

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2022



INDEPENDENT AUDITORS' REPORT

To the Board of Directors

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

Opinion

We have audited the consolidated financial statements of Deborah's Place & Affiliated Organizations (the "Organizations"), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Deborah's Place & Affiliated Organizations as of June 30, 2022, and the changes in their net assets and their 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organizations 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated 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 the Organizations' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' 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.

Other Matters

Report on Summarized Comparative Information

We have previously audited Deborah's Place & Affiliated Organizations' 2021 consolidated financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Mayer Hoffman McCann P.C.

Chicago, Illinois
December 14, 2022

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2022 (with Comparative Totals for 2021)

	2022	2021
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,300,750	\$ 3,044,186
Accounts receivable	47,232	47,305
Grants receivable	253,062	187,762
Contributions receivable	262,878	109,395
Prepaid expenses, deposits and other	259,746	226,876
Operating, replacement and insurance reserves	440,620	422,299
Investments	4,120,193	4,661,195
Land, buildings and equipment, net	4,890,891	5,349,613
Intangible assets	12,635	12,635
 TOTAL ASSETS	 \$ 13,588,007	 \$ 14,061,266
<u>LIABILITIES</u>		
Mortgage notes payable, net of debt issuance costs	\$ 7,175,283	\$ 7,195,526
Accounts payable and other accrued expenses	222,798	258,471
TOTAL LIABILITIES	7,398,081	7,453,997
<u>NET ASSETS</u>		
Without donor restrictions:		
Operations	929,546	1,016,699
Board designated for operating reserves	1,488,279	1,304,190
Board designated for Mission 600 Fund	1,288,154	1,484,670
With donor restrictions	2,483,947	2,801,710
TOTAL NET ASSETS	6,189,926	6,607,269
 TOTAL LIABILITIES AND NET ASSETS	 \$ 13,588,007	 \$ 14,061,266

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2022 (with Comparative Totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Support:				
Individuals	\$ 1,163,569	\$ -	\$ 1,163,569	\$ 1,085,316
Foundations, churches, corporations and organizations	785,255	349,500	1,134,755	1,255,554
Government grants and contracts	2,514,727	-	2,514,727	2,304,655
In-kind services	42,355	-	42,355	128,305
Fundraising events	82,954	-	82,954	106,344
TOTAL SUPPORT	4,588,860	349,500	4,938,360	4,880,174
Program revenue:				
Rent and rent subsidy	1,520,372	-	1,520,372	1,438,126
Program rents	48,380	-	48,380	42,074
Other program revenue	-	-	-	40
TOTAL PROGRAM REVENUE	1,568,752	-	1,568,752	1,480,240
Other sources:				
Interest and dividends	31,175	37,518	68,693	61,899
Realized and unrealized gain (loss) on investments	(218,704)	(363,931)	(582,635)	742,510
Other income	3,502	-	3,502	16,437
TOTAL OTHER SOURCES	(184,027)	(326,413)	(510,440)	820,846
Net assets released from restriction	340,850	(340,850)	-	-
TOTAL REVENUE AND SUPPORT	6,314,435	(317,763)	5,996,672	7,181,260

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - Continued

Year Ended June 30, 2022 (with Comparative Totals for 2021)

	2022		Total	2021
	Without Donor Restrictions	With Donor Restrictions		
FUNCTIONAL EXPENSES				
Program services:				
Housing Programs & Services	\$ 1,277,638	\$ -	\$ 1,277,638	\$ 1,285,882
Community Housing & Services	652,866	-	652,866	616,651
Clinical & Health Services	1,398,833	-	1,398,833	1,064,706
Deborah's Place II	626,155	-	626,155	668,443
Deborah's Place III	1,383,017	-	1,383,017	1,252,700
TOTAL PROGRAM SERVICES	<u>5,338,509</u>	<u>-</u>	<u>5,338,509</u>	<u>4,888,382</u>
Supporting services:				
Management and general	702,783	-	702,783	773,058
Fundraising	372,723	-	372,723	327,877
TOTAL SUPPORTING SERVICES	<u>1,075,506</u>	<u>-</u>	<u>1,075,506</u>	<u>1,100,935</u>
TOTAL FUNCTIONAL EXPENSES	<u>6,414,015</u>	<u>-</u>	<u>6,414,015</u>	<u>5,989,317</u>
INCREASE (DECREASE) IN CONSOLIDATED NET ASSETS	(99,580)	(317,763)	(417,343)	1,191,943
NET ASSETS, BEGINNING OF YEAR	<u>3,805,559</u>	<u>2,801,710</u>	<u>6,607,269</u>	<u>5,415,326</u>
TOTAL NET ASSETS, END OF YEAR	<u><u>\$ 3,705,979</u></u>	<u><u>\$ 2,483,947</u></u>	<u><u>\$ 6,189,926</u></u>	<u><u>\$ 6,607,269</u></u>

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022 (with Comparative Totals for 2021)

