ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Financial Statements
and
Reports Required in Accordance with the Uniform Guidance

For the Years Ended September 30, 2023, and 2022

(With Independent Auditors' Reports Thereon)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ethiopian Community Development Council, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated statements of financial position of the Ethiopian Community Development Council, Inc., and subsidiaries (collectively, the Organization), a non-profit organization, which comprise the statements of financial position as of September 30, 2023, and September 30, 2022, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2023, and September 30, 2022, and the changes in its net assets and its cash flows for the years 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) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 the Organization's internal control. Accordingly, we express no such opinion.
- 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary combined schedule of expenditures of federal awards on page 31, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements of the Organization. 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 26, 2024, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Largo, MD
April 26, 2024

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position

As of September 30, 2023 and 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	$ 16,661,864	$ 10,197,147
Investments	988,296	772,071
Grants receivable	20,100,515	13,436,831
Microloan notes receivable, net of allowance for loan losses (current portion)	2,843,002	2,657,582
Accrued interest receivable, net of allowance for interest losses	48,104	44,364
Rents receivable	35,381	40,146
Other receivable	1,296,310	1,258,935
Inventories	366,581	339,984
Prepaid expenses	108,231	70,017
TOTAL CURRENT ASSETS	$ 42,448,284	$ 28,817,077
MICROLOAN NOTES RECEIVABLE, NET OF ALLOWANCE FOR LOAN LOSSES (LONG-TERM PORTION)	6,988,684	4,863,426
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	2,718,770	8,008,028
OTHER ASSETS		
Cash restricted in microloan revolving fund accounts - SBA	1,707,844	1,752,738
Cash restricted in microloan revolving fund accounts - Other	6,095,115	5,099,808
Cash restricted in loan loss reserve fund accounts	453,098	354,857
Cash designated for loan loss reserves	341,657	542,557
Cash restricted in individual development accounts	16,406	6,617
Deferred financing costs, net of accumulated amortization	-	-
Security deposits	38,400	38,400
TOTAL OTHER ASSETS	8,652,520	7,794,977
TOTAL ASSETS	$ 60,808,258	$ 49,483,508

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

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position

As of September 30, 2023 and 2022

LIABILITIES AND NET ASSETS	2023	2022
LIABILITIES		
CURRENT LIABILITIES		
Due to microloan borrowers	$ 1,383	$ 7,625
Accounts payable	3,157,951	5,231,343
Accrued expenses	9,686,315	1,807,639
Refundable advances	862,141	1,966,482
Deferred revenue	2,558,595	123,595
Individual development account deposits payable	16,406	6,617
Security deposits payable	22,147	65,700
Notes payable - current maturities	3,462,928	955,079
Equity equivalent securities - current maturities	250,000	93,750
TOTAL CURRENT LIABILITIES	20,017,866	10,257,830
NONCURRENT LIABILITIES		
Deferred compensation payable	500,000	500,000
Equity equivalent investment	137,500	356,250
Mortgage notes payable - net of current maturities	7,416,780	9,483,774
TOTAL NONCURRENT LIABILITIES	8,054,280	10,340,024
TOTAL LIABILITIES	28,072,146	20,597,854
NET ASSETS		
Unrestricted		
Undesignated	24,970,667	23,539,450
Board designated reserve fund	2,086,405	1,909,451
Designated for loan loss reserves	453,098	354,857
Total unrestricted	27,510,170	25,803,758
Temporarily restricted	5,225,942	3,081,896
TOTAL NET ASSETS	32,736,112	28,885,654
TOTAL LIABILITIES AND NET ASSETS	$ 60,808,258	$ 49,483,508

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

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Statements of Activities

For the Years Ended September 30, 2023 and 2022

	2023					2022				
	Unrestricted Undesignated	Unrestricted Designated	Unrestricted Total	Temporarily Restricted	Grand Total	Unrestricted Undesignated	Unrestricted Designated	Unrestricted Total	Temporarily Restricted	Grand Total
SUPPORT, REVENUES AND GAINS										
Federal government grants	$ 62,574,149	$ -	$ 62,574,149	$ 5,225,942	$ 67,800,091	$ 62,393,947	$ -	$ 62,393,947	$ 3,081,896	$ 65,475,843
State and local government grants	985,347	-	985,347	-	985,347	916,247	-	916,247	-	916,247
Private grants	1,822,884	-	1,822,884	-	1,822,884	2,868,906	-	2,868,906	-	2,868,906
Monetary contributions	651,339	-	651,339	-	651,339	817,816	-	817,816	-	817,816
Loan origination fees	108,859	-	108,859	-	108,859	97,543	-	97,543	-	97,543
Event revenues	133,121	-	133,121	-	133,121	241,274	-	241,274	-	241,274
Sales	5,811	-	5,811	-	5,811	3,218	-	3,218	-	3,218
Sponsorships	18,500	-	18,500	-	18,500	26,986	-	26,986	-	26,986
Fees for services	42,122	-	42,122	-	42,122	42,244	-	42,244	-	42,244
Contributed goods and services	665,883	-	665,883	-	665,883	751,832	-	751,832	-	751,832
Microloan interest income	668,466	-	668,466	-	668,466	487,186	-	487,186	-	487,186
Penalty micro loans	8,925	-	8,925	-	8,925	3,560	-	3,560	-	3,560
Rental income	588,025	-	588,025	-	588,025	488,724	-	488,724	-	488,724
Parking fees	122,090	-	122,090	-	122,090	167,391	-	167,391	-	167,391
Interest income on deposits	65,808	-	65,808	-	65,808	5,279	-	5,279	-	5,279
Capital gains	255,970	-	255,970	-	255,970	(100,880)	-	(100,880)	-	(100,880)
Other	67,593	-	67,593		67,593	61,465	-	61,465		61,465
Net assets released from restrictions	2,983,655	98,241	3,081,896	(3,081,896)	-	357,266	(9,650)	347,616	(347,616)	-
TOTAL SUPPORT AND REVENUE	$ 71,768,547	98,241	71,866,788	2,144,046	74,010,834	$ 69,630,004	(9,650)	69,620,354	2,734,280	72,354,634
EXPENSES AND LOSSES										
Program services										
Community leadership	1,348,151	-	1,348,151	-	1,348,151	1,739,459	-	1,739,459	-	1,739,459
Employment services	10,229,693	-	10,229,693	-	10,229,693	6,591,963	-	6,591,963	-	6,591,963
Health services	48,640	-	48,640	-	48,640	45,489	-	45,489	-	45,489
Legal, immigration, and information referral	130,420	-	130,420	-	130,420	121,195	-	121,195	-	121,195
Refugee reception and placement	50,910,172	-	50,910,172	-	50,910,172	50,558,296	-	50,558,296	-	50,558,296
Microenterprise development	1,582,496	-	1,582,496	-	1,582,496	1,499,446	-	1,499,446	-	1,499,446
Total program services	64,249,571	-	64,249,571	-	64,249,571	60,555,848	-	60,555,848	-	60,555,848
Supporting services										
Cost of revenues	1,754,754	-	1,754,754	-	1,754,754	1,341,884	-	1,341,884	-	1,341,884
General and administrative	4,156,051	-	4,156,051	-	4,156,051	3,168,699	-	3,168,699	-	3,168,699
Total supporting services	5,910,805	-	5,910,805	-	5,910,805	4,510,583	-	4,510,583	-	4,510,583
TOTAL EXPENSES AND LOSSES	70,160,376	-	70,160,376	-	70,160,376	65,066,431	-	65,066,431	-	65,066,431
CHANGE IN NET ASSETS	1,608,171	98,241	1,706,412	2,144,046	3,850,458	4,563,573	(9,650)	4,553,923	2,734,280	7,288,203
NET ASSETS AT BEGINNING OF YEAR	25,448,901	354,857	25,803,758	3,081,896	28,885,654	20,885,328	364,507	21,249,835	347,616	21,597,451
NET ASSETS AT END OF YEAR	$ 27,057,072	$ 453,098	$ 27,510,170	$ 5,225,942	$ 32,736,112	$ 25,448,901	$ 354,857	$ 25,803,758	$ 3,081,896	$ 28,885,654

