

NICHOLAS HOUSE, INC.

FINANCIAL REPORT

AUGUST 31, 2022

NICHOLAS HOUSE, INC.

FINANCIAL REPORT AUGUST 31, 2022

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Nicholas House, Inc.**

Opinion

We have audited the accompanying financial statements of **Nicholas House, Inc.** which comprise the statement of financial position as of August 31, 2022, 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 2022 financial statements referred to above present fairly, in all material respects, the financial position of Nicholas House, Inc. as of August 31, 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. 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 Nicholas House, Inc. 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.

Prior Period Financial Statements

The financial statements of Nicholas House, Inc. as of August 31, 2021 were audited by other auditors whose report dated May 3, 2023 expressed an unmodified opinion on those statements.

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 Nicholas House, Inc.'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 Nicholas House, 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 Nicholas House, 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
September 28, 2023

NICHOLAS HOUSE, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2022 AND 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents	\$ -	\$ 2,726
Grants receivable, net	1,101,831	800,020
Unconditional promises to give, net	273,356	220,134
Other receivables	-	8,318
Prepaid expenses and other assets	22,481	6,025
Total Current Assets	1,397,668	1,037,223
Cash restricted for property and equipment	70,536	70,536
Long-term promises to give, net	119,930	196,974
Property and equipment, net	81,082	121,594
Total Assets	\$ 1,669,216	\$ 1,426,327
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 93,343	\$ 56,746
Escrow accounts	-	4,725
Deferred revenue	-	39,660
Line of credit	214,496	109,397
Total Current Liabilities	307,839	210,528
Net assets		
Without donor restrictions	843,741	593,155
With donor restrictions		
Purpose restricted	198,655	191,454
Time restricted	318,481	430,690
Perpetual in nature	500	500
Total net assets	1,361,377	1,215,799
Total liabilities and net assets	\$ 1,669,216	\$ 1,426,327

See Notes to Financial Statements.

NICHOLAS HOUSE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Grant and contracts	\$ 989,582	\$ 75,000	\$ 1,064,582
Contributions	771,739	193,075	964,814
In-kind contributions	321,426	-	321,426
Fundraising, net of direct benefits of \$27,396	118,328	-	118,328
Other	1,711	-	1,711
Total public support and revenue before transfers	2,202,786	268,075	2,470,861
Net assets released from restrictions due to satisfaction of donor-imposed requirements	373,083	(373,083)	-
Total public support and revenue	2,575,869	(105,008)	2,470,861
Expenses			
Program services	1,782,882	-	1,782,882
Supporting services:			
Management and general	338,434	-	338,434
Fundraising	203,967	-	203,967
Total expenses	2,325,283	-	2,325,283
Change in net assets	250,586	(105,008)	145,578
Net assets at beginning of year	593,155	622,644	1,215,799
Net assets at end of year	\$ 843,741	\$ 517,636	\$ 1,361,377

See Notes to Financial Statements.

NICHOLAS HOUSE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue			
Grant and contracts	\$ 2,344,732	\$ -	\$ 2,344,732
Contributions	397,827	567,260	965,087
Paycheck Protection Program forgiveness	55,000	-	55,000
In-kind contributions	358,580	-	358,580
Fundraising, net of direct benefits of \$112,291	364,908	-	364,908
Total public support and revenue before transfers	<u>3,521,047</u>	<u>567,260</u>	<u>4,088,307</u>
Net assets released from restrictions due to satisfaction of donor-imposed requirements	<u>319,531</u>	<u>(319,531)</u>	<u>-</u>
Total public support and revenue	<u>3,840,578</u>	<u>247,729</u>	<u>4,088,307</u>
Expenses			
Program services	3,452,673	-	3,452,673
Supporting services:			
Management and general	176,425	-	176,425
Fundraising	391,924	-	391,924
Total expenses	<u>4,021,022</u>	<u>-</u>	<u>4,021,022</u>
Change in net assets	(180,444)	247,729	67,285
Net assets at beginning of year	<u>773,599</u>	<u>374,915</u>	<u>1,148,514</u>
Net assets at end of year	<u>\$ 593,155</u>	<u>\$ 622,644</u>	<u>\$ 1,215,799</u>

See Notes to Financial Statements.

