

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, 2021, and 2020

(With Independent Auditors' Reports Thereon)

Table of Contents

	Page
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	4-5
Consolidated Statements of Activities	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
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 <i>GOVERNMENT AUDITING STANDARDS</i>	25
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	27
SUPPLEMENTARY INFORMATION	
Combined Schedule of Expenditures of Federal Awards	29
Notes to Combined Schedule of Expenditure of Federal Awards	30
Schedule of Findings and Questioned Costs	31
Consolidated Schedules of Functional Expenses	32

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying consolidated statements of financial position of the Ethiopian Community Development Council, Inc., and subsidiaries (collectively, the Organization) which comprise the statements of financial position as of September 30, 2021, and September 30, 2020, and the related consolidated statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021, and September 30, 2020, 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.

Other matters

Other 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 March 28, 2022, 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 Organizations internal control over financial reporting and compliance.

ALEXANDER GIBBS CHAMBERS
Largo, MD
March 31, 2022

This page is intentionally left blank.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Statements of Financial Position

As of September 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,864,271	\$ 6,875,895
Investments	965,876	954,907
Grants receivable	3,495,734	2,640,893
Microloan notes receivable, net of allowance for loan losses (current portion)	-	-
	4,313,419	1,890,077
Accrued interest receivable, net of allowance for interest losses	21,625	29,986
Rents receivable	54,376	73,347
Other receivable	1,348,678	43,982
Inventories	82,055	74,400
Prepaid expenses	65,215	63,132
	<u>\$ 17,211,249</u>	<u>\$ 12,646,619</u>
MICROLOAN NOTES RECEIVABLE, NET OF ALLOWANCE FOR LOAN LOSSES (LONG-TERM PORTION)	1,169,054	2,943,730
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	11,822,183	18,320,796
OTHER ASSETS		
Cash restricted in microloan revolving fund accounts - SBA	1,437,426	2,138,025
Cash restricted in microloan revolving fund accounts - Other	3,057,553	3,395,197
Cash restricted in loan loss reserve fund accounts	364,507	342,404
Cash designated for loan loss reserves	562,311	458,082
Cash restricted in individual development accounts	6,617	6,617
Deferred financing costs, net of accumulated amortization	2,081	4,162
Security deposits	39,750	39,750
	<u>5,470,245</u>	<u>6,384,237</u>
TOTAL OTHER ASSETS		
	<u>\$ 35,672,731</u>	<u>\$ 40,295,382</u>
TOTAL ASSETS		

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, 2021 and 2020**

LIABILITIES AND NET ASSETS	<u>2021</u>	<u>2020</u>
LIABILITIES		
CURRENT LIABILITIES		
Due to microloan borrowers	\$ 5,792	\$ 6,286
Accounts payable	1,339,546	1,410,582
Accrued expenses	907,613	895,972
Refundable advances	44,471	53,729
Deferred revenue	1,659,049	2,049,747
Individual development account deposits payable	6,617	6,617
Security deposits payable	60,762	49,835
Notes payable - current maturities	3,091,567	858,286
TOTAL CURRENT LIABILITIES	7,115,417	5,331,054
NONCURRENT LIABILITIES		
Deferred compensation payable	500,000	-
Equity equivalent investment	450,000	450,000
Mortgage notes payable - net of current maturities	<u>6,009,863</u>	<u>16,518,421</u>
TOTAL NONCURRENT LIABILITIES	<u>6,959,863</u>	<u>16,968,421</u>
TOTAL LIABILITIES	<u>14,075,280</u>	<u>22,299,475</u>
NET ASSETS		
Unrestricted		
Undesignated	19,465,859	16,493,186
Board designated reserve fund	1,419,469	1,160,317
Designated for loan loss reserves	<u>364,507</u>	<u>342,404</u>
Total unrestricted	21,249,835	17,995,907
Temporarily restricted	<u>347,616</u>	<u>-</u>
TOTAL NET ASSETS	<u>21,597,451</u>	<u>17,995,907</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 35,672,731</u>	<u>\$ 40,295,382</u>