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

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Year Ended September 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 3,850,458	$ 7,288,203
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debts	286,545	38,314
Depreciation	110,416	98,768
Change in operating assets and liabilities		
(Increase) decrease in operating assets		
Grants receivable	(6,663,684)	(9,941,097)
Accrued interest receivable	(3,740)	(22,739)
Rents receivable	4,765	14,230
Other receivable	(37,375)	89,743
Inventories	(26,597)	(257,929)
Prepaid expenses	(38,214)	(4,802)
Deferred financing costs	-	2,081
Security deposits	-	1,350
Increase (decrease) in operating liabilities		
Due to microloan borrowers	(6,242)	1,833
Accounts payable	(2,073,392)	3,891,797
Accrued expenses	7,878,676	900,026
Refundable advances	(1,104,341)	1,922,011
Deferred compensation payable		-
Deferred revenue	2,435,000	(1,535,454)
Individual development accounts deposits payable	9,789	-
Security deposits payable	(43,553)	4,938
CASH PROVIDED BY OPERATING ACTIVITIES	4,578,511	2,491,273
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales (purchases) of investments	(216,225)	193,805
Cash advanced as microloans	(6,228,523)	(7,074,856)
Proceeds from principal repayments on microloans issued	3,493,517	4,998,007
(Investments in) withdrawals from cash restricted in microloan revolving fund accounts - SBA	44,894	(315,312)
(Investments in) withdrawals from cash restricted in microloan revolving fund accounts - Other	(995,307)	(2,042,255)
(Investments in) withdrawals from cash restricted in loan loss reserve fund accounts	(98,241)	9,650
(Investments in) withdrawals from cash designated for loan loss reserves	200,900	19,754
Investments in individual development accounts	9,789	-
Sales of property and equipment	5,702,630	3,969,500
Purchases of property and equipment	(533,882)	(254,113)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,379,552	(495,820)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings on notes issued	1,400,000	4,299,500
Principal repayments on notes issued	(893,345)	(2,962,077)
NET CASH PROVIDED BY FINANCING ACTIVITIES	506,655	1,337,423
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	6,464,718	3,332,876
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	$ 10,197,147	6,864,271
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 16,661,864	$ 10,197,147
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 258,760	$ 195,740

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

A—NATURE OF ORGANIZATION

The Ethiopian Community Development Council, Inc., (ECDC), a non-profit corporation, was incorporated under the laws of the Commonwealth of Virginia on June 08, 1983. It develops and administers programs designed to (a) resettle refugees; (b) promote cultural, educational and socio-economic development programs in the immigrant community in the United States; and (c) conduct humanitarian and socio-economic development programs in the Horn of Africa. ECDC's activities are supported primarily by grants from federal, state, and local government agencies as well as private foundations, and corporate and public individual contributions of cash, goods and services.

ECDC Enterprise Development Group (EDG) is a non-profit corporation, which was organized under the laws of the Commonwealth of Virginia on June 19, 1997. EDG, which formally began operations on May 10, 2001, when its non-profit status was approved by the Internal Revenue Service, is a Community Development Financial Institution currently certified by the Community Development Financial Institutions Fund (CDFI) of the United States Department of the Treasury pursuant to the regulations of the CDFI. Its mission is to promote sustainable community and economic development among underserved populations by providing entrepreneurial financing and technical assistance; employment training; rental assistance; and a spectrum of related services. EDG's activities are supported primarily by grants and loans from federal, state, and local government agencies; financial institutions; as well as private foundations; and corporate and public individual contributions of cash, goods and services.

Highland Holdings LLC (Highland) is a business entity that operates explicitly to acquire and develop real property and engage in business activities related or incidental thereto, including leasing some or all of it to ECDC, its sole member, and EDG, an affiliate. As a limited liability company, all of Highland's taxable income or loss is allocated to its sole member, ECDC, and reported in ECDC's Federal Form 990-Return of Organization Exempt from Income Tax and state income tax returns as unrelated business income or loss. Highland is classified as a flow-through entity for Federal and state income tax purposes. Highland is, however, subject annually to a limited liability company registration fee and a gross income based fee at the County level. Highland was formed under the laws of the Commonwealth of Virginia on September 29, 2003.

Axumite Village LLC (Axumite), is a business entity that operates explicitly to acquire and develop real property and engage in business activities related or incidental thereto. Ethiopian Community Development Council, Inc. (ECDC), is the sole member of Axumite. As a limited liability company, all of Axumite's taxable income or loss is allocated to its sole member, ECDC, and reported on ECDC's Federal Form 990-Return of Organization Exempt from Income Tax, which is filed in the U.S. federal jurisdiction and the office of the state's department of taxation for the State of Virginia. Axumite is classified as a flow-through entity for Federal and state income tax purposes and as such it not subject to income taxes, however it is subject to an annual limited liability company registration fee. Axumite was organized under the laws of the Commonwealth of Virginia on April 2, 2013 and commenced its productive operations on June 7, 2019.

B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ECDC and EDG are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (Code) and are not classified as private foundations as defined in Code Section 509(a) and qualify for deductible contributions as provided in Section 170(b)(1) of the Internal Revenue Code, and as such are subject to income taxes only to the extent of unrelated business income. ECDC and EDG are, however, required to file Federal Form 990-Return of Organization Exempt from Income Tax, which is an informational return only.

Principles of Consolidation

Generally accepted accounting principles require ECDC to consolidate legal entities in which it has operational and financial control. ECDC consolidates all investments in subsidiaries in which ECDC's ownership exceeds 50 percent or where ECDC has control. The accompanying consolidated financial statements include the accounts of ECDC, EDG, Highland and Axumite (collectively "the Organization"). All intra-entity accounts and transactions have been eliminated in consolidation.