NICHOLAS HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Compensation	\$ 566,250	\$ 160,645	\$ 124,999	\$ 851,894
Outside services	48,780	82,293	58,421	189,494
Office	3,100	3,761	1,054	7,915
Occupancy	56,976	12,928	-	69,904
Travel	7,373	6,079	6	13,458
Insurance	39,884	11,517	-	51,401
Supplies	13,649	198	-	13,847
Telecommunications	16,649	5,318	240	22,207
Postage and printing	5,168	2,482	3,590	11,240
Client assistance	678,479	-	-	678,479
Depreciation	40,512	-	-	40,512
Contributed rent	60,000	8,000	12,000	80,000
Contributed materials and services	241,046	-	-	241,046
Other	5,016	45,213	3,657	53,886
Total functional expenses	<u>\$ 1,782,882</u>	<u>\$ 338,434</u>	<u>\$ 203,967</u>	<u>\$ 2,325,283</u>

See Notes to Financial Statements.

NICHOLAS HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2021

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total Expenses</u>
		<u>Management and General</u>	<u>Fundraising</u>	
Compenstion	\$ 810,370	\$ 29,042	\$ 139,469	\$ 978,881
Outside services	217,437	48,110	175,004	440,551
Office	25,931	33	1,015	26,979
Occupancy	81,301	2,929	11,709	95,939
Travel	13,866	176	375	14,417
Insurance	48,072	4,713	8,435	61,220
Supplies	16,532	-	-	16,532
Telecommunications	18,538	80	400	19,018
Postage and printing	11,767	1,036	34,061	46,864
Client assistance	1,779,573	-	424	1,779,997
Depreciation	35,569	1,561	6,241	43,371
Bad debt	51,343	59,120	-	110,463
Contributed rent	60,000	8,000	12,000	80,000
Contributed materials and services	278,579	-	-	278,579
Other	3,795	21,625	2,791	28,211
Total functional expenses	<u>\$ 3,452,673</u>	<u>\$ 176,425</u>	<u>\$ 391,924</u>	<u>\$ 4,021,022</u>

See Notes to Financial Statements.

NICHOLAS HOUSE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	\$ 145,578	\$ 67,285
Adjustments to reconcile change in net assets to net cash (used in) operating activities		
Depreciation	40,512	43,371
Bad debt expense	-	110,463
Paycheck Protection Program loan forgiveness	-	(55,000)
(Increase) in grants receivable	(301,811)	(195,628)
Decrease (increase) in promises to give	23,822	(265,229)
Decrease (increase) in other receivables	8,318	(7,577)
(Increase) decrease in prepaid expenses	(16,456)	48,617
Increase (decrease) in accounts payable and accrued expenses	36,597	(7,523)
(Decrease) in escrow accounts	(4,725)	-
(Decrease) in deferred revenue	(39,660)	(618,013)
Net cash (used in) operating activities	(107,825)	(879,234)
Cash flows from investing activities		
Purchase of property and equipment	-	(14,255)
Net cash (used in) investing activities	-	(14,255)
Cash flows from financing activities		
Proceeds from notes payable and line of credit	385,903	109,600
Repayment on notes payable and line of credit	(280,804)	(77,377)
Net cash provided by financing activities	105,099	32,223
Net (decrease) in cash and cash equivalents	(2,726)	(861,266)
Cash and cash equivalents - beginning of year	73,262	934,528
Cash and cash equivalents - end of year	\$ 70,536	\$ 73,262
Supplemental Information		
Interest paid	\$ -	\$ 73
Cash Reconciliation:		
Cash and cash equivalents	\$ -	\$ 2,726
Assets restricted for long-term use: cash	70,536	70,536
	\$ 70,536	\$ 73,262

See Notes to Financial Statements.

NICHOLAS HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nicholas House, Inc., (the “Organization”), provides transitional housing for homeless families in Atlanta, Georgia. Families stay in one facility (Boulevard) operated by the Organization and in various apartments owned and managed by independent landlords. Residents are provided with meals, counseling, and other services designed to assist them in obtaining permanent housing, employment, and financial self-sufficiency. The Organization is supported primarily through donor contributions, federal and state grants, and United Way.

Basis of Presentation

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from federal and state income taxes under section 501(c) (3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements. The Organization has been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization accounts for uncertain tax positions in accordance with accounting standards that provide guidance on when uncertain tax positions are recognized in an entity's financial statements and how the values of these positions are determined. No liability has been recorded as of August 31, 2022 and 2021 due to uncertain tax positions.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid temporary investments with a maturity of three months or less. The Organization maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Grants Receivable

Grants receivable represent amounts due from granting agencies for expenditures of federal, state, and local government awards, which have not yet been paid. Management provides for probable uncollectible amounts through bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivables. The allowance for doubtful accounts at both August 31, 2022 and 2021 is \$38,000.