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, 2021 and 2020

	2021					2020				
	Unrestricted		Total	Temporarily Restricted	Grand Total	Unrestricted		Temporarily Restricted	Grand Total	
	Undesignated	Designated				Undesignated	Designated			
SUPPORT, REVENUES AND GAINS										
Federal government grants	\$ 13,763,835	\$ -	\$ 13,763,835	\$ 347,616	\$ 14,111,451	\$10,576,925	\$ -	\$ 10,576,925	\$ -	\$ 10,576,925
State and local government grants	463,880	-	463,880	-	463,880	341,538	-	341,538	-	341,538
Private grants	977,234	-	977,234	-	977,234	787,083	-	787,083	-	787,083
Monetary contributions	391,469	-	391,469	-	391,469	243,869	-	243,869	-	243,869
Loan origination fees	54,425	-	54,425	-	54,425	23,710	-	23,710	-	23,710
Event revenues	77,416	-	77,416	-	77,416	29,662	-	29,662	-	29,662
Sales	9,994	-	9,994	-	9,994	22,851	-	22,851	-	22,851
Sponsorships	1,000	-	1,000	-	1,000	11,250	-	11,250	-	11,250
Fees for services	282,060	-	282,060	-	282,060	53,794	-	53,794	-	53,794
Contributed goods and services	231,000	-	231,000	-	231,000	116,689	-	116,689	-	116,689
Microloan interest income	371,447	-	371,447	-	371,447	446,453	-	446,453	-	446,453
Penalty micro loans	10,510	-	10,510	-	10,510	3,571	-	3,571	-	3,571
Rental income	413,100	-	413,100	-	413,100	479,388	-	479,388	-	479,388
Parking fees	80,273	-	80,273	-	80,273	90,831	-	90,831	-	90,831
Interest income on deposits	63,695	-	63,695	-	63,695	108,858	-	108,858	-	108,858
Capital gains	827,373	-	827,373	-	827,373	9,295	-	9,295	-	9,295
Other	42,696	-	42,696	-	42,696	4,873	-	4,873	-	4,873
Net assets released from restrictions	(22,103)	22,103	-	-	-	455,618	(37,074)	418,544	(418,544)	-
TOTAL SUPPORT AND REVENUE	\$ 18,039,304	22,103	18,061,407	347,616	18,409,023	\$13,806,258	(37,074)	13,769,184	(418,544)	13,350,640
EXPENSES AND LOSSES										
Program services										
Community leadership	995,903	-	995,903	-	995,903	1,019,641	-	1,019,641	-	1,019,641
Employment services	1,985,157	-	1,985,157	-	1,985,157	1,927,411	-	1,927,411	-	1,927,411
Health services	105,728	-	105,728	-	105,728	49,520	-	49,520	-	49,520
Legal, immigration, and information referral	133,540	-	133,540	-	133,540	122,601	-	122,601	-	122,601
Refugee reception and placement	6,994,317	-	6,994,317	-	6,994,317	6,146,177	-	6,146,177	-	6,146,177
Microenterprise development	1,249,921	-	1,249,921	-	1,249,921	1,245,801	-	1,245,801	-	1,245,801
Total program services	11,464,566	-	11,464,566	-	11,464,566	10,511,151	-	10,511,151	-	10,511,151
Supporting services										
Cost of revenues	1,182,803	-	1,182,803	-	1,182,803	538,108	-	538,108	-	538,108
General and administrative	2,160,110	-	2,160,110	-	2,160,110	1,980,962	-	1,980,962	-	1,980,962
Total supporting services	3,342,913	-	3,342,913	-	3,342,913	2,519,070	-	2,519,070	-	2,519,070
TOTAL EXPENSES AND LOSSES	14,807,479	-	14,807,479	-	14,807,479	13,030,221	-	13,030,221	-	13,030,221
CHANGE IN NET ASSETS	3,231,825	22,103	3,253,928	347,616	3,601,544	776,037	(37,074)	738,963	(418,544)	320,419
NET ASSETS AT BEGINNING OF YEAR	17,653,503	342,404	17,995,907	-	17,995,907	16,877,466	379,478	17,256,944	418,544	17,675,488
NET ASSETS AT END OF YEAR	\$ 20,885,328	\$ 364,507	\$ 21,249,835	\$ 347,616	\$ 21,597,451	\$17,653,503	\$ 342,404	\$ 17,995,907	\$ -	\$ 17,995,907