Basis of Accounting

These consolidated financial statements have been prepared on the accrual basis of accounting. Consequently, revenues and gains are recognized when earned rather than received, and expenses and losses are recognized when obligations are incurred rather than when cash is disbursed.

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205-05-6. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as unrestricted revenues. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- *Unrestricted net assets*—Net assets that are not subject to donor-imposed stipulations, and, therefore, are available for various programs and administration.
- *Temporarily restricted net assets*—Net assets that are available for use but expendable only for those purposes specified by the grantor. Amounts restricted by the donor for a particular purpose are reported as temporarily restricted revenue when received, and such unexpended amounts are reported as temporarily restricted net assets at year end. When donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as 'net assets released from restrictions. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.
- *Permanently restricted net assets*—Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Income from the assets held is available for either general operations or specific purposes in accordance with donor stipulations. There were no permanently restricted net assets at year end.

B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition
A substantial portion of ECDC's and EDG's revenues are derived from grants, contracts and cooperative agreements with federal, state, and local government agencies. Revenues from these grants, contracts and cooperative agreements are recognized in accordance with the terms of the underlying agreements. Amounts received on the basis of these agreements prior to the incurrence of expenditures are recorded as advances. Expenses incurred under cost-reimbursement agreements prior to receipt of the revenues are recorded as receivables.

Interest income is accrued as earned. Interest on microloans accrues from the date of issue through the date of maturity. Interest on microloans is computed based on the contractual loan note rate.

Revenue is generally recognized when all significant contractual obligations have been satisfied and collection of the resulting receivables is reasonably assured. Revenue from sales of inventory is recognized when title transfers to the customer, which is generally at the time of shipment or when the customer takes possession. Revenue from services is recognized at the time services are provided. Student tuition and fees are recognized when earned in accordance with the service agreement. When tuition and fees are received in advance, they are recorded as unearned revenue and recognized as income over the academic period for which they were paid. In instances where collection of a receivable or sale is not reasonably assured, revenues and the related costs are deferred.

Cash and Cash Equivalents
Cash includes cash on hand and on deposit with banks. The Organization considers all highly liquid investments with original maturities of three months or less, when purchased, to be cash equivalents.

Investments
Investments consist of debt securities, which are classified as held-to-maturity and carried at amortized cost.

Notes receivable and related allowance for loan losses
The reported balance of notes receivable, net of the allowance for loan losses, represents EDG's estimate of the amount that ultimately will be realized in cash.

B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes receivable and related allowance for loan losses (continued)

Management considers receivables over 90 days as past due. EDG reviews the adequacy of the allowance for loan losses on an ongoing basis, using historical payment trends, the age of the receivables, the current business environment and knowledge of its individual borrowers. When its analyses indicate, EDG increases or decreases the allowance accordingly. However, if the financial condition of the borrowers were to deteriorate, additional allowances might be required.

Inventories
Inventories consist of donated goods received in support of program activities and are stated at the lower of cost or market. Cost is determined on an estimated fair value basis at the date of donation. Market is determined based on net realizable value. Appropriate consideration is given to obsolescence, deterioration and other factors in evaluating net realizable value.

Property and Equipment
Property and equipment are carried at cost. Acquisitions with an initial cost of $1,000 or more are capitalized at cost, when purchased, or at fair market value at the date of gift, when donated.

Asset acquisition costs that extend the life, increase the capacity, or improve the safety or efficiency of property, are capitalized. Depreciation is computed using the straight-line method based on the assets' estimated useful lives of 39 years for building and improvements; 5-7 years for furniture, fixtures and equipment; and 10 years for motor vehicles.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

Refundable Advances
ECDC and EDG record grant revenues over the period of the award and the provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred. Amounts that have been received but not earned are included in refundable advances.

Contributions

Cash and Other Monetary Assets

Contributions of cash and other monetary assets, including unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor and are recognized as revenues in the period the contribution is received or unconditional promise is given. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is

B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions (continued)

Cash and Other Monetary Assets (continued)

recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Property and Equipment

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor; the Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Services

Donated services are recognized as contributions at either the fair value of the services received or the fair value of the asset or of the asset enhancement resulting from the services if the services (a) create or enhance non-financial assets, including land, buildings, use of facilities or utilities, materials and supplies, intangible assets, or other services or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by ECDC or EDG. Volunteers have donated significant amounts of time assisting ECDC and EDG and their affiliates with program services, including the Match Grant, fundraising, special projects, and provision of program services throughout the year, which are not recognized as contributions in the financial statements since the recognition criteria codified under FASB ASC 958-605-30-10 and FAS 116 were not met.

Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Organization accounts for its financial instruments at fair value. Fair value is defined as the price that would be paid in an orderly transaction, or exit price, between market participants to sell the asset or transfer the liability in the principal or most advantageous market for the asset or liability.

Fair value is a market-based measurement, not an entity-specific measurement. Therefore, the Organization uses assumptions that market participants would use in pricing the asset or liability. The Organization is required by GAAP to categorize its financial instruments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to

B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value of the instrument.

The financial instrument recorded on the balance sheets is categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access.

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or use model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in non-active markets; pricing models whose inputs are observable for substantially the full term of the asset or liability; and pricing models whose inputs are derived principally from or corroborated by observable market data. Level 2 assets also include investment funds that do not have a readily determinable fair value but meet other criteria.

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Level 3 assets may not permit redemptions at net asset value, or its equivalent, at the measurement date.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Sales Tax

The State of Colorado ("the State") imposes a sales tax of 2.90 percent on all of ECDC's sales to non-exempt customers, while the local municipality imposes a rate of 1.10 percent, for a combined rate of 4 percent; additionally, sales are subject to City and County sales tax of 3.75 percent and 0.25 percent, respectively. ECDC collects the sales tax from customers and remits the entire amount to the State. ECDC's accounting policy is to include the tax collected and remitted to the State in revenue and sales tax expense. For the years ended September 30, 2023, and 2022, ECDC's revenues and sales tax expense include $444 and $152, respectively, of sales tax collected and remitted.

Income Taxes

The Organization is recognized as a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Service Code (the Code) whereby only unrelated business income, as defined by Section 509 (a) (2) of the Code, is subject to Federal income tax.

C—INVESTMENTS

The Organization's investment of cash in excess of requirements and cash held temporarily until restrictions are met were as follows at year-end:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
John Marshall Investments	25,000	83,663	25,000	115,113
Endowment Fund Securities	182,889	243733	182,889	216,192
LPL Financial	578,544	660,900	578,544	440,766
Total Investments	$ 786,433	$ 988,295	$ 786,433	$ 772,071

All investments were unrestricted at year-end. Net investment income for fiscal years 2023 and 2022 was $255,970 and $937 respectively.

D—MICROLOAN NOTES RECEIVABLE

Microloan notes receivable consist of amounts due to EDG on loans made to small businesses as well as to individuals. These loans were funded by loan funds received from the U. S. Small Business Administration, Community Development Financial Institution Fund of the U. S. Department of the Treasury, Small Business Loan Fund, Arlington and Fairfax Counties of the Commonwealth of Virginia, City of Alexandria of the Commonwealth of Virginia, Department of Housing and Community Development of the State of Maryland, and Capital One Community Development Corporation. The notes are secured and bear interest ranging between 7.75% and 11.50%.

