



**GROWING INLAND
ACHIEVEMENT, INC.**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2023 and 2022




GROWING INLAND ACHIEVEMENT, INC.
TABLE OF CONTENTS


	PAGE
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses.	7
Statements of Cash Flows	9
Notes to Financial Statements	10



 3880 Lemon St., Ste. 300
Riverside, CA 92501

 P.O. Box 1529
Riverside, CA 92502-1529

 951-241-7800

 www.eadiepaynellp.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Growing Inland Achievement, Inc.
Yucaipa, California

Opinion

We have audited the financial statements of Growing Inland Achievement, Inc., which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Growing Inland Achievement, Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Growing Inland Achievement, Inc. 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.

2022 Financial Statements Restated

As discussed in Note 8 to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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 Growing Inland Achievement, Inc.'s ability to continue as a going concern for 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Growing Inland Achievement, Inc.'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 Growing Inland Achievement, Inc.'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.

Eadie and Payne, LLP

Riverside, California
April 10, 2024

GROWING INLAND ACHIEVEMENT, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	<u>2023</u>	<u>Restated 2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,535,238	\$ 3,609,250
Contributions receivable	<u>6,009,814</u>	<u>8,125,300</u>
Total Assets	<u>\$ 9,545,052</u>	<u>\$ 11,734,550</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 74,024	\$ 20,639
Accrued expenses	125,757	117,698
Deferred contributions	<u>443,000</u>	<u>843,000</u>
Total Liabilities	<u>642,781</u>	<u>981,337</u>
NET ASSETS		
Without donor restrictions	1,230,797	709,254
With donor restrictions	<u>7,671,474</u>	<u>10,043,959</u>
Total Net Assets	<u>8,902,271</u>	<u>10,753,213</u>
Total Liabilities And Net Assets	<u>\$ 9,545,052</u>	<u>\$ 11,734,550</u>

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

GROWING INLAND ACHIEVEMENT, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 10,947	\$ 854,556	\$ 865,503
Interest and dividends	291,210	-	291,210
Net assets released from restriction	<u>3,227,041</u>	<u>(3,227,041)</u>	<u>-</u>
Total Revenues and Other Support	<u>3,529,198</u>	<u>(2,372,485)</u>	<u>1,156,713</u>
EXPENSES			
Program Services	2,635,301	-	2,635,301
Supporting Services			
Management and general	<u>372,354</u>	<u>-</u>	<u>372,354</u>
Total Expenses	<u>3,007,655</u>	<u>-</u>	<u>3,007,655</u>
Change in Net Assets	<u>521,543</u>	<u>(2,372,485)</u>	<u>(1,850,942)</u>
Net Assets, Beginning of Year	<u>709,254</u>	<u>10,043,959</u>	<u>10,753,213</u>
Net Assets, End of Year	<u>\$ 1,230,797</u>	<u>\$ 7,671,474</u>	<u>\$ 8,902,271</u>

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

GROWING INLAND ACHIEVEMENT, INC.
STATEMENTS OF ACTIVITIES (Continued)
For the Year Ended December 31, 2022

		Restated	
	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 1,617,446	\$ 10,862,503	\$ 12,479,949
Interest and dividends	5,173	-	5,173
Net assets released from restriction	1,171,338	(1,171,338)	-
Total Revenues and Other Support	<u>2,793,957</u>	<u>9,691,165</u>	<u>12,485,122</u>
EXPENSES			
Program Services	2,232,015	-	2,232,015
Supporting Services			
Management and general	241,852	-	241,852
Total Expenses	<u>2,473,867</u>	<u>-</u>	<u>2,473,867</u>
Change in Net Assets	<u>320,090</u>	<u>9,691,165</u>	<u>10,011,255</u>
Net Assets, Beginning of Year	<u>389,164</u>	<u>352,794</u>	<u>741,958</u>
Net Assets, End of Year	<u>\$ 709,254</u>	<u>\$ 10,043,959</u>	<u>\$ 10,753,213</u>

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

GROWING INLAND ACHIEVEMENT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program Services	Management and General	Total
Salaries and wages	\$ 1,108,286	\$ 122,196	\$ 1,230,482
Payroll taxes and benefits	170,193	25,063	195,256
	<u>1,278,479</u>	<u>147,259</u>	<u>1,425,738</u>
Contractors	797,643	-	797,643
Charitable contributions and sponsorship	377,458	-	377,458
Professional development	10,084	3,490	13,574
Professional fees	-	55,434	55,434
Occupancy	-	3,021	3,021
Dues and subscriptions	-	27,381	27,381
Insurance	-	7,526	7,526
Meals and entertainment	22,551	9,834	32,385
Travel	35,300	12,043	47,343
Workers compensation	6,721	486	7,207
Postage and shipping	28	484	512
Payroll processing fees	28,956	4,513	33,469
Recruitment	-	73,107	73,107
Advertising	69,421	13,468	82,889
Supplies	8,660	13,427	22,087
Miscellaneous expenses	-	881	881
Total Expenses	<u>\$ 2,635,301</u>	<u>\$ 372,354</u>	<u>\$ 3,007,655</u>