	2022					
	Program Services					
	Housing Programs & Services	Community Housing & Services	Clinical & Health Services	Deborah's Place II	Deborah's Place III	Total Program Services
Salaries and wages	\$ 888,020	\$ 99,781	\$ 1,026,187	\$ 229,922	\$ 413,833	\$ 2,657,743
Payroll taxes	67,920	7,386	76,748	18,141	31,278	201,473
Employee benefits	109,932	14,296	167,023	23,792	49,730	364,773
Repairs and maintenance	34,127	9,369	1,814	108,419	223,398	377,127
Dues and subscriptions	364	135	-	-	-	499
Professional fees and contract services	26,558	5,385	22,812	18,817	29,309	102,881
Specific assistance to individuals	62,086	16,931	44,345	358	952	124,672
Insurance	6,872	7,353	4,595	21,447	49,697	89,964
Stationery and printing	-	-	210	-	-	210
Postage	13	761	301	52	34	1,161
Utilities	16,779	847	-	63,289	96,355	177,270
Recruiting	-	-	-	-	-	-
Supplies	23,222	4,066	7,181	1,153	1,853	37,475
Bad debt (recovery) provision	-	-	-	6,490	7,902	14,392
Telephone	6,452	3,889	17,400	3,132	3,949	34,822
Transportation for staff	70	-	21,340	164	-	21,574
Rent	-	458,708	-	-	-	458,708
Property taxes	-	-	-	1,661	-	1,661
Interest	858	-	-	-	11,940	12,798
Building and equipment	9,012	2,924	8,877	2,380	-	23,193
Depreciation	24,687	12,644	-	126,804	462,670	626,805
Miscellaneous	666	8,391	-	134	117	9,308
TOTAL EXPENSES	\$ 1,277,638	\$ 652,866	\$ 1,398,833	\$ 626,155	\$ 1,383,017	\$ 5,338,509

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - Continued

Year Ended June 30, 2022 (with Comparative Totals for 2021)

	2022		Total Supporting Services	Total	Total 2021
	Management and General	Fundraising			
Salaries and wages	\$ 454,106	\$ 240,367	\$ 694,473	\$ 3,352,216	\$ 3,057,012
Payroll taxes	33,472	17,996	51,468	252,941	230,005
Employee benefits	61,279	30,068	91,347	456,120	451,770
Repairs and maintenance	862	-	862	377,989	307,898
Dues and subscriptions	7,065	269	7,334	7,833	15,112
Professional fees and contract services	67,118	17,608	84,726	187,607	222,856
Specific assistance to individuals	-	-	-	124,672	137,046
Insurance	27,071	894	27,965	117,929	114,846
Stationery and printing	189	10,354	10,543	10,753	10,039
Postage	2,174	2,284	4,458	5,619	4,730
Utilities	-	-	-	177,270	186,215
Recruiting	1,149	-	1,149	1,149	1,895
Supplies	6,956	26,303	33,259	70,734	67,498
Bad debt (recovery) provision	-	-	-	14,392	(1,986)
Telephone	716	357	1,073	35,895	30,575
Transportation for staff	23	48	71	21,645	8,869
Rent	-	-	-	458,708	424,925
Property taxes	-	-	-	1,661	1,404
Interest	-	-	-	12,798	11,146
Building and equipment	-	-	-	23,193	19,522
Depreciation	31,635	-	31,635	658,440	647,462
Miscellaneous	8,968	26,175	35,143	44,451	40,478
TOTAL EXPENSES	\$ 702,783	\$ 372,723	\$ 1,075,506	\$ 6,414,015	\$ 5,989,317

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2022 (with Comparative Totals for 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in consolidated net assets	\$ (417,343)	\$ 1,191,943
Adjustments to reconcile increase (decrease) in consolidated net assets to net cash flows from operating activities:		
Depreciation	658,440	647,462
Deferred financing costs recognized	2,774	2,774
Realized and unrealized (gain) loss on investments	582,635	(742,510)
Bad debt (recovery) provision	14,392	(1,986)
Increase in operating assets:		
Accounts, grants and contributions receivable	(233,102)	(136,916)
Prepaid expenses, deposits and other	(32,870)	(96,475)
Decrease in operating liabilities:		
Accounts payable and other accrued expenses	(35,673)	(25,398)
Deferred revenue	-	(110,468)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>539,253</u>	<u>728,426</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of improvements and equipment	(199,716)	(176,410)
Proceeds from sale of investments	1,010,875	2,266,497
Purchase of investments	<u>(1,052,510)</u>	<u>(2,375,885)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(241,351)</u>	<u>(285,798)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	<u>(23,017)</u>	<u>(17,114)</u>
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	274,885	425,514
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	<u>3,466,485</u>	<u>3,040,971</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	<u>\$ 3,741,370</u>	<u>\$ 3,466,485</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Unrestricted cash and cash equivalents - operating	\$ 3,300,750	\$ 3,044,186
Restricted cash:		
Operating, replacement and insurance reserves	440,620	422,299
Total	<u>\$ 3,741,370</u>	<u>\$ 3,466,485</u>

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of organization - The consolidated financial statements include the accounts of Deborah's Place, its wholly owned subsidiary, Deborah's Place III Corp. ("DP III Corp."), and its affiliated organization, Deborah's Place II (the "Organizations"). Each entity has a separate board of directors which share common members. Transactions between the entities have been eliminated on consolidation.

