liability for operating leases on the statement of financial position as of June 30, 2023.

Cash and cash equivalents

B:E considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash equivalents held by B:E as of June 30, 2023 consisted of a money market account. B:E places its cash with high credit quality institutions. Periodically, such balances may be in excess of federally insured limits.

Contracts receivable

Contracts receivable include various third party payment arrangements that are stated at the amount management expects to collect. B:E provides for losses on contracts receivable using the allowance method. At June 30, 2023, there was no allowance for doubtful accounts as all contract receivable balances are expected to be collected.

Grants and contributions receivable

Grants and contributions receivable include unconditional commitments from various foundations and individuals that are recorded at the net realizable value of the amount expected to be collected by management, less an allowance for doubtful pledges. Grants and contributions receivable beyond one year are discounted to the present value of expected future cash flow using a risk-based discount rate. The accompanying financial statements do not provide for an allowance for doubtful pledges or discount to net realizable value at June 30, 2023, as management believes it will collect all grants and contributions receivable and as all amounts are due within one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated goods and services

B:E recognizes the value of donated goods and free use of facilities at fair value. B:E recognizes the fair value of donated services if the services received (a) create or enhance non-financial assets or (b) require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the year ended June 30, 2023, donated goods and free use of facilities recognized in the statement of activities amounted to $121,894.

Property and equipment

Property and equipment with useful lives greater than one year and a cost basis of $2,500 or more are capitalized and recorded at cost, if purchased, or fair value, if donated. Depreciation is provided over the estimated useful lives of respective assets, normally 3 to 5 years using the straight-line method of depreciation. Leasehold improvements are amortized over the lesser of the estimated useful lives or the remaining term of the lease. Repairs and maintenance are charged to expenses as incurred. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

Leases

B:E leases office space under an operating lease. B:E determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and operating lease liabilities on the statement of financial position. Finance leases are included in property and equipment and other liabilities on the statement of financial position. B:E does not have any finance leases.

ROU assets represent B:E's right to use an underlying asset for the lease term and lease liabilities represent B:E's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As B:E's lease does not provide an implicit rate, B:E uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

B:E's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

B:E has elected not to recognize right-of-use assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise. B:E has several short-term leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Grants and contributions

Grants and contributions received are classified depending upon donor restrictions, if any. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, which is when the donor-imposed barriers have been overcome and there is no longer a right of return or release.

Contract Revenue

A portion of B:E's revenue is derived from cost-reimbursable federal, state, and county contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when B:E has incurred expenditures in compliance with specific contract or grant provisions. B:E has elected a simultaneous release option to account for these grants and thus are recorded as government grants without donor restriction upon satisfaction of the barriers. B:E has been awarded cost-reimbursable grants of approximately $3,600,000 that have not been recognized at June 30, 2023 because qualifying expenditures have not yet been incurred and barriers have not been overcome. Amounts received prior to incurring qualifying expenditures are reported as a deferred revenue.

Functional allocation of expenses

The costs of providing the various program and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Direct identification of specific expenses is B:E's preferred method of charging expenses to various functions. B:E has a number of expenses which related to more than one program or supporting activity, or to a combination of programs and supporting activities. Salaries and employee benefits are allocated to programs and supporting activities based on employees' actual time spent in each activity. Management determined that the program evaluation and supervision has benefited only program activities so these costs have been allocated only to programs. Coaching and shared facilities and IT costs benefited all activities, and therefore, costs were allocated to relevant activities based on the direct costs of each.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status

B:E is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, B:E 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. Management believes that all activities during the year ended June 30, 2023 were related to B:E's exempt purpose and therefore did not incur any unrelated business income or related taxes.

U.S. GAAP requires 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 B:E 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 B:E's tax returns will not be challenged by the taxing authorities and that B:E will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, B:E's tax returns remain open for federal income tax examinations for three years from the date of filing.

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

Furniture and fixtures	$ 25,190
Computer equipment	32,254
Leasehold improvements	18,000
	75,444
Accumulated depreciation and amortization	(54,633)
	$ 20,811

Depreciation and amortization expense for the year ended June 30, 2023 amounted to $10,043.

4. LINE OF CREDIT

B:E has a line of credit in the amount of $200,000 with a financial institution, which bears interest at a floating rate of 1.5% above the prime rate (9.75% at June 30, 2023). The line held a maturity date of November 1, 2023 but was renewed in November 2023 to extend the maturity date to November 1, 2024. There was no amount outstanding on the line of credit as of June 30, 2023.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Restricted for a specific purpose	
Education and career support	$ 348,777
Transitions support, mental health and workforce development	37,952
	386,729
Subject to passage of time	20,000
	$ 406,729

Net assets with donor restrictions released from restriction during the year were as follows:

Education and career support	$ 287,746
Transitions support, mental health and workforce development	259,403
Housing support	80,000
Client assistance	30,000
Tax support	10,000
	667,149
Subject to passage of time	75,000
	$ 742,149

6. RETIREMENT BENEFITS

B:E has established a 403(b) defined contribution plan. At the discretion of the Board of Directors, a matching contribution is provided every year of up to 3% of employee compensation. B:E's contribution to the plan for the year ended June 30, 2023 was $34,252.