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

GROWING INLAND ACHIEVEMENT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES (Continued)
For the Year Ended December 31, 2022

		Restated	
	Program Services	Management and General	Total
Salaries and wages	\$ 979,966	\$ 122,994	\$ 1,102,960
Payroll taxes and benefits	138,198	18,631	156,829
	<u>1,118,164</u>	<u>141,625</u>	<u>1,259,789</u>
Contractors	829,329	-	829,329
Charitable contributions and sponsorship	189,600	-	189,600
Professional development	920	150	1,070
Professional fees	-	40,143	40,143
Occupancy	53	8,015	8,068
Dues and subscriptions	-	13,261	13,261
Insurance	-	3,208	3,208
Meals and entertainment	14,786	4,124	18,910
Travel	25,041	5,035	30,076
Workers compensation	5,406	610	6,016
Postage and shipping	-	236	236
Payroll processing fees	23,454	4,600	28,054
Recuitment	-	758	758
Advertising	24,362	4,249	28,611
Supplies	900	15,590	16,490
Miscellaneous expenses	-	248	248
Total Expenses	<u>\$ 2,232,015</u>	<u>\$ 241,852</u>	<u>\$ 2,473,867</u>

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

GROWING INLAND ACHIEVEMENT, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2023 and 2022

	<u>2023</u>	<u>Restated 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,850,942)	\$ 10,011,255
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
(Increase) Decrease in Operating Assets		
Contributions receivable, net of discount	2,115,486	(7,885,354)
Increase (Decrease) in Operating Liabilities		
Accounts payable	53,385	5,607
Accrued expenses	8,059	28,378
Deferred revenue	<u>(400,000)</u>	<u>(1,020,603)</u>
Net Cash Provided by Operating Activities	<u>(74,012)</u>	<u>1,139,283</u>
Net Increase in Cash and Cash Equivalents	(74,012)	1,139,283
Beginning Cash and Cash Equivalents	<u>3,609,250</u>	<u>2,469,967</u>
Ending Cash and Cash Equivalents	<u><u>\$ 3,535,238</u></u>	<u><u>\$ 3,609,250</u></u>

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

GROWING INLAND ACHIEVEMENT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

1. NATURE OF ACTIVITIES

Growing Inland Achievement, Inc. (GIA) is a not-for-profit organization that was organized in April 2020 under the laws of the State of California. GIA is a regional, collective impact organization that works to achieve educational and economic equity in the Inland Empire. GIA accomplishes this by serving as a collective impact (backbone) organization that supports a cross-sector network of education, government, not-for-profit, and business institutions in the Inland Empire who are all collectively working towards a shared vision of educational and economic success. GIA researches issues and opportunities, resources innovations and solutions, and connects diverse stakeholders across the two-county region of the Inland Empire. GIA's vision is that by 2035, San Bernardino and Riverside Counties will be widely recognized for their educated workforce, thriving communities, and vibrant economy that creates prosperity for all. Everyone who lives, works, studies, and conducts business in the Inland Empire plays a critical role in achieving GIA's vision.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Not-for-profit organizations are required to report information regarding financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of GIA. These net assets may be used at the discretion of GIA's management and Board of Directors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of GIA or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

GROWING INLAND ACHIEVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Measure of Operations

The statements of activities report all changes in net assets. Operating activities consist of those items attributable to GIA's ongoing program services and interest and dividends earned on investments.

C. Cash and Cash Equivalents

For purposes of the statement of financial position and the statement of cash flows, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased.

D. Contribution Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

E. Contributions

Contributions are recognized in the period received as assets, decreases of liabilities, or expenses depending on the form of benefit received, or if conditional, when the barriers are overcome. Unconditional contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Contributions restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restriction are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

GROWING INLAND ACHIEVEMENT, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. **Deferred Contributions**

Deferred contributions include grants and awards that have been received but have not overcome barriers for recognition.

G. **Functional Expenses**

The costs of providing the various programs and other activities are shown on a functional basis in the statements of activities. Expenses that can be identified with a specific program or support service are charged directly to that program or service. Certain expenses have been allocated among the programs and supporting services benefited.

Expenses that are allocated include the following:

	<u>Method of Allocation</u>
Salaries and wages	Time and effort
Payroll taxes and benefits	Time and effort
Contractors	Time and effort

H. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual events and results could differ from those assumptions and estimates.

I. **Income Taxes**

GIA is exempt from federal and State income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Tax Code. Consequently, the accompanying financial statements do not reflect any provision for income taxes. Contributions to GIA are deductible for tax purposes under Section 170(c)(2) of the IRC. GIA is not a private foundation.