Promises to Give

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates applicable to the years in which the promises are to be received. At August 31, 2022 and 2021, no discount was considered necessary due to overall immateriality. The allowance for uncollectable promises to give is based on historical experience and review of subsequent collections. Promises to give are written off when deemed uncollectible. At both August 31, 2022 and 2021, the allowance was \$183,644.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost, or if donated, at estimated fair value at the date of donation. Any donations of property and equipment are also recorded as support in the statement of activities at their estimated fair value. Depreciation is computed over the estimated useful lives (3-10 years) of the assets using the straight-line method.

Property and equipment acquired by the Organization is considered owned by the Organization. However, the State of Georgia funding sources may maintain equitable interest in the assets purchased with contract monies as well as the right to determine the use of any proceeds for the sale of these assets.

Acquisitions of property and equipment or repairs, maintenance or betterments that materially prolong useful lives of assets are capitalized. The Organization capitalizes all expenses in excess of \$1,500 for property and equipment.

Public Support and Revenue Recognition

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to the Organization.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as reclassifications. Pledges to give payments in future years are recorded as support in the year the pledge is made. The fair value of promises to give that are due in more than one year is estimated by discounting the future cash flows using current risk-free rates of return based on U.S. Treasury Securities yields with maturity dates similar to the expected collection period.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the long-lived assets are placed into service.

The Organization recognizes revenue from contracts in accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* using the five-step approach. Revenues are recognized at a point in time.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classification. Indirect expenses have been allocated based on salary expenditures and other criteria.

Concentrations

During the year ended August 31, 2022, the Organization received approximately 20% of its revenue combined from the City of Atlanta and U.S. Department of Housing and Urban Development and related outstanding receivables were 92% of total grants receivables. During the year ended August 31, 2021, the Organization received approximately 35% of its revenue from the U.S. Department of the Treasury.

Subsequent Events

Management has evaluated subsequent events through September 28, 2023, the date which the financial statements were available to be issued.

Recent Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* to increase transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. For the year ended August 31, 2022, the Organization adopted ASU 2020-07 and has adjusted the presentation in these financial statements accordingly. This adjustment did not have an effect on total net assets or the change in total net assets for 2022 or 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2021. It is to be adopted using a modified retrospective approach or through a cumulative effect adjustment to the opening balance of net assets in the period of adoption. Management is evaluating the impact on the financial statements upon adoption of this new standard.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	August 31,	
	2022	2021
Cash and cash equivalents	\$ -	\$ 2,726
Grants receivable	1,101,831	800,020
Promises to give, net	273,356	220,134
Other receivables	-	8,318
	<u>\$ 1,375,187</u>	<u>\$ 1,031,198</u>

The Organization has a goal to maintain financial assets to meet short term normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Cash needs of the Organization are expected to be met through grant and contribution revenue.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CONTINGENCY

The Organization depends heavily on grants and contributions to support ongoing operations. To the extent economic conditions negatively impact future contribution levels, the Organization's ability to continue at its current level of activity could be substantially impacted.

The City of Atlanta and its office of Grants and Community Development is operating under "special stipulations" by the U.S. Dept. of Housing and Urban Development (i.e., HUD) and has reorganized its grant reimbursement processes and requirements. Additionally, the City of Atlanta has experienced significant employee turnover and the Organization's executive director unexpectedly passed away in August 2021.

As a result, the reimbursement process for the City of Atlanta was delayed under most HUD funded contracts. As of August 31, 2022 and 2021, receivables include a total of \$768,777 and \$772,582, respectively, owed from the City of Atlanta under multiple HUD funded contracts. As of report date, substantially all funds related to these receivables have been paid to the Organization. Total receivables include \$72,851 for which the Organization is still waiting on a contract agreement to be executed.

Contracts and contributions often require the fulfillment of certain conditions as set forth in the terms of the related instrument. Failure to fulfill the conditions could result in the return of the funds to the grantor. Management represents that the Organization has complied with any such conditions related to revenue recognized. Although the return of funds is a possibility, management deems the contingency unlikely.

NOTE 4. PAYCHECK PROTECTION PROGRAM FORGIVENESS

On May 13, 2020, the Organization obtained a \$55,000 loan under the Small Business Administration's Paycheck Protection Program (PPP) which was established in response to the COVID-19 pandemic. If certain conditions were met under the program's loan use guidelines, the loan could be forgiven. Based on non-authoritative technical practice aids and industry discussions, not-for-profit entities had the option to account for PPP loans under either the debt or grant model. The Organization chose to follow the debt model, which recorded the PPP loan as a financial liability until the SBA approved the forgiveness. In May 2021, the Organization applied for and received full forgiveness from its lender for the PPP loan and recognized \$55,000 of related revenue in the year ended August 31, 2021.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. UNCONDITIONAL PROMISES TO GIVE