DP III Corp. was formed to serve as the general partner of Deborah's Place III Limited Partnership ("DP III") and held a 0.01% partnership interest as general partner. The limited partner interest is held by Deborah's Place, giving it an effective ownership interest of 100% in DP III.

Deborah's Place is a nonprofit social service organization which opens doors of opportunity for women who are homeless in Chicago. Supportive housing and services offer women their key to healing, achieving their goals and moving on from the experience of homelessness. Deborah's Place conducts the following programs:

Housing Programs & Services - Deborah's Place residential programs offer safe housing and supportive services for women who have experienced homelessness. Programs include Dolores' Safe Haven (a 15-bed supportive living environment which serves hard-to-reach women who are chronically homeless and who are living with severe mental illness) and Teresa's Interim Housing (a 24-hour interim housing program with 10 semiprivate dormitory bed spaces, where women can live for up to 120 consecutive days while receiving intensive programming around housing search, income acquisition, and preparation for life in the community). Residential services are also provided for the tenants of the Patty Crowley Apartments and the Rebecca Johnson Apartments. Community Centers at both sites provide access to computers, budgeting, tutoring, art therapy, employment guidance, and programs designed to strengthen daily living skills and engagement. Deborah's Place offers pre-tenancy services to people who are experiencing homelessness and are preparing the documentation needed to move into housing with Deborah's Place. Services may include assistance in obtaining identification, documentation of homelessness, and disability assessments, as well as referrals for additional assistance and other housing resources if they do not meet program eligibility.

Community Housing & Services - Community housing and services are provided to participants who, with the assistance of subsidized rent, live in apartments in the community. Intensive case management, provided through the Clinical and Health Services program, ensures that the participants who remain housed achieve their goals related to income, self-sufficiency, and wellness. An Alumnae Residential Services program provides housing location, landlord support, and engagement services to women who move directly from homelessness to a community-based housing program or who choose to move on from a Deborah's Place project-based housing program into housing in the community.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Community Housing & Services (continued) - The Marah's Permanent Housing Program provides 32 community-based apartments to women who have been homeless and are living with a disability; Deborah's Place holds the leases to these apartments, and the tenants pay 30% of their income as occupancy fees. In January, 2021, Deborah's Place began conducting a program, Rapid Rehousing ("RRH"), which moves women from the shelter environment quickly by connecting them to short-term rental subsidies and intensive services. The program was created from the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and is administered by All Chicago, the subrecipient of the grant and through which Deborah's Place receives RRH funding to serve 75 women.

Clinical & Health Services - Clinical and Health Services include Case Management and physical Health Services. The Case Management Program assists women in meeting their goals before and after they move into housing. Women are assisted in securing income and in securing, accessing, and maintaining affordable housing. Clinical services include assessment, participant-centered service planning, referral, crisis intervention, transportation, and follow-up support. Health services are designed to coordinate healthcare based on individual needs; skilled staff work with participants to create individualized assessments, plans, referrals, and follow-up.

Deborah's Place provides permanent housing to end homelessness in the following two locations:

Deborah's Place II (Patty Crowley Apartments) - This facility, located at 1530 N. Sedgwick Avenue in Chicago, provides private- and shared-bath apartments for 39 women. Each unit has a subsidy under the U.S. Department of Housing and Urban Development Section 8 Housing Choice Voucher program. Tenant services and 24-hour case management are available on-site. This facility leases space to several Deborah's Place programs, including Dolores' Safe Haven, Teresa's Interim Housing, and Tenant Residential Services.

Deborah's Place III (Rebecca Johnson Apartments) - The facility, located at 2822 W. Jackson in Chicago, provides private-bath single-room apartments for 90 women, as well as on-site case management and supportive services. Each unit has a subsidy under the U.S. Department of Housing and Urban Development Section 8 Housing Choice Voucher program. The building is owned by DP III, a partnership which acquired and renovated the property for use as a low-income housing rental property. DP III leases administrative office space to Deborah's Place.