Micro loan notes receivables are reported at net realizable value and consist of the following at September 30:

	2023	2022
Microloan notes receivable	$10,138,808	$7,676,093
Allowance for loan losses	(307,122)	(155,085)
Microloan notes receivable net of allowances	$ 9,831,686)	$ 7,521,008

Collectability of the receivables is reviewed regularly, and an allowance is established or adjusted, as necessary, using a combination of the specific identification method and the percentage method of recording bad debts based on historical experience. Loan losses have consistently been within management's expectation. The notes receivables are pledged to collateralize notes issued to the U.S. Small Business Administration. Interest income on these notes totaled $673,352 and $493,955 for fiscal years 2023, and 2022, respectively.

E—PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2023 and 2022:

	2023	2022
Land	$ 1,057,206	$ 2,192,028
Construction-in-progress	1,377,236	3,564,648
Buildings and improvements	1,344,128	3,221,364
Furniture and equipment	424,314	532,314
Motor vehicles	537,458	408,830
Total property and equipment	4,740,342	9,919,184
Less: accumulated depreciation	(2,021,572)	(1,911,156)
Property and equipment net of depreciation	$ 2,718,770	$ 8,008,028

F— CASH RESTRICTED IN MICROLOAN REVOLVING FUND ACCOUNTS

EDG is required to segregate cash received from the U.S. Small Business Administration, under the terms of its note agreements, therewith, that restricts its use to issuing microloans and maintaining adequate loan loss reserves. Funding received under these agreements with the U.S. Small Business Administration, are segregated in microloan revolving fund accounts at a financial institution and collateralize notes issued to the U.S. Small Business Administration to secure them. Management has elected to restrict additional cash for the purposes of debt servicing and funding of microloans not funded by the SBA.

G—CASH RESTRICTED IN LOAN LOSS RESERVE FUND ACCOUNTS

As required by the terms of its note agreements underlying the face value of $7,850,000 and $6,450,000 notes in 2023, and 2022, respectively, due in the aggregate to the U.S. Small Business Administration (SBA), EDG maintains as loan loss reserves an amount equivalent to 10% of the outstanding SBA funded microloan receivables. The loan loss reserves are held in interest-bearing accounts in EDG’s name and stand as collateral for the $7,850,000 face value of the notes due to SBA and are not available for operating purposes. These reserves are further pledged as collateral for funds due to the SBA. The SBA funded microloan receivables were $4,530,976 and $3,548,570 in 2023 and 2022, respectively, while the related cash in loan loss reserve fund accounts were $453,098 and $354,857 in 2023, and 2022, respectively.

H—CASH DESIGNATED FOR LOAN LOSS RESERVES

Management has internally designated certain funds contributed locally to establish a long-term reserve to cover loan losses. These reserves are reported as a component of unrestricted net assets in the accompanying financial statements.

I—CASH RESTRICTED IN INDIVIDUAL DEVELOPMENT ACCOUNTS

Cash restricted in individual development accounts on the Statements of Financial Position, amounting to $16,045 and $6,617 as of September 30, 2023, and 2022, respectively, exclusively represents client deposits - under a federally matched savings program - into a designated account for specific purpose, such as homeownership, education, or business start-up, etc. These funds, which are restricted from use by ECDC and or EDG, are due in full on demand or upon the client's satisfaction of the program goals. Accordingly, a corresponding liability is shown on the Balance Sheets. Clients are being assisted in exiting the IDA program as funding of the program has ended, and new client deposits are not permitted.

J—DEFERRED FINANCING COSTS

Certain costs incurred in connection with the refinanced Note of $3,840,000 of August 4, 2016, disclosed in Note L are deferred and amortized using the straight-line method over the term of the loan. Amortization of these costs of $0.00 in fiscal 2023, as the amortization period is fully realized, and $2.081 in fiscal 2022, is charged to interest expense in the accompanying statements of activities.

K—NOTES PAYABLE

Notes payable consisted of the following at September 30, 2023, and 2022:

ECDC

On May 3, 2022, ECDC received an EIDL loan from the U.S. Small Business Administration with an effective date of May 3, 2022, in the amount of $2,000,000. The note has an interest rate of 2.75% applicable to funds drawn down and is repayable over a period of 30 years at $8,975 monthly. Payments are not due during the first 24 months of the note; however, interest is accrued at the rate of 2.75% per annum on all drawdown amounts during the deferment period. Repayments are scheduled to begin in May 2024. The note matures May 2, 2052.

Highland Holdings

Notes payable on September 30, 2023, and 2022, were $2,784,593 and $2,937,937 respectively. On September 15, 2010, Highland Holdings along with its lender, Bank of America, N.A extended the maturity date of its October 9, 2003, Note in the original amount of $4,700,000 to December 30, 2010. Subsequently, on January 31, 2011, Highland Holdings and the lender executed an amendment to the Note providing for re-advances up to $630,862 of amounts previously repaid under the Note, such that the maximum amount re-advanced plus the aggregate unpaid principal amount then outstanding under the Note amounted to $4,500,000; and extended the maturity date of the Note to January 31, 2016. In December 2011, Highland Holdings borrowed the $630,862 made available by the amended note. Prior to maturity,

effective February 1, 2012, the amended Note was payable at $18,750 per month on the principal portion, in addition to the interest on all unpaid principal at the floating and fluctuating.
NOTES PAYABLE (continued Highland Holdings)

BBA LIBOR in effect from time to time plus 2.65 percentage points per annum. At the maturity date, Highland Holdings is required to pay in full all amounts that remain unpaid under the Note, including all unpaid principal, all accrued unpaid interest, and any unpaid fees, charges or other amounts. The Note mandated Highland Holdings to attain a debt service coverage ratio of at least 1.0:1.0 as of the last day of each six-month period ending on March 31 and September 30 on a consolidated basis.

On August 4, 2016, Highland Holdings refinanced the then outstanding balance on the above note in addition to receiving a cash-out option for a total of $3,840,000. The new note bears interest at the rate of 3.41%, originally matures August 4, 2023, and is repayable in monthly installments of $22,190.54. Under amendment 2 to the note the maturity date has been extended. This Note mandates that ECDC and Highland Holdings maintain, on a consolidated basis, a minimum Debt Service Coverage Ratio of at least 1.2:1.0 measured annually.