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, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,601,544	320,419
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Bad debts	8,636	95,414
Depreciation	89,085	77,335
Change in operating assets and liabilities		
(Increase) decrease in operating assets		
Grants receivable	(854,841)	(422,916)
Accrued interest receivable	8,361	7,157
Rents receivable	18,971	(54,015)
Other receivable	(1,304,696)	(25,228)
Inventories	(7,655)	36,555
Prepaid expenses	(2,083)	6,549
Deferred financing costs	2,081	2,082
Security deposits	-	1,500
Increase (decrease) in operating liabilities		
Due to microloan borrowers	(494)	2,518
Accounts payable	(71,036)	922,702
Accrued expenses	11,641	42,220
Refundable advances	(9,258)	(54,333)
Deferred compensation payable	500,000	(79,441)
Deferred revenue	(390,698)	834,327
Individual development accounts deposits payable	-	1
Security deposits payable	10,927	(9,867)
	<u>1,610,485</u>	<u>1,702,979</u>
CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales (purchases) of investments	(10,969)	(11,744)
Cash advanced as microloans	(5,098,791)	(1,967,923)
Proceeds from principal repayments on microloans issued	4,441,489	2,192,911
(Investments in) withdrawals from cash restricted in microloan revolving fund accounts - SBA	700,599	(356,554)
(Investments in) withdrawals from cash restricted in microloan revolving fund accounts - Other	337,644	(975,382)
(Investments in) withdrawals from cash restricted in loan loss reserve fund accounts	(22,103)	37,074
(Investments in) withdrawals from cash designated for loan loss reserves	(104,229)	(134,368)
Investments in individual development accounts	-	(1)
Sales of property and equipment	9,148,100	
Purchases of property and equipment	(2,738,572)	(8,234,584)
	<u>6,653,168</u>	<u>(9,450,571)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings on notes issued	1,767,961	8,347,025
Principal repayments on notes issued	(10,043,238)	(454,832)
	<u>(8,275,277)</u>	<u>7,892,193</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(11,624)	144,601
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,875,895	\$ 6,731,294
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,864,271	\$ 6,875,895
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	153,969	\$ 384,028

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

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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 an entity tax and a gross-income based limited liability fee. 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.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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, 2021, and 2020, ECDC’s revenues and sales tax expense include \$381 and \$666, 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.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Brokerage Securities	\$ 0	\$ 0	\$ 103,080	\$ 150,567
John Marshall Investments	25,000	50,151	25,000	50,151
Endowment Fund Securities	182,889	271,741	182,889	220,475
LPL Financial	578,544	643,983	500,000	533,714
Total Investments	<u>\$ 786,433</u>	<u>\$ 965,875</u>	<u>\$ 810,969</u>	<u>\$ 954,907</u>

All investments were unrestricted at year-end. Net investment income for fiscal years 2021 and 2020 was \$2,379 and \$9,295, 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, PNC Bank, NA, and Capital One Community Development Corporation. The notes are secured and bear interest ranging between 7.75% and 11.50%.

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

	2021	2020
Microloan notes receivable	\$5,686,033	\$5,064,539
Allowance for loan losses	(203,560)	(230,732)
Microloan notes receivable net of allowances	<u>\$5,482,473</u>	<u>\$4,833,807</u>

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 receivable are pledged to collateralize notes issued to the U.S. Small Business Administration. Interest income on these notes totaled \$371,447 and \$446,453 for fiscal years 2021, and 2020, respectively.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

E—PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2021, and 2020:

	<u>2021</u>	<u>2020</u>
Land	\$ 2,779,788	\$ 2,779,788
Construction-in-progress	7,709,928	14,149,713
Buildings and improvements	3,050,947	3,050,947
Furniture and equipment	532,314	532,314
Motor vehicles	<u>203,448</u>	<u>173,191</u>
Total property and equipment	14,276,425	20,685,953
Less: accumulated depreciation	<u>(2,454,242)</u>	<u>(2,365,157)</u>
Property and equipment net of depreciation	<u>\$ 11,822,183</u>	<u>\$ 18,320,796</u>

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 \$6,700,000 and \$6,700,000 notes in 2021, and 2020, 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 \$6,700,000 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 \$3,645,071 and \$3,424,037 in 2021 and 2020, respectively, while the related cash in loan loss reserve fund accounts were \$364,507 and \$342,404 in 2021, and 2020, 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.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

I—CASH RESTRICTED IN INDIVIDUAL DEVELOPMENT ACCOUNTS

Cash restricted in individual development accounts on the Statements of Financial Position, amounting to \$6,617 and \$6,617 as of September 30, 2021, and 2020, 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 \$2,081 in fiscal 2021 and \$2,082 in fiscal 2020, is charged to interest expense in the accompanying statements of activities.