Net assets - The Organizations report information regarding their financial position and activities according to two classes of net assets as follows:

Without donor restrictions

Operations - Net assets that are not subject to donor-imposed restrictions and conditions including the carrying value of physical properties (land, building and equipment). Items that affect this net asset category include revenue, principally grants and contributions, and related expenses associated with the core activities of the Organizations. In addition to these transactions, changes in this category of net assets include contributions whose donor-imposed restrictions and conditions were met during the fiscal period.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Board Designated - In Fiscal Year 2018, the Board of Directors, in order to maintain fiscal operating strength and stability, instituted a policy of maintaining three months of operating reserves. These funds are to be used only with Board approval and include a pool of liquid assets sufficient to cover Deborah's Place's payroll costs for two months. The Board of Directors also designated assets previously designated by the Board of Directors as an Endowment Fund, as the Mission 600 Fund. These funds are to be used only with Board approval, to invest in opportunities that will substantially support the advancement of Deborah's Place's strategic goals.

With donor restrictions - Net assets subject to donor-imposed restrictions that will be met by the passage of time or by expenditures that meet the donors' imposed purpose. Also includes resources subject to restrictions of gift instruments requiring that principal be invested in perpetuity and investment income be utilized for support of activities. When the donors' restrictions are satisfied, the net assets are transferred to net assets without donor restrictions.

Cash and cash equivalents - Cash and cash equivalents consist of highly liquid interest-bearing depository accounts with a maturity of three months or less. Aggregate cash balances currently exceed federally insured limits. However, the Organizations have not experienced any losses in such accounts and management does not believe that they are exposed to any significant credit risk.

Accounts receivable - Accounts receivable are composed of rent due from tenants and rent subsidies due from a government agency. Uncollectible amounts are written off to bad debt expense at the time the individual receivable is determined to be uncollectible. An allowance for doubtful accounts, if required, is based on estimates made by management and the Organizations' historical collection experience. The allowance for doubtful accounts at June 30, 2022 and 2021, was \$1,073 and \$816, respectively.

Land, buildings and equipment - Land, buildings and equipment are stated at cost if purchased and at fair value at the date of contribution if donated to the Organizations. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Individual purchases of furniture and equipment exceeding \$1,000 are capitalized. Depreciation expense for the years ended June 30, 2022 and 2021, was \$658,440 and \$647,462, respectively.

Contributions and grants - All public support is considered to be available for unrestricted use unless restricted specifically by the donor or funding agency. At its discretion, the Board of Directors may designate certain funds for specific purposes.

Contributions and grants restricted by the donor, grantor or other outside party are reported as with donor restriction revenue, as applicable, when granted or pledged to the Organizations.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Investments - The Organizations invest in marketable securities with readily determinable fair values. The securities are invested in mutual funds and exchange-traded funds that are traded at their fair values based on quoted prices in active markets. Investments in short-term certificates of deposit are stated at cost plus accrued interest, which approximates fair value. All investments are considered Level 1. Unrealized gains and losses are included in the changes in net assets in the accompanying consolidated statement of activities and changes in net assets.

Functional expenses - The costs of providing various program and supporting activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses attributable solely to a specific functional area are reported as expenses of those functional areas. Expenses that are allocable across functional categories are allocated consistently, using estimates of the following factors:

- Time and effort
- Specific systems and technology used
- Square footage

Asset impairment assessments - The Organizations review long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. An impairment is evaluated based on the sum of undiscounted estimated future cash flows expected to result from use of the asset compared to its carrying value. If an impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. No impairment was recognized in 2022 or 2021.

In-kind donations - The Organizations record various types of in-kind support, including services, materials, and gifts of goods, equipment and other tangible assets. The Organizations recognize professional services as in-kind support if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In 2022 and 2021, volunteers provided approximately 398 hours and 379 hours, respectively, for serving on the Board of Directors, preparing meals, assisting in clerical tasks, providing tutoring, conducting workshops, and participating in fundraising campaigns during the year. These services received by the Organizations did not meet these criteria. The value of contributed services meeting the requirements for recognition in the consolidated financial statements amounted to \$2,262 and \$20,089 as of June 30, 2022 and 2021, respectively.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Contributions of tangible assets are recognized at fair value when received. Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations restrict 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 or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. The amounts reflected in the accompanying consolidated financial statements as in-kind support are offset by like amounts included in expenses or assets. Contributions of tangible assets, including noncash items and gift cards, amounted to \$40,093 and \$108,216 for the years ended June 30, 2022 and 2021, respectively.

Income taxes - Deborah's Place and Deborah's Place II are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision has been made for federal and state income taxes since income or loss of DP III is required to be reported by the partners on their respective income tax returns.

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

Recent accounting pronouncements - In February 2016, the Financial Accounting Standards Board (FASB) amended the *Leases* topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amendment will be effective for fiscal years beginning after December 15, 2021. The Organizations are currently evaluating the effect that the implementation of the new standard will have on their financial position, results of operations, and cash flows.

(2) Grants and contributions receivable

Grants and contributions receivable consist of unconditional amounts due from public and private organizations. All the grants and contributions receivable are expected to be collected in Fiscal Year 2023. Not included in grants receivable are certain unexpended and conditional grants totaling \$1,693,828 and \$521,897 at June 30, 2022 and 2021, respectively, which have been awarded by public agencies.