At September 30, 2023, the future maturities of the Note for succeeding years, using the terms of note agreement were as follows:

Notes payables consist of the following:

2024	$2,784,593

EDG:

Notes payables consist of the following:	2023	2022
Notes payable to U.S. Small Business Administration originating on May 5, 2014, in the amount of $450,000 at 0.00% in the first 12 months and interest rate of .025% starting in month 13. Maturing May 5, 2024, with principal due in the entirety at maturity.	33,544	91,039
Notes payable to U.S. Small Business Administration originating on May 3, 2013, in the amount of $800,000 with interest rate currently of 0.00%, matured May 3, 2023.	-	66,350
Note payable to U.S. Small Business Administration originating on November 19, 2014, and maturing November 19, 2024, in the amount of $800,000 at 0.00% for months 1 -12 provided that the average microloan funded is not greater than $10,000 if the average microloan funded is greater than $10,000 interest will then be 0.38%. In FY 2022 the interest rate was lowered to .0375% and remains at that level in 2023.	117,876	218,587

Notes payables (continued)	2023	2022
Note payable to U.S. Small Business Administration originating on July 26, 2016, and maturing July 26, 2026, in the amount of $1,200,000 at 0.00% for months 1 -12 provided that the average microloan funded is not greater than $10,000 if the average microloan funded is greater than $10,000 interest will then be 1.25% minus a buy down of 1.25% for an accrual rate of 0.00.	410,159	554,921
Interest payments on the SBA loans begin on the 13th month from date of loan origination. Interest accrued during the first twelve months is divided into 108 equal installments and added to the calculated payments of principal and interest during the thirteenth through the one-hundred twentieth month of the note unless the note is prepaid, in which case, all interest accrued would be. payable in full at time of principal payoff. The notes are secured by a first lien and security interest in all monies in microloan revolving fund accounts, monies restricted in loan loss reserves fund accounts, and all microloan notes receivable outstanding.		
Note payable to U.S. Small Business Administration originating on October 23, 2018, with drawdown in February 2019 and maturing September 26, 2027, in the amount of $1,200,000 at 0.00% for months 1 -12 provided that the average microloan funded is not greater than $10,000 if the average microloan funded is greater than $10,000 interest will then be 1.75% minus a buy down for an accrual rate of 0.50%.	590,492	733,343
Note Payable to Department of Housing and Community Development of the State of Maryland in the amount of $250,000, dated July 19, 2019. Monthly interest only payments at 2% per annum are made during the 84-month life of the loan. Principal is repaid in full at maturity, July 19, 2025, being 84 months following disbursement.	250,000	250,000
Note payable to U.S. Small Business Administration originating on June 20, 2019, with drawdown in July 2019 and maturing 10 years from date of note on or about May 19, 2029, in the amount of $1,200,000 at 0.50% for months 1 -12 provided that the average microloan funded is not greater than $10,000 if the average microloan funded is greater than $10,000. Interest will then be 2.50% minus a buy down of 1.25% for an accrual rate of 1.25%.	832,837	970,525

Notes payables (continued)	2023	2022
Note Payable to Department of Housing and Community Development of the State of Maryland in the amount of $250,000, dated December 3, 2020. Monthly interest only payments at 2% per annum are made during the 84-month life of the loan. Principal is repaid in full at maturity, December 3, 2027, being 84 months following disbursement.	212,500	212,500
Note payable to U.S. Small Business Administration originating on February 28, 2022, with drawdown on April 25, 2022, and maturing 10 years from date of note on or about February 28, 2032, in the amount of $800,000 at 0.00% for months 1 -12 provided that the average microloan funded is not greater than $10,000 if the average microloan funded is greater than $10,000. Interest will then be 1.00% minus a buy down of 1.25% for an accrual rate of 0.00%.	748,148	800,000
Note payable to U.S. Small Business Administration first originating on March 14, 2022, in the amount of $500,000 and modified on May 14, 2022, to the amount of $1,499,500 with drawdown on March 23, 2022 of $500,000 and May 18, 2022 of $999,500. The note has an interest rate of 2.75% and is repayable over a period of 30 years. Payments are not due during the first 24 months of the note however interest is accrued at the rate of 2.75% per annum. The note matures March 22, 2022.	1,499,500	1,499,500
Note payable to the U.S. Small Business Administration first originating on July 10, 2023, in the amount of $1,400,000. The note has an interest rate of 2% and is repayable over a period of 10 years. The note matures July 10, 2033	1,400,000	-
Total notes payable	6,095,115	5,396,765
Notes payable—current maturities	(806,084)	(683,342)
Notes payable NET of current maturities	$ 5,289,031	$ 4,713,423

Maturities of notes payable are as follows:

2024	$806,084
2025	999,101
2026	716,505
2027	596,816
2028	455,022
2029 and thereafter	$2,521,587

Axumite Village

Note payable on September 30, 2023, and September 30, 2022, was $104,151 and $2,134,994 respectively, arising from a credit line agreement entered between MVB Bank, Inc. and Axumite. On July 9, 2020, Axumite along with its lender, MVB Bank, Inc. collateralized the Note with a Deed of Trust for an aggregate principal loan amount of $10,000,000, for the purposes of advancing, to completion, the construction of 35 condominium units on the parcels of land ordinarily identified as 1036 S Highland Street, 1100 S Highland Street and 1106 S Highland Street, Arlington, VA. The note is repayable at current Wall Street Journal Prime interest rate plus .50% with a floor of 5.75% amortized over 24 months on the balance drawn down and outstanding on the line of credit from time to time. The note has a provision for two six (6) month extension options, providing no default event occurs. The initial 6-month extension may be exercised if a minimum of 18 units have been sold and settled during the initial 24-month loan term. The second 6-month extension becomes available if there are not any events of defaults and a minimum of 28 units have been sold and settled. A fee of 0.25% is applied to each extension granted. On January 24, 2022 Axumite opted not to exercise the second 6-month extension with MVB Bank, Inc. and refinanced the then remaining note balance of $1,351,300.66 with EDG at 6 percent per annum with 100% of net proceeds of the sale of condominium units being allocated to repaying the note until the note is fully repaid.

At September 30, 2023, there are not any future maturities of the Note, for the succeeding period, as the note is fully repaid. Using the terms of note agreement were as follows:

	2023	2022
Note with EDG	-	$104,151
TOTAL	-	$104,151

L—FAIR VALUE MEASUREMENT

The following table sets forth by level, within the fair value hierarchy, the Organization's financial instruments at fair value as of year-end:

	2023			
	Total	Level 1	Level 2	Level 3
Assets				
John Marshall Investment	83,663	83,663		
Endowment Securities	243,733	243,733	-	-
LPL Financial	660,900	660,900		
	$ 988,295	$ 988,295	$ -	$ -

	2022			
	Total	Level 1	Level 2	Level 3
Assets				
John Marshall Investment	$115,113	$ 115,113		
Endowment Securities	216,192	216,192		
LPL Financial	440,766	440,766		
	$ 772,071	$ 772,071	$ -	$ -

M—EQUITY EQUIVALENT INVESTMENT

EDG now has two outstanding amounts under equity equivalent securities agreements – both equity equivalent security agreements are with Wells Fargo Community Investment Holdings (Wells Fargo). These securities are subordinated and junior in right of payment, as to principal, interest and premium, to all claims against EDG and possess attributes of corporate stock but do not constitute a class of stock or represent any equity ownership. These obligations are not secured by the assets of EDG. The securities have not been registered under the Securities Act of 1933, as amended, or the securities laws of any state.