K—NOTES PAYABLE

Notes payable consisted of the following at September 30, 2021, and 2020:

ECDC

On May 5, 2021, ECDC received a loan from Bank of America in the amount of \$1,035,307 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated May 5, 2021 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll, fringe benefits and other expenses described in the CARES Act. The loan had an interest rate at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning on the date that the SBA remits the forgiveness amount to ECDC's lender or 10 months from the date from the end of the loan forgiveness period if ECDC did not apply for forgiveness. The loan may be repaid at any time with no prepayment penalty. ECDC applied for and received forgiveness of the note in July of 2021, the note is fully forgiven and has no further obligation.

Highland Holdings:

Notes payable on September 30, 2021, and 2020, were \$3,099,617 and \$3,255,958 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 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 borrowed the

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

\$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 BBA LIBOR in effect from time to time plus 2.65 percentage points per annum. At maturity date, Highland 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 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%, matures August 4, 2023, and is repayable in monthly installments of \$22,190.54. This Note mandates that ECDC and Highland maintain, on a consolidated basis, a minimum Debt Service Coverage Ratio of at least 1.2:1.0 measured annually.

At September 30, 2021, the future maturities of the Note for succeeding years, using the terms of note agreement were as follows:

Notes payable consist of the following:

2022	161,975
2023	\$2,937,642

EDG:

EDG received a loan from Bank of America in the amount of \$186,412 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 29, 2021 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll, fringe benefits and other expenses described in the CARES Act. The loan had interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning on the date that the SBA remits the forgiveness amount to EDG's lender or 10 months from the date from the end of the loan forgiveness period if EDG does not apply for forgiveness. The loan may be repaid at any time with no prepayment penalty. EDG applied for and received and received full forgiveness of the loan on April 28, 2021

2021	2020
\$0	\$186,412

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.	\$148,390	\$205,342
--	-----------	-----------

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

K—NOTES PAYABLE (continued)

EDG (continued)

	2021	2020
Notes payable to U.S. Small Business Administration, originating on March 30, 2012, in the amount of \$400,000 at 1.250%, maturing March 30, 2022. Effective October 1, 2014, the interest rate has been reduced to 0.00%.	\$29,630	\$88,889
Notes payable to U.S. Small Business Administration, originating on March 30, 2012, in the amount of \$400,000 at 1.250%, now at 0.00%, maturing March 30, 2022. Effective October 1, 2014, the interest rate is reduced to 0.00%	29,630	88,889
Notes payable to U.S. Small Business Administration, originating on March 30, 2012, in the amount of \$250,000 at 1.250%, now at 0.00%, maturing March 30, 2022.	18,519	55,556
Note payable to U.S. Small Business Administration, originating on May 3, 2013, and maturing May 3, 2023, in the amount of \$800,000 at 0.00% interest rate.	177,619	288,889
Note payable to U.S. Small Business Administration, originating on November 19, 2014, and maturing November 11, 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 0.375%. In fiscal year 2020 the interest rate is .0375%.	318,920	418,097
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%. Interest payments on the SBA loans begin on the 13 th 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 13 th through the 120 th 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.	699,682	844,444

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

K—NOTES PAYABLE (continued)

EDG (continued)

	<u>2021</u>	<u>2020</u>
Note payable to U.S. Small Business Administration originating on October 23, 2020, with drawdown in February 2021 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%	\$875,482	\$1,014,385
Note Payable to Department of Housing and Community Development of the State of Maryland in the amount of \$250,000, dated July 19, 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, July 19, 2025, being 84 months following disbursement.	250,000	250,000
Note payable to U.S. Small Business Administration originating on June 20, 2020, with drawdown in July 2021 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%.	1,106,446	1,200,000
Note Payable to Department of Housing and Community Development of the State of Maryland in the amount of \$212,500, 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	
Total notes payable	3,866,819	4,640,903
Notes payable—current maturities	<u>(794,598)</u>	<u>(701,236)</u>
Notes payable—net of current maturities	<u>\$3,072,221</u>	<u>\$3,939,667</u>

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

K—NOTES PAYABLE (continued)

EDG (continued)

Maturities of EDG notes payable are as follows:

2022	\$794,598
2023	689,007
2024	608,289
2025	757,483
2026 and thereafter	\$1,017,442

Axumite Village:

Note payable on September 30, 2021, and September 30, 2020 was \$2,134,994 and \$8,444,539 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.