(3) Investments

Investments as of June 30, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Stated at fair value:		
Mutual funds and exchange-traded funds	\$ 3,371,703	\$ 3,919,570
Certificate of deposit	748,490	741,625
Total	<u>\$ 4,120,193</u>	<u>\$ 4,661,195</u>

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(4) Land, buildings and equipment

Land, buildings and equipment as of June 30, 2022 and 2021, consist of the following:

	<u>2022</u>	<u>2021</u>
Cost:		
Land	\$ 258,000	\$ 258,000
Buildings and improvements	14,611,987	14,506,405
Furniture and equipment	916,554	848,104
Vehicles	46,796	21,112
Total cost	<u>15,833,337</u>	<u>15,633,621</u>
Accumulated depreciation	<u>(10,942,446)</u>	<u>(10,284,008)</u>
Net land, buildings and equipment	<u>\$ 4,890,891</u>	<u>\$ 5,349,613</u>

(5) Mortgage notes payable

Mortgage note payable to the City of Chicago, through the Department of Housing, which administers these U.S. Department of Housing and Urban Development Community Development Block Grant ("CDBG") funds. This note is payable in August 2035 and bears no interest during its term provided the housing remains available to very low income persons and the note does not become due because of default under the terms of the note or the regulatory agreement. This note is collateralized by real estate owned by Deborah's Place II. The mortgage note payable to the City of Chicago at June 30, 2022 and 2021, was \$2,275,694.

Junior mortgage note payable to the Illinois Housing Development Authority ("IHDA") in the original amount of \$500,000. This note bears no interest, is payable in annual principal installments of \$1,000, and matures in 2035. The note is secured by real estate owned by Deborah's Place II. The note payable to IHDA at June 30, 2022 and 2021, was \$472,000 and \$473,000, respectively.

First mortgage note payable to IHDA in the original amount of \$3,300,000, obtained pursuant to the provisions of the HOME Program as authorized by Title II of the National Affordable Housing Act. This nonrecourse mortgage is payable in March 2030 and bears no interest during its term provided the housing remains available to very low income persons and the note does not become due because of default under the terms of the note or regulatory agreement. The note is payable in monthly principal installments of \$500 as well as the annual payment of residual receipts while the Section 8 contract is in existence; thereafter, monthly payments in the amount of \$100 will be payable. The loan is collateralized by the rental property owned by DP III and an assignment of rents and leases. The Organizations executed a Regulatory and Land Use Agreement with IHDA which prohibits the sale of the project without IHDA's approval. The note payable to IHDA at June 30, 2022 and 2021, was \$3,152,666 and \$3,158,666, respectively.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(5) Mortgage notes payable (continued)

Second mortgage note payable to the City of Chicago, through the Department of Housing, in the original amount of \$400,000. This note bears no interest and is payable in March 2030. This nonrecourse mortgage is collateralized on a subordinate basis by rental property owned by DP III and an assignment of rents and leases. This loan payable to the City of Chicago at June 30, 2022 and 2021, was \$400,000.

On August 15, 2019, the Federal Home Loan Bank of Chicago ("FHLBC") provided a \$750,000 competitive Affordable Housing Program grant to DP III through First Eagle Bank ("FEB"), for a rehabilitation project also funded by a \$200,000 loan from FEB. The grant is being recorded by DP III as a third mortgage and has a 15-year retention period. It is payable only in the event of a default in its obligations under the Project Loan Agreement with the FHLBC. Deborah's Place is the sponsor for the program.

The \$200,000 loan from FEB bears interest at 5% and requires monthly interest-only payments commencing August 15, 2019 for one year. Payments of both principal and interest of \$1,099 commenced on August 15, 2020. The loan matures on August 15, 2034. The loan is secured by a certificate of deposit held at FEB or any successor or replacement account of no less than the amount owed. The loan payable to FEB at June 30, 2022 and 2021 was \$173,870 and \$189,886, respectively.

Scheduled principal reductions are as follows:

Years Ending June 30,

2023	\$ 11,753
2024	12,623
2025	13,537
2026	14,499
2027	15,511
Thereafter	<u>7,156,307</u>
Total	<u>\$ 7,224,230</u>

Mortgage notes payable at June 30, 2022 and 2021, were \$7,175,283 and \$7,195,526, respectively. The notes payable for 2022 and 2021 consist of:

	<u>2022</u>	<u>2021</u>
Mortgage notes payable	\$ 7,224,230	\$ 7,247,246
Less: unamortized debt issuance costs	(48,947)	(51,720)
Mortgage notes payable, net	<u>\$ 7,175,283</u>	<u>\$ 7,195,526</u>

Loan costs are being recognized as interest expense on a straight-line basis over the terms of the mortgage notes. Interest expense recognized for the years ended June 30, 2022 and 2021 was \$2,774.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(6) Cash – Operating, replacement and insurance reserves

Replacement reserve - Pursuant to the DP III IHDA loan agreement, the Organizations are required to fund from available cash flows a replacement of \$1,500 per month. The replacement reserve, which is administered by IHDA, can be used to fund improvements and replacements.