A summary of promises to give is as follows as of August 31:

	2022	2021
Receivable in less than one year	\$ 421,190	\$ 320,620
Receivable in one to five years	155,740	262,632
Total unconditional promises to give	576,930	583,252
Less: allowance for uncollectible promises	(183,644)	(183,644)
Net unconditional promises to give	\$ 393,286	\$ 399,608
Recap:		
Current receivable, net of allowance	\$ 273,356	\$ 202,634
Long-term receivable, net of allowance	119,930	196,974
Net unconditional promises to give	\$ 393,286	\$ 399,608

NOTE 6. PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows as of August 31:

	2022	2021
Leasehold improvements	\$ 432,585	\$ 432,585
Vehicles	90,870	90,870
Furniture and equipment	193,888	193,888
	717,343	717,343
Less: accumulated depreciation	(636,261)	(595,749)
	\$ 81,082	\$ 121,594

NOTE 7. COMMITMENTS

The Organization leases office space under an operating lease agreement through 2026. The organization also leases public storage space which is on a month-to-month basis. During the years ended August 31, 2022 and 2021, the expense under these operating leases totaled \$14,253 and \$14,571, respectively. Future minimum lease payments under the office space lease are as follows:

Year Ending August 31,	
2023	\$ 4,466
2024	4,873
2025	4,873
2026	2,843
	\$ 17,055

The Organization also pays for transitional living spaces on behalf of its clients. These transitional living spaces are contractually between the Organization's client and the landlord. However, these are one-year lease agreements and are excluded from the schedule above.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

As of August 31, 2022 and 2021, net assets with donor restrictions for specific purposes, included in cash and receivables, consisted of the following donor designated contributions:

	2022	2021
Time Restricted	\$ 318,481	\$ 430,690
Building Purchase	70,536	70,536
Capital Campaign	60,050	10,050
Women's Economic Empowerment	57,101	74,900
Food and Medicine	10,000	10,000
Financial Assistance Program	-	25,000
Case Management	550	550
Other	918	918
	\$ 517,636	\$ 622,644

At August 31, 2022 and 2021, \$70,536 of these net assets were included in cash. Of the remaining amount, \$314,462 and \$426,671, respectively, were included in unconditional promises to give and \$132,638 and \$121,418, respectively, were included in grants receivable.

Net assets with donor restrictions in perpetuity, at August 31, 2022 and 2021, were \$500 and consist of endowment funds for which the income is unrestricted.

NOTE 9. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended August 31, 2022 and 2021 by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows:

	2022	2021
Time Restricted	\$ 245,284	\$ 185,082
Women's Economic Empowerment	92,799	-
Financial Assistance Program	25,000	-
Case Management	-	54,367
Covid Expenses	-	54,582
Youth Programs	10,000	25,500
	\$ 373,083	\$ 319,531

NOTES TO FINANCIAL STATEMENTS

NOTE 10. IN-KIND CONTRIBUTIONS

In-kind contributions were received as follows for the year ended August 31:

	<u>2022</u>	<u>2021</u>
Household and other supplies	\$ 220,842	\$ 148,380
Food and meals	20,584	130,200
Facility usage	80,000	80,000
	<u>\$ 321,426</u>	<u>\$ 358,580</u>

Contributed nonfinancial assets and facility usage were recognized within revenue. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed household and other supplies and food and meals were used in program support. Contributed facility usage was used in program, management and general, and fundraising.

In valuing contributed household and other supplies and food and meals, the Organization estimated the fair value based on established value for comparable goods by national organizations. In valuing contributed facility usage, the Organization estimated fair value based on current rates for similar facilities.

NOTE 11. DEFINED CONTRIBUTION PLAN

Staff members of the Organization who are full time employees and have at least one year of service are allowed to participate in a contributory retirement plan sponsored by the Teacher's Insurance and Annuity Association College Retirement Equities Fund (TIAA/CREF). This plan provides no past service benefits or further liabilities beyond the contributions made for each employee. Each year the Organization contributes a 50% match of each participant's contribution up to six percent of the participant's annual wages. This plan was established as of July 1, 2002. For the years ended August 31, 2022 and 2021, the Organization made contributions to the plan totaling \$702 and \$677, respectively.

NOTE 12. DEBT

The Organization has a \$500,000 line of credit with a bank. The line of credit is collateralized primarily by equipment and receivables and matures on August 27, 2023. Under the terms of the agreement, interest is payable monthly at the bank's prime rate with the principal payable in full at maturity. As of August 31, 2022 and 2021, the outstanding balance totaled \$214,496 and \$109,397, respectively. The line of credit was paid off in April 2023.