The principal sum of $250,000, associated with the first Wells Fargo agreement, entered into on December 14, 2012, was due in full on December 14, 2022, along with all accrued interest on any outstanding principal on that date. Interest of 2% is payable quarterly in arrears on the 15th day of the month after the end of each calendar quarter following the Disbursement Date. Unless EDG delivers to Wells Fargo within 30 days prior to the maturity date a written request, not to extend, the maturity date will automatically extend for two years beyond the maturity date. EDG has opted for the extended period.

AXUMITE VILLAGE (continued)

During the extended period quarterly, principal payments shall be made in eight equal amounts of $31,250 commencing March 15, 2023, with a final payment being made on December 14, 2024. During the extended period interest payments will continue at the rate above on the balance outstanding from time to time.

The principal sum of $200,000, associated with the second Wells Fargo agreement, entered into on December 7, 2015, is due in full on December 7, 2025, along with all accrued interest on any outstanding principal on that date. Interest of 2% is payable quarterly in arrears on the 15th day of the month after the end of each calendar quarter following the Disbursement Date. Unless EDG delivers to Wells Fargo within 30 days prior to the maturity date a written request, not to extend, the maturity date will automatically extend for two years beyond the maturity date. During the extended period, quarterly principal payments shall be made in eight equal amounts of $25,000 commencing April 1, 2026, with a final payment being made on December 14, 2027. During the extended period interest payments will continue at the rate above on the balance outstanding from time to time.

N—EMPLOYEE BENEFIT PLAN

ECDC and EDG maintain an Internal Revenue Code (IRC) 403(b) Tax Deferred Annuity Plan for their employees. Employees are eligible to participate on the first entry date on or following completion of one year of service. ECDC and EDG make discretionary contributions to the plan on an annual basis. Employees may elect to contribute, pursuant to a salary reduction agreement, a percentage of annual compensation not to exceed the limits of IRC sections 403(b), 402(g) and 415. Contributions are invested in individual flexible premium deferred annuity contracts issued by an insurance company. Contributions for the years ended September 30, 2023, and 2022 were $2,543,922 and $1,400,938, respectively. ECDC also offers a 457(b) Deferred Compensation Plan for management and highly compensated employees. Participation in the plan is voluntary.

O—COMMITMENTS AND CONTINGENCIES

Grants and loans require the fulfillment of certain conditions set forth in the underlying agreements. Failure to fulfill or comply with the conditions could result in the return of funds to the grantor or lender and the termination of the funding agreements. Although this is a possibility, ECDC's and EDG's Boards of Directors consider the possibility remote, since by accepting the funds, they have accommodated the objectives of ECDC and EDG to the provisions of the grants and loans. Amounts received under grant agreements are subject to audit and adjustments by the funding agency. Any disallowed cost, including amounts already collected, may constitute a liability for the Organization.

The amounts, if any, of expenditures, which may be disallowed by the funding agency, are recorded at the time that such amounts can be reasonably determined, normally upon notification of the agency. No such adjustments were made during 2023 or 2022.

In the ordinary course of business, the Organization is subject to litigation for which it carries professional and general liability coverage. The insurance program is designed to provide protection to the Organization from such liabilities on a claims-made basis.

P—UNCERTAIN TAX POSITIONS (continued)

Professional liability claims may be asserted arising from services provided to clients in the past. Management is unaware of any claims against the Organization. ECDC stands as the guarantor on notes payable for Highland Holdings as indicated in Note K. The obligation with MVB Bank for Axumite Village as indicated in Note K was settled in January 2022, and ECDC was then released from its guaranty.

P—UNCERTAIN TAX POSITIONS

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, ECDC and EDG may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of ECDC and EDG and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2023 and 2022.

ECDC and EDG file their forms 990 in the U.S. federal jurisdiction and the Department of Taxation for the State of Virginia as appropriate. As of September 30, 2023, the statute of limitations for tax matters prior to September 30, 2020, have expired with the U.S. federal jurisdiction or the state and local jurisdiction in which ECDC and EDG files tax returns

Q—CONCENTRATIONS

Credit Risk Arising from Cash Deposits in Excess of Insured Limits

The Organization maintains cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 limit per ownership category. On September 30, 2023, and 2022, the Organization’s uninsured cash balances total $22,502,614 and $12,474,592, respectively. The Organization has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on its cash and cash equivalents due to the creditworthiness of the financial institutions.

Revenues

During 2023 and 2022, the Organization derived approximately 91.76% and 90.06%, respectively, of its support from agreements with various U.S. Federal government agencies. Additionally, 97.06% and 88.20% of its grant’s receivable relate to agreements with the Federal government agencies, for those respective years. A significant variation in the level of this support, if this were to occur, would have a material effect on the Organization’s programs and activities.

T—SUBSEQUENT EVENTS *(continued)*

R—PROGRAM MATCH

During 2023, ECDC in conjunction with its pass-through affiliates achieved the contractually required match to its Matching Grant program with a minimum of 10% being cash contributions and a maximum 90% being in-kind good and services. Volunteers donated significant amounts of time assisting ECDC and its pass-through affiliates with program services on the Matching Grant, throughout the year, which are not recognized as contributions in the financial statements since the recognition criteria codified under FASB ASC 958-605-30-10 and FAS 116 were not met.

S—RELATED PARTY

Under the arrangements of a life insurance policy ECDC made a term loan to its Executive Director for the purposes of funding the associated premiums. The balance on the related loan in fiscal year 2023 is $1,254,326 while the balance in fiscal 2022 was $1,179,575. The term loan bears interest at the rate of 2.99% per annum and is repayable upon policy maturity.

T—SUBSEQUENT EVENTS

The Organization's management has evaluated the events that have occurred subsequent to September 30, 2023, through April 26, 2024, the date that the financial statements were available to be issued.

Management has determined that no events have occurred during, this period that require adjustment to or disclosure in the financial statements. Management has no responsibility to update these financial statements for events and circumstances occurring after this date.

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

To the Board of Directors
Ethiopian Community Development Council, Inc.

We have audited in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of the Ethiopian Community Development Council, Inc. and subsidiaries (collectively, the Organization), which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing standards*.

Purpose of This Report

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

Alexander Gibbs Chartered

Largo, MD
April 26, 2024

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Ethiopian Community Development Council, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ethiopian Community Development Council, Inc. and subsidiaries (collectively, the Organization) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements of its federal awards applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program taken as a whole.