General operating reserve - Also pursuant to the DP III IHDA loan agreement, the Organizations were required to fund the general operating reserve from the limited partner capital contributions in an initial amount of \$600,000. Additionally, the Organizations are required to deposit into the general operating reserve surplus cash flow, if any, in the maximum amount of \$45,000 per annum. Such funding is required until the long-term operating reserve has reached \$4,739,609. No amounts were funded in 2022 or 2021.

The general operating reserve, which is administered by IHDA, is to be used to fund operating deficits, as defined in the HOME Loan Agreement. Interest earned is retained in the reserve account.

IHDA approved the use of these reserves to fund the DP III Affordable Housing Program rehabilitation project reserve. Funds of \$0 and \$86,420 were withdrawn from the reserve during Fiscal Years 2022 and 2021, respectively, for this purpose.

Insurance reserve - Pursuant to the DP III IHDA loan agreement, the Organizations have established an insurance escrow. Monthly deposits are determined by IHDA. The insurance escrow, which is administered by IHDA, is to be used to pay insurance.

The following details the reserves at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Replacement reserve	\$ 175,174	\$ 157,048
General operating reserve	207,631	207,479
Insurance reserve	<u>57,815</u>	<u>57,772</u>
Total	<u>\$ 440,620</u>	<u>\$ 422,299</u>

(7) Real estate taxes

Real property owned by DP III is exempt from local real estate taxes, pursuant to a determination by the Illinois Department of Revenue. The Organizations have obtained a non-homestead Property Tax Exemption Certificate on the property for the 2022 assessment year.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(8) Deferred revenue

On March 11, 2020, the World Health Organization classified the outbreak of a coronavirus (COVID-19) as a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organizations' financial condition, liquidity and future results of operations. Management is actively monitoring the global situation and its potential impact on the Organizations. Although the pandemic disrupted program and fundraising activities in 2021, and it continues to affect in-person gatherings, management does not believe the pandemic will have a continuing, long-term detrimental effect on the Organizations.

The Organizations applied for and received a forgivable Paycheck Protection Program (PPP) loan of approximately \$200,000 as provided under the federal CARES Act, and the loan was funded on April 17, 2020 by FEB. Under the terms of the loan, the balance is forgivable to the extent that the proceeds are used for certain qualified costs for the eight-week period through June 12, 2020 and that certain employment levels are maintained. Subsequent guidance permitted an extension of the expenditure period to 24 weeks. The Organizations selected this option and notified the lender.

The loan, which was in the form of a note dated April 17, 2020, matured on April 17, 2022. Loan payments are deferred until the Small Business Administration remits the loan forgiveness amount to the lender. The loan bears interest at a rate of 1% per annum. Through June 30, 2021, the Organizations have used \$200,000 of the proceeds on qualified costs, and such amount has been reported as grant revenue. The Organizations used all of the proceeds for eligible costs, and the entire loan was forgiven in May 2021. Forgiveness revenue is included in government grants and contracts in the accompanying consolidated statement of activities and changes in net assets and amounted to \$0 and \$110,468 for the years ended June 30, 2022 and 2021, respectively.

(9) Net assets with donor restrictions

At June 30, 2022 and 2021, the amounts included in net assets with donor restrictions are restricted for the following purposes:

	With Donor Restrictions as of June 30, 2021	Restricted Contributions	Grants Released from Restriction and Endowment Earnings	With Donor Restrictions as of June 30, 2022
Capital improvements	\$ 1,400	\$ 32,000	\$ (1,400)	\$ 32,000
Program related	91,667	-	(91,667)	-
FY'22 general operations	180,832	-	(180,832)	-
FY'23 general operations	-	117,500	-	117,500
FY'24 general operations	-	100,000	-	100,000
FY'25 general operations	-	100,000	-	100,000
Endowment	2,000,000	-	-	2,000,000
Endowment earnings	527,811	-	(393,364)	134,447
Total	<u>\$ 2,801,710</u>	<u>\$ 349,500</u>	<u>\$ (667,263)</u>	<u>\$ 2,483,947</u>

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(9) Net assets with donor restrictions (continued)

The Organizations have one donor-restricted endowment in investments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") effective June 30, 2009, which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to UPMIFA. The Organizations have interpreted the Illinois UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organizations classify as net assets with donor restrictions the original value of the gift donated to the permanent endowment.

The earnings from the donor-restricted endowment fund are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organizations in a manner consistent with the standard of prudence prescribed by Illinois UPMIFA. Approval of appropriations for expenditure is made when a decision is made by the Board of Directors to release a portion of the endowment fund from donor restrictions for spending, in accordance with the terms of the gift instrument. Under the terms of the endowment, the distribution in any given year should not exceed 4% of the value of the endowment fund, as determined by the Organizations' policy.