7. LEASES

B:E leases office space under a non-cancelable operating lease agreement expiring in March 2024. The lease calls for monthly payments of varying amounts up to $5,134 for the office lease. At June 30, 2023 the operating lease ROU asset and operating liability amounted to $42,504 and $45,776, respectively.

7. LEASES (continued)

Additional information related to leases under ASC 842 is as follows:

Operating lease cost	$	57,251
Operating cash flows from operating lease		60,267
ROU asset obtained in exchange for lease liability		97,693
Weighted-average remaining lease term		1
Weighted-average discount rate	$	3

Future minimum lease payments under non-cancelable operating leases as of June 30, 2023 are as follows:

Year ending June 30,		
2024	$	46,210
		46,210
Less: imputed interest		(434)
	$	45,776

In addition, B:E leases various facilities and equipment under month to month operating lease agreements.

Rent expense amounted to $131,776 for the year ended June 30, 2023.

8. CONCENTRATIONS, RISKS AND UNCERTAINTIES

At June 30, 2023, 92% of contracts receivable was due from one grantor and 97% of contract revenue was derived from two grantors.

At June 30, 2023, 100% of grants and contributions receivable was due from two donors.

9. IN-KIND CONTRIBUTIONS

In-kind contribution consisted of the following:

In-kind rent	$	104,989
Clothing, electronics and sundries		11,286
Other		5,619
	$	121,894

9. IN-KIND CONTRIBUTIONS (continued)

In-kind contributions valuation techniques

In-kind rent is valued at the estimated fair market value based on current market rates. Clothing, electronics and sundries and other in-kind contributions are valued at the estimated wholesale value that would be received for selling similar products in the United States.

Donor restrictions and in-kind rent use

The in-kind contributions received during the year ended June 30, 2023 included no donor restrictions. The donated office space is used for B:E's general operations. Clothing, electronics, sundries and other were fully utilized by B:E's housing, educational support and life skills programs.

10. LIQUIDITY AND FUNDS AVAILABLE

As part of B:E's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To meet liquidity needs, B:E has cash and cash equivalents, contracts receivable, and grants and contributions receivable available.

The following is a quantitative disclosure which describes assets that are available within one year of June 30, 2023 to fund general expenditures and other obligations as they become due:

Financial assets	
Cash and cash equivalents	$ 2,091,649
Contracts receivable	463,415
Grants and contributions receivable	132,500
	2,687,564
Less: amount unavailable for general expenditures within one year, due to:	
Net assets with donor purpose restrictions	(406,729)
Board designated net assets	(725,000)
	(1,131,729)
	$ 1,555,835

B:E has financial assets available at June 30, 2023 to cover approximately 125 days of operating expenses based on the fiscal year 2024 budget. The fiscal year 2024 budget includes operating expenses that will be covered with donor restricted funds as the restrictions are met.

In the event of an unanticipated liquidity need, B:E may draw upon its $200,000 available line of credit. See Note 4 for details on the line of credit.

11. SUBSEQUENT EVENTS

B:E has evaluated subsequent events through May 29, 2024, the date the financial statements were available to be issued. No subsequent events have occurred, other than that described below, which would have a material impact on the presentation of B:E's financial statements.

In November 2023, B:E renewed its line of credit agreement, extending the maturity date from November 1, 2023 to November 1, 2024.

SUPPLEMENTARY INFORMATION

Beyond Emancipation
Schedule of Alameda County Programs
Period of July 1, 2021 through June 30, 2023

List of County Programs					During County Audit Period (7/1/22-6/30/23)	
Program Name & CFDA # (if applicable)	County Dept. (ex. BHCS, HCSA, PHSVC)	Master & Procurement Contract Number(s) MC-PO#	Contract Period (begin & end date) (mm/dd/yy)	Contract Amount (amount awarded to CBO)	Expenditures (amount spent by CBO)	Amount Received from County
Independent Living Program CFDA # 93.674	Children & Family Services	MC 900183 PO 18002	4/01/21 - 03/31/24	$ 4,648,616	$ 1,736,487	$ 1,738,218
Independent Living Program CFDA # 93.658	Children & Family Services	MC 901944 PO 18694	03/01/22 - 09/30/25	685,500	171,217	144,687
Transitional Housing Program	Children & Family Services	MC 901944 PO 18999	01/01/23 - 12/31/25	2,535,840	375,550	313,629
					$ 2,283,254	$ 2,196,534

OTHER AUDIT REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Beyond Emancipation
Oakland, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Beyond Emancipation ("B:E"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated May 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered B:E's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of B:E's internal control. Accordingly, we do not express an opinion on the effectiveness of B:E's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether B:E's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of B:E's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering B:E's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Armanino LLP

Armanino LLP
San Francisco, California

May 29, 2024