In performing and audit in accordance with GAAS and *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, 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 Organization's compliance with requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain and understanding of the Organizations internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, we express no such opinion.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance Section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express such an opinion.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Largo, MD
April 26, 2024

SUPPLEMENTARY INFORMATIO

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Combined Schedule of Expenditure of Federal Awards

For the Year Ended September 30, 2023

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES
Combined Schedule of Expenditure of Federal Awards
For the Year Ended September 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Federal Catalog of Federal Domestic Assistance Number/ Contract Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF STATE			
Bureau of Population, Refugees, and Migration—Refugee Reception and Placement Program	19.510	$9,524,452	$18,937,400
TOTAL U.S. DEPARTMENT OF STATE		9,524,452	18,937,400
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct programs			
Administration for Children and Families—Office of Refugee Resettlement Matching Grant, Capacity Strengthening Technical Assistance Initiative and Preferred Communities	93.576	21,617,549	34,677,056
Administration for Children and Families—Office of Refugee ResettlementMicro-Enterprise Opportunities	93.576		250,000
Total Administration for Children and Families - Office of Refugee Resettlement		21,617,549	34,927,056
Pass-through programs			
Catholic Charities of Southern Nevada—Formula Targeted Assistance; Refugee Social Services	93.583; 93.566		717,833
State of Maryland - Public Private Partnership Transitional Cash Assistance; Extended Case Management; Employment Services	93.566; 93.576		2,241,976
Virginia Department of Social Services	93.558; 93.671		85,061
Virginia Department of Criminal Justice Services — Domestic Violence Services	16.575; 16.574		137,706
COVID-19 Virginia State and Local — Fiscal Recovery Funds	93.576		3,249
Commonwealth of Virginina - Resettlement support	93.671; 93.566		3,648,112
State of Vermont - Resettlement Support	93.599; 93.566		415,636
State of Vermont - Agency of Human Services - Emergency Rental Assistance	21.023; 93.576		98,989
USCRI - Temporary Cash to Needy Families	93.566; 93.598		53,227
World Learning Vermont - Higher Education in Refugee Resettlement	93.576		75,049
State of Wisconsin - Resettleemnt Support	93.671		100,454
			7,577,292
State of Colorado			
Temporary assistance for needy families program – CARES/REACH	93.558; 93.566; 93.583 ;93.576		5,109,573
Total State of Colorado			5,109,573
Total pass-through programs			12,686,865
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		21,617,549	47,613,921
U.S. DEPARTMENT OF EDUCATION			
State of Vermont - Department of Education - Afgan Refugee Support	84.425		1,922
TOTAL U.S. DEPARTMENT OF EDUCATION			1,922
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-through programs			
Arlington County, Commonwealth of Virginia—Community Development Block Grant program (microenterprise loan program, business incubator program)	14.218		41,394
Montgomery County, State of Maryland—Community Development Block Grant program (microenterprise loan program, business incubator program)	14.218		31,905
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			73,299
U.S. DEPARTMENT OF THE TREASURY			
Community Development Financial Institution	21.020		945,950
TOTAL U.S. DEPARTMENT OF THE TREASURY			945,950
U.S. SMALL BUSINESS ADMINISTRATION			
Microloan Technical Assistance program	59.046		926,847
Microloan program	73.4279		2,974,427
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			3,901,274
Total Expenditures of Federal Awards		$31,142,001	$71,473,766

The accompanying notes are an integral part of this schedule.

A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) present a summary of the financial activities of the Ethiopian Community Development Council, Inc. and its subsidiary, ECDC Enterprise Development Group (collectively the Organization) for the year ended September 30, 2023, which have been funded by the federal government. The Schedule has been prepared on the accrual basis of accounting, except for federal awards expenditures by sub-recipients, and the cost accounting principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and include all expenditures of federal awards, direct and pass-through, received by the Organization from federal and state grantor agencies. Federal awards are deemed to be expended by the Organization when the funds are disbursed to sub-recipients, regardless of when the sub-recipients expend the federal funds. For purposes of the Schedule, federal awards include all federal financial assistance entered into directly between the federal government and the Organization and federal funds awarded to the Organization by a prime recipient pursuant to federal financial assistance agreements.

The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the Organization's basic financial statements. Because the Schedule presents only federal expenditure activities of the Organization, they are not intended to and do not present the financial position, changes in net assets or cash flows of the Organization as a whole.

Expenditure consists of direct and indirect costs. Under cost principles embodied in the Uniform Guidance, certain types of expenditures are not allowable or are limited as to reimbursement.

B—FRINGE BENEFITS AND INDIRECT COSTS

The Organization recovers fringe benefits and indirect costs associated with federal award programs pursuant to predetermined rates negotiated with the Organization's cognizant agency, the U.S. Department of Health and Human Services. These rates are effective from October 1, 2022, until September 30, 2025 or until otherwise amended. The Organization had a predetermined fringe benefit rate of 36.1% based on direct salaries and a predetermined indirect cost rate of 26.2% based on modified total direct costs.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2023

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

Material weakness identified. No

Significant deficiencies identified that are not considered to be material weakness? None reported.

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness identified? No

Significant deficiencies identified that are not considered to be material weakness? None reported.

Type of auditor's report issued on compliance for major programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR, 200 516(a)? No

Major programs: (1) **CFDA:** 19.510 **Name:** Refugee reception and placement program. (2) **CFDA:** 73.4279 **Name:** Microloan program; (3) **CFDA**: 93.576 **Name**: Resettlement Matching Grant; (4) **CFDA**:93.583 **Name**: CARES; (5) **CFDA**: 59.046 **Name**: Microloan technical assistance program; (6) **CFDA**: 21.020 **Name**: Community Development Financial Institution (7) **CFDA** 93.671 **Name**: Resettlement Support (8) CFDA:93.566 Name: Targeted Assistance

Dollar threshold used to distinguish between type A and type B programs: $2,144,213.

Auditee qualified as low risk auditee. Yes

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None required to be reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None required to be reported.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Schedule of Functional Expenses