J. **Advertising**

Advertising costs are expensed as incurred. The total amount of advertising and marketing expenses for the years ended December 31, 2023 and 2022 was \$69,421 and \$24,362.

GROWING INLAND ACHIEVEMENT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

3. AVAILABILITY AND LIQUIDITY

The following represents GIA's financial assets available to meet general expenditures over the next twelve months:

	2023	Restated 2022
Financial assets at year end:		
Cash and cash equivalents	\$ 3,535,238	\$ 3,609,250
Contributions receivable	6,009,814	8,125,300
Total financial assets	9,545,052	11,734,550
Less amounts not available to be used within one year:		
Net assets with donor restrictions	7,671,474	10,043,959
Less net assets with purpose restrictions to be met in less than a year	(2,447,631)	(2,994,517)
	5,223,843	7,049,442
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,321,209</u>	<u>\$ 4,685,108</u>

As part of GIA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. GIA invests cash in excess of daily requirements in short-term investments. The Board has the right to change that designation at any time.

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows as of December 31, 2023 and 2022:

	2023	Restated 2022
Contributions receivable expected to be collected in:		
Less than 1 year	\$ 2,563,421	\$ 2,674,325
1 - 5 years	3,766,663	6,001,417
Gross contributions receivable	\$ 6,330,084	\$ 8,675,742
Less: Unamortized discount for time value of money	320,270	550,442
Net contributions receivable	<u>\$ 6,009,814</u>	<u>\$ 8,125,300</u>

The preceding contributions receivable contains a grant from the Bill and Melinda Gates Foundation to provide support to intermediaries and their institutional networks to achieve better outcomes for Black, Latino, and Indigenous students, and students from low-income backgrounds.

GROWING INLAND ACHIEVEMENT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

4. CONTRIBUTIONS RECEIVABLE (Continued)

The grant which was effective in August 2022 amounts to \$9.676 million receivable over four years. Funding provided will be used for the period of August 2022 to September 2026. The risk-free discount rate used at the inception of the grant agreement was 2.98%. The gross contributions receivable related to this grant as of December 31, 2023 and 2022 is \$6,001,448 and \$7,723,849, respectively.

5. RETIREMENT PLAN

GIA currently offers a Safe Harbor Basic Match defined contribution-profit sharing plan, with code section 401(k) salary deferral feature. The match formula is a 100% match of employee deferrals up to the first 3% of compensation and 50% of the next 2% of compensation per pay period. The GIA's employer contribution match for the years ended December 31, 2023 and 2022 are \$80,806 and \$37,609, respectively.

6. DEFERRED CONTRIBUTIONS

Deferred contributions as of December 31, 2023 and 2022 consisted of College Futures Foundation Grant of \$443,000 and \$843,000, respectively.

7. NET ASSETS

Net assets with donor restrictions were as follows as of December 31, 2023 and 2022.

	2023	Restated 2022
Subject to expenditure for specified purpose:		
Bank of America Grant	\$ 57,543	\$ 87,993
Kresge Grant	-	200,000
ECMC Grant	206,615	332,149
IE College Corps Regional Collaboration Grant	107,702	182,939
Cash for College	-	94,043
Bill & Melinda Gates Foundation Grant	7,279,614	9,092,144
Innovation in Higher Education Award	-	15,000
Foundation for California Community Colleges Grant	-	39,691
CO-CPI-GIA	20,000	-
TOTAL	\$ 7,671,474	\$ 10,043,959

GROWING INLAND ACHIEVEMENT, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

8. RISKS AND UNCERTAINTIES

Concentrations

GIA maintains its cash balances in financial institutions. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times, there were balances in the bank that were over the FDIC limit. At December 31, 2023 and 2022, the uninsured cash balance was \$1,048,365 and \$934,368, respectively. GIA has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

9. RESTATEMENT OF 2022 FINANCIAL STATEMENTS

GIA has restated the previously issued 2022 financial statements for a correction of error related to contributions receivable and restricted revenues for the year ended December 31, 2022. The Bill and Melinda Gates Foundation grant was treated as a conditional grant in 2022, when it should have been recognized as an unconditional grant with donor restrictions.

The error has been corrected by restating the financial statements line items for 2022. The following table summarizes the impact on the year ended December 31, 2022.

	Previously Stated	Restated
Contribution receivable	\$ 401,420	\$ 8,125,300
Revenue	4,756,069	12,479,949
Net Assets with Donor Restrictions	3,138,623	10,043,959

10. RECLASSIFICATION

Certain prior period financial information has been reclassified to conform with the current period presentation. These reclassifications had no effect on the reported results of operations.

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 10, 2024, the date the financial statements were available to be issued. No events occurred through this date requiring disclosure.