In accordance with Illinois UPMIFA, the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (a) The duration and preservation of the fund;
- (b) The purposes of the Organizations and the donor-restricted endowment fund;
- (c) General economic conditions;
- (d) The possible effect of inflation and deflation;
- (e) The expected total return from income and the appreciation of investments;
- (f) Other resources of the Organizations; and
- (g) The investment policies of the Organizations.

The endowment fund had investment earnings of \$37,518 and \$30,425 during Fiscal Year 2022 and 2021, respectively. Net depreciation of investments was \$363,931 during Fiscal Year 2022, and net appreciation of investments was \$477,437 during Fiscal Year 2021.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(10) Lease commitment

On September 12, 2019, the Organizations entered into a lease agreement with Revered Properties, LLC for an office suite located at 2501 West Washington Street, Chicago, Illinois. The lease commenced November 5, 2019 and expired on October 31, 2022. In October 2022, the Organizations extended the term of the lease for one additional two-year period expiring on October 31, 2024. The lease is secured with an \$8,670 cash deposit.

On December 16, 2020, the Organizations entered into an additional lease agreement with Revered Properties, LLC as a cotenant with Renaissance Social Services for an office suite located at 2501 West Washington Street, Chicago, Illinois. The lease commenced January 1, 2021 and expired December 31, 2021. On March 24, 2022, the lease was extended for an additional one-year period expiring on December 31, 2022. The lease is secured with a \$1,400 cash deposit.

Rent expense for the years ended June 30, 2022 and 2021, was \$458,708 and \$424,925, respectively.

Minimum future annual rentals for the lease are as follows:

2023	\$ 36,782
2024	28,973
2025	9,753
	<u>\$ 75,508</u>

(11) Deborah's Place 401(k) Plan

Effective July 1, 2001, the Organizations created the Deborah's Place 401(k) Plan (the "Plan"). The Plan covers all eligible employees (as defined) who are at least 21 years of age and provides for (a) elective contributions to be made by participants on a pretax basis and (b) discretionary employer contributions. Participants can begin participation at the beginning of each quarter during the year they become eligible. For all employees, vesting in the Organizations' contributions begins after the second year of service and in increments of 25% per year, until fully vested after five years of service.

Effective July 1, 2018, all newly eligible employees and current employees without an election will automatically have 3% of their compensation deducted and invested in the default fund of the Plan on their behalf.

Contributions to the Plan were \$21,973 and \$31,130 for the years ended June 30, 2022 and 2021, respectively. Deborah's Place absorbs all administrative costs of the Plan.

(12) Prior year comparative totals

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class or natural expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the consolidated financial statements for the fiscal year ended June 30, 2021, from which the summarized information was derived.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(13) Financial assets and liquidity resources

As of June 30, 2022, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt and capital expenditures, were as follows:

Cash and cash equivalents	\$	3,300,750
Accounts receivable		47,232
Grants receivable		253,062
Contributions receivable		262,878
Investments		4,120,193
Less:		
Net assets designated by Board		(2,776,433)
Net assets with donor restrictions		(2,483,947)
Accounts payable and other accrued expenses		(222,798)
Current debt service		(11,753)
Add:		
Donor restrictions fulfilled in next 12 months		<u>317,500</u>
Available for use	\$	<u><u>2,806,684</u></u>

The Organizations have \$2,806,684 in financial assets available within one year to meet cash needs for general expenditures. The availability of liquid assets is monitored regularly. Additionally, fluctuations in grant and event revenue are offset by the monthly receipt of reimbursements from government grants and contracts for operational expenditures throughout the year.

(14) Cash flow disclosures

	<u>2022</u>	<u>2021</u>
Noncash investing activities:		
Interest capitalized to building and improvements	<u>\$ -</u>	<u>\$ 1,694</u>

(15) Subsequent events

The Organizations have evaluated subsequent events through December 14, 2022, the date which the consolidated financial statements were available to be issued.

**ADDITIONAL INFORMATION
AND
SUPPORTING DATA**



Mayer Hoffman McCann P.C.

225 W. Wacker Drive, Suite 2500 ■ Chicago, IL 60606
Main: 312.602.6800 ■ Fax: 312.602.6950 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION AND SUPPORTING DATA

To the Board of Directors

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

We have audited the consolidated financial statements of Deborah's Place & Affiliated Organizations as of and for the year ended June 30, 2022, and our report thereon dated December 14, 2022, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The following consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann P.C.