For the Year Ended September 30, 2023

	PROGRAM SERVICES								SUPPORTING SERVICES			
	Community Leadership	Employment Services	Health Services		Legal Immigration and Information Referral	Refugee Reception and Placement	Micro-Enterprise Development	Total	Cost of Revenues	General and Administrative	Total	GRAND TOTAL
Salaries	$ 370,574	$ 3,375,336	$ 32,883	#	$ 95,048	$ 8,668,148	$ 854,938	$ 13,396,927	$ -	$ 1,295,424	$ 1,295,424	$ 14,692,352
Fringe benefits	133,777	1,218,496	9,865	-	34,312	3,129,201	308,632	4,834,284	-	469,654	469,654	5,303,939
Bad debts	-	-	-		-	-	286,545	286,545	-	-	-	286,545
Subcontractors and Affiliates	158,220	-	-	-	-	31,142,001	-	31,300,221	-	163,360	163,360	31,463,582
Client assistance	327,265	4,988,120	-	-	-	5,622,151	-	10,937,536	-	452,871	452,871	11,390,407
Depreciation	-	-	-	-	-	-	-	-	73,438	36,978	110,416	110,416
Equipment rental	-	2,710	-	-	-	3,784	-	6,494	-	4,042	4,042	10,536
Insurance	3,048	4,047	-	-	-	2,496	-	9,590	22,207	45,568	67,775	77,365
Interest	0	-	-	-	-	-	65,001	65,001	98,969	94,790	193,759	258,760
International assistance	-	-	-	-	-	-	-	-	-	70,369	70,369	70,369
Licenses and taxes	538	981	-	-	-	5,987	-	7,506	184,846	16,901	201,747	209,253
Repairs and maintenance	1,647	1,305	-	-	-	18,042	-	20,994	54,059	8,866	62,925	83,919
Upkeep	1,679	3,668	-	-	-	27,026	-	32,373	34,967	4,046	39,013	71,385
Meeting, conference and seminars	9,510	-	-	-	-	42,068	4,705	56,284	-	120,403	120,403	176,687
Miscellaneous	-	-	-	-	-	20	4,198	4,218	7,629	14,805	22,434	26,652
Postage and shipping	313	23	-	-	-	2,298	663	3,298	-	8,095	8,095	11,392
Materials	5,997	1,476	-	-	-	2,043	-	9,516	62,001	2,230	64,231	73,747
Printing	2,695	576	-	-	-	5,054	3,342	11,667	-	11,328	11,328	22,995
Professional fees	162,419	105,571	-	-	-	684,961	12,350	965,300	205,582	439,813	645,395	1,610,695
Outreach and advertsing	4,004	171	-	-	-	15,327	13,538	33,039	43,729	8,950	52,679	85,718
Occupancy	20,462	182,588	1,980	-	-	302,906	-	507,936	-	(9,338)	(9,338)	498,598
Subscriptions and membership dues	5,493	-	-	-	-	6,988	7,786	20,267	-	25,983	25,983	46,250
Supplies	19,275	54,484	-	-	1,060	511,206	17,540	603,564	-	69,328	69,328	672,893
Telephone, internet, network	1,323	16,159	-	-	-	34,928	2,435	54,844	1,491	16,411	17,902	72,746
Security	-	-	-	-	-	-	-	-	15,788	-	15,788	15,788
Technology	847	12,607	-	-	-	17,005	60	30,519	-	16,750	16,750	47,269
Travel	83,591	33,951	1,299	-	-	549,151	763	668,755	-	110,663	110,663	779,419
Utilities	1,170	4,711	-	-	-	12,618	-	18,498	118,066	791	118,857	137,356
In-kind Client Assistance	-	-	-	-	-	-	-	-	-	639,285	639,285	639,285
Commissions	-	-	-	-	-	-	-	-	175,452	-	175,452	175,452
Selling expenses	-	-	-	-	-	-	-	-	46,300	-	46,300	46,300
Workshop, training and incentive	34,303	222,714	2,612	-	-	104,764	-	364,394	-	17,684	17,684	382,078
Capital loss									610,230		610,230	610,230
TOTAL	$ 1,348,151	$ 10,229,693	$ 48,640		$ 130,420	$ 50,910,172	$ 1,582,496	$ 64,249,571	$ 1,754,754	$ 4,156,051	$ 5,910,805	$ 70,160,376

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Schedule of Functional Expenses

For the Year Ended September 30, 2022

	PROGRAM SERVICES							SUPPORTING SERVICES			
	Community Leadership	Employment Services	Health Services	Legal Immigration and Information Referral	Refugee Reception and Placement	Micro-Enterprise Development	Total	Cost of Revenues	General and Administrative	Total	GRAND TOTAL
Salaries	$ 310,115	$ 1,701,701	$ 31,915	$ 89,048	$ 5,377,419	$ 954,995	$ 8,465,193	$ -	$ 948,650	$ 948,650	$ 9,413,843
Fringe benefits	111,952	614,314	9,574	32,147	1,941,248	344,695	3,053,930	-	344,467	344,467	3,398,397
Bad debts	-	-	-	-	-	38,314	38,314	-	-	-	38,314
Subcontractors and Affiliates	161,216	18,000	-	-	36,872,684	-	37,051,900	-	2,250	2,250	37,054,150
Client assistance	961,260	3,756,801	-	-	4,956,879	-	9,674,940	-	446,359	446,359	10,121,299
Depreciation	-	-	-	-	-	-	-	73,438	25,330	98,768	98,768
Equipment rental	-	2,322	-	-	1,919	-	4,241	-	4,969	4,969	9,210
Insurance	-	7,672	-	-	2,935	-	10,607	48,077	67,347	115,424	126,031
Interest	-	-	-	-	-	56,221	56,221	141,600	107,014	248,614	304,835
International assistance	-	-	-	-	-	-	-	-	142,426	142,426	142,426
Licenses and taxes	1,002	2,735	-	-	2,964	100	6,801	158,893	25,611	184,504	191,305
Repairs and maintenance	20	753	-	-	36,139	-	36,912	77,232	12,636	89,868	126,780
Upkeep	2,965	7,619	-	-	7,066	-	17,650	70,454	1,070	71,524	89,174
Meeting, conference and seminars	5,702	8,145	-	-	23,703	833	38,383	-	23,178	23,178	61,561
Miscellaneous	-	2,035	-	-	432	-	2,467	5,517	28,385	33,902	36,369
Postage and shipping	363	900	-	-	3,110	134	4,507	-	7,248	7,248	11,755
Materials	-	-	-	-	-	-	-	39,743	-	39,743	39,743
Printing	46	410	-	-	2,310	5,435	8,201	-	12,167	12,167	20,368
Professional fees	59,204	132,154	-	-	534,745	46,865	772,968	56,680	216,751	273,431	1,046,399
Outreach and advertsing	1,255	-	-	-	1,638	15,223	18,116	21,631	27,556	49,187	67,303
Occupancy	3,591	149,113	1,980	-	194,178	12,000	360,862	-	31,069	31,069	391,931
Subscriptions and membership dues	361	135	-	-	2,192	7,583	10,271	-	33,252	33,252	43,523
Supplies	19,951	58,839	-	-	375,621	13,569	467,980	-	90,768	90,768	558,748
Telephone, internet, network	226	9,788	-	-	24,312	2,616	36,942	4,300	20,254	24,554	61,496
Security	-	-	-	-	-	-	-	18,648	-	18,648	18,648
Technology	16,908	2,663	-	-	11,677	-	31,248	-	22,442	22,442	53,690
Travel	10,372	34,549	572	-	103,144	863	149,500	-	14,001	14,001	163,501
Utilities	107	3,233	-	-	10,301	-	13,641	117,802	331	118,133	131,774
In-kind Client Assistance	-	-	-	-	-	-	-	-	495,702	495,702	495,702
Commissions	-	-	-	-	-	-	-	139,184	-	139,184	139,184
Selling expenses	-	-	-	-	-	-	-	106,980	-	106,980	106,980
Workshop, training and incentive	72,843	78,082	1,448	-	71,680	-	224,053	-	17,466	17,466	241,519
Capital loss								261,705		261,705	261,705
TOTAL	$ 1,739,459	$ 6,591,963	$ 45,489	$ 121,195	$ 50,558,296	$ 1,499,446	$ 60,555,848	$ 1,341,884	$ 3,168,699	$ 4,510,583	$ 65,066,431