Chicago, Illinois
December 14, 2022

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

ADDITIONAL INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2022

	<u>Deborah's Place</u>	<u>Deborah's Place II</u>	<u>Deborah's Place III</u>	<u>Eliminations</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 2,231,456	\$ 461,066	\$ 608,228	\$ -	\$ 3,300,750
Accounts receivable	4,166	21,017	22,049	-	47,232
Grants receivable	253,062	-	-	-	253,062
Contributions receivable	262,878	-	-	-	262,878
Due from affiliate	758,353	-	-	(758,353)	-
Prepaid expenses, deposits and other	628,710	-	7,663	(376,627)	259,746
Operating, replacement and insurance reserves	-	-	440,620	-	440,620
Investments	4,120,193	-	-	-	4,120,193
Land, buildings and equipment, net	214,568	676,497	3,999,826	-	4,890,891
Intangible assets	-	-	12,635	-	12,635
TOTAL ASSETS	<u>\$ 8,473,386</u>	<u>\$ 1,158,580</u>	<u>\$ 5,091,021</u>	<u>\$ (1,134,980)</u>	<u>\$ 13,588,007</u>
<u>LIABILITIES</u>					
Mortgage notes payable, net of debt issuance costs	\$ -	\$ 2,747,694	\$ 4,427,589	\$ -	\$ 7,175,283
Accounts payable and other accrued expenses	143,341	22,631	56,826	-	222,798
Due to affiliate	-	267,822	490,531	(758,353)	-
TOTAL LIABILITIES	<u>143,341</u>	<u>3,038,147</u>	<u>4,974,946</u>	<u>(758,353)</u>	<u>7,398,081</u>
<u>NET ASSETS</u>					
Without donor restrictions:					
Operations	3,069,665	(1,879,567)	116,075	(376,627)	929,546
Board designated for operating reserves	1,488,279	-	-	-	1,488,279
Board designated for Mission 600 Fund	1,288,154	-	-	-	1,288,154
With donor restrictions	2,483,947	-	-	-	2,483,947
TOTAL NET ASSETS	<u>8,330,045</u>	<u>(1,879,567)</u>	<u>116,075</u>	<u>(376,627)</u>	<u>6,189,926</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,473,386</u>	<u>\$ 1,158,580</u>	<u>\$ 5,091,021</u>	<u>\$ (1,134,980)</u>	<u>\$ 13,588,007</u>

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

ADDITIONAL INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2022

	Deborah's Place	Deborah's Place II	Deborah's Place III	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS					
Support:					
Individuals	\$ 1,163,569	\$ -	\$ -	\$ -	\$ 1,163,569
Foundations, churches, corporations and organizations	785,255	-	-	-	785,255
Government grants and contracts	2,514,727	-	-	-	2,514,727
In-kind services	42,355	-	-	-	42,355
Fundraising events	82,954	-	-	-	82,954
TOTAL SUPPORT	4,588,860	-	-	-	4,588,860
Program revenue:					
Rent and rent subsidy	-	594,005	1,022,061	(95,694)	1,520,372
Program rents	48,380	-	-	-	48,380
Other program revenue	-	-	-	-	-
TOTAL PROGRAM REVENUE	48,380	594,005	1,022,061	(95,694)	1,568,752
Other sources:					
Management fees	85,284	-	-	(85,284)	-
Interest and dividends	30,220	462	493	-	31,175
Realized and unrealized loss on investments	(218,704)	-	-	-	(218,704)
Other income	3,244	56	202	-	3,502
TOTAL OTHER SOURCES	(99,956)	518	695	(85,284)	(184,027)
Net assets released from restriction	340,850	-	-	-	340,850
TOTAL REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS	4,878,134	594,523	1,022,756	(180,978)	6,314,435
FUNCTIONAL EXPENSES					
Program services:					
Housing Programs & Services	1,345,432	-	-	(67,794)	1,277,638
Community Housing & Services	652,866	-	-	-	652,866
Clinical & Health Services	1,400,234	-	-	(1,401)	1,398,833
Deborah's Place II	-	658,759	-	(32,604)	626,155
Deborah's Place III	-	-	1,435,697	(52,680)	1,383,017
TOTAL PROGRAM SERVICES	3,398,532	658,759	1,435,697	(154,479)	5,338,509
Supporting services:					
Management and general	729,282	-	-	(26,499)	702,783
Fundraising	372,723	-	-	-	372,723
TOTAL SUPPORTING SERVICES	1,102,005	-	-	(26,499)	1,075,506
TOTAL FUNCTIONAL EXPENSES	4,500,537	658,759	1,435,697	(180,978)	6,414,015
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	377,597	(64,236)	(412,941)	-	(99,580)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
Support	349,500	-	-	-	349,500
Interest and dividends	37,518	-	-	-	37,518
Realized and unrealized loss on investments	(363,931)	-	-	-	(363,931)
Net assets released from restriction	(340,850)	-	-	-	(340,850)
DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS	(317,763)	-	-	-	(317,763)
INCREASE (DECREASE) IN CONSOLIDATED NET ASSETS	59,834	(64,236)	(412,941)	-	(417,343)
NET ASSETS (DEFICIT), BEGINNING OF YEAR	8,270,211	(1,815,331)	529,016	(376,627)	6,607,269
TOTAL NET ASSETS (DEFICIT), END OF YEAR	\$ 8,330,045	\$ (1,879,567)	\$ 116,075	\$ (376,627)	\$ 6,189,926