At September 30, 2021, the future maturities of the Note for succeeding period, using the terms of note agreement were as follows:

2022	\$2,134,994
TOTAL	<u>\$2,134,994</u>

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

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, is 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. 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 year ended September 30, 2021, and 2020 were \$635,529 and \$703,016, respectively. ECDC also offers a 457(b) Deferred Compensation Plan for management and highly compensated employees. Participation 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

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

O—COMMITMENTS AND CONTINGENCIES *(continued)*

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 2021 or 2020.

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.

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 both Highland Holdings and Axumite Village as indicated in note K.

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 2021 and 2020.

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, 2021, the statute of limitations for tax matters prior to September 30, 2017, 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. At September 30, 2021, and 2020, the Organization's uninsured cash balances total \$9,874,755 and \$11,005,325, respectively. The Organization has not

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

O—CONCENTRATIONS *(continued)*

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 2021 and 2020, the Organization derived approximately 76.65% and 79%, respectively, of its support from agreements with various U.S. Federal government agencies. Additionally, 86.05% and 74% of its grants 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

R—PROGRAM MATCH

During 2021, ECDC in conjunction with its pass through affiliates achieved the contractually required match to its Matching Grant program with 10% being cash contributions and 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 2021 is \$1,306,085 while the balance in fiscal 2020 was \$653,043. 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, 2021, through March 31, 2022, 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.

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

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, 2021, and the related consolidated statements of activities, 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 March 31, 2022.

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) to determine the audit procedures that are appropriate 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 over financial reporting.

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.

ALYSON GIBBS CHAMBERS
Largo, MD
March 31, 2022

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

The Board of Directors
Ethiopian Community Development Council, Inc.

Report on Compliance for Each Major Federal Program

We have audited Ethiopian Community Development Council, Inc. and subsidiaries (collectively, the Organization) compliance with the types of compliance requirements described 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, 2021. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Organizations major federal programs. However our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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 consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

AL OF ANDERSON GIBBS CHAMBERS

Largo, MD
March 31, 2022

SUPPLEMENTARY INFORMATION

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Combined Schedule of Expenditure of Federal Awards

For the Year Ended September 30, 2021

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	\$2,049,423	\$5,278,424
TOTAL U.S. DEPARTMENT OF STATE		<u>2,049,423</u>	<u>5,278,424</u>
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	1,286,185	2,609,737
Administration for Children and Families—Office of Refugee Resettlement Micro-Enterprise Opportunities	93.576		236,924
Total Administration for Children and Families - Office of Refugee Resettlement		<u>1,286,185</u>	<u>2,846,661</u>
Pass-through programs			
Catholic Charities of Southern Nevada—Formula Targeted Assistance; Refugee Social Services	93.583; 93.566		549,494
State of Maryland - Public Private Partnership Transitional Cash Assistance	93.566		676,582
COVID-19 State of Maryland - Public Private Partnership Transitional Cash Assistance	93.566		41,846
COVID-19 Fairfax County— Sustainability Grant	93.576		24,591
Commonwealth of Virginia - Resettlement support	93.671		302,239
			<u>1,594,752</u>
State of Colorado			
Temporary assistance for needy families program – CARES/REACH	93.558; 93.566; 93.583 ;93.576		1,091,955
Total State of Colorado			<u>1,091,955</u>
Total pass-through programs			<u>2,686,707</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		<u>1,286,185</u>	<u>5,533,368</u>
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		41,695
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>41,695</u>
U.S. DEPARTMENT OF THE TREASURY			
Community Development Financial Institution	21.020		807,763
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>807,763</u>
U.S. SMALL BUSINESS ADMINISTRATION			
Microloan Technical Assistance program	59.046		909,560
Microloan program	73.4279		2,141,716
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			<u>3,051,276</u>
Total Expenditures of Federal Awards		<u>\$3,335,608</u>	<u>\$14,712,526</u>

The accompanying notes are an integral part of this schedule.

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Notes to Combined Schedule of Expenditure of Federal Awards

For the Year Ended September 30, 2021

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, 2021, 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.

Expenditures consist 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, 2016, until amended. The Organization had a provisional 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.

Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2021

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:93.558 Name: CARES; (5) CFDA: 73.4279 Name: Microloan technical assistance program; (6) CFDA: 59.046 Name:Community Development Financial Institution

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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, 2021

	PROGRAM SERVICES						SUPPORTING SERVICES			GRAND TOTAL	
	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
Salaries	\$ 498,698	\$ 1,041,854	\$ 67,381	\$ 97,436	\$ 1,881,355	\$ 819,456	\$ 4,406,180	\$ -	\$ 1,031,273	\$ 1,031,273	\$ 5,437,453
Fringe benefits	133,807	376,781	22,441	35,174	679,166	295,823	1,543,192	-	419,728	419,728	1,962,920
Bad debts	-	-	-	-	-	8,636	8,636	-	-	-	8,636
Subcontractors and Affiliates	-	-	-	-	3,335,608	-	3,335,608	-	25,790	25,790	3,361,398
Client assistance	194,462	350,098	8,255	-	713,392	-	1,266,207	-	31,341	31,341	1,297,548
Depreciation	-	-	-	-	-	-	-	73,438	15,647	89,085	89,085
Equipment rental	-	1,853	-	-	1,216	-	3,069	-	3,394	3,394	6,463
Insurance	-	6,484	-	-	3,299	-	9,783	34,532	28,589	63,121	72,904
Interest	-	-	-	-	-	44,124	44,124	112,026	-	112,026	156,150
International assistance	-	-	-	-	-	-	-	-	20,000	20,000	20,000
Licenses and taxes	464	1,454	-	-	1,225	-	3,143	267,724	6,689	274,413	277,556
Repairs and maintenance	-	1,572	-	-	4,142	-	5,714	71,405	1,309	72,714	78,428
Upkeep	-	-	-	-	1,992	-	1,992	36,346	-	36,346	38,338
Meeting, conference and seminars	-	-	-	-	-	50	50	-	5,134	5,134	5,184
Miscellaneous	-	-	-	-	-	268	268	2,423	282	2,705	2,973
Postage and shipping	663	648	-	-	213	260	1,784	-	8,338	8,338	10,122
Materials	-	-	-	-	-	-	-	22,325	-	22,325	22,325
Printing	287	260	1,780	-	3,149	2,119	7,595	-	2,812	2,812	10,407
Professional fees	6,487	26,053	250	-	188,277	28,372	249,439	26,095	206,259	232,354	481,793
Outreach and advertsing	554	47	-	-	820	12,681	14,102	32,852	7,895	40,747	54,849
Occupancy	131,641	140,789	1,980	-	54,372	-	328,782	-	-	-	328,782
Subscriptions and membership dues	201	680	144	-	1,538	1,281	3,844	-	12,506	12,506	16,350
Supplies	9,533	15,627	-	930	73,596	31,743	131,429	-	28,337	28,337	159,766
Telephone, internet, network	157	7,175	450	-	4,220	2,345	14,347	2,193	19,205	21,398	35,745
Security	-	-	-	-	-	-	-	15,618	-	15,618	15,618
Technology	34	5,433	-	-	4,174	-	9,641	-	15,758	15,758	25,399
Travel	659	3,030	331	-	24,109	2,763	30,892	-	5,924	5,924	36,816
Utilities	-	4,044	-	-	1,431	-	5,475	89,456	198	89,654	95,129
In-kind Client Assistance	-	-	-	-	-	-	-	-	223,346	223,346	223,346
Commissions	-	-	-	-	-	-	-	367,844	-	367,844	367,844
Selling expenses	-	-	-	-	-	-	-	28,526	-	28,526	28,526
Workshop, training and incentive	18,256	1,275	2,716	-	17,023	-	39,270	-	40,356	40,356	79,626
TOTAL	\$ 995,903	\$ 1,985,157	\$ 105,728	\$ 133,540	\$ 6,994,317	\$ 1,249,921	\$ 11,464,566	\$ 1,182,803	\$ 2,160,110	\$ 3,342,913	\$ 14,807,479

ETHIOPIAN COMMUNITY DEVELOPMENT COUNCIL, INC. AND SUBSIDIARIES

Consolidated Schedule of Functional Expenses

For the Year Ended September 30, 2020

	PROGRAM SERVICES						SUPPORTING SERVICES			GRAND TOTAL	
	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
Salaries	\$ 580,645	\$ 975,295	\$ 34,487	\$ 89,784	\$ 1,855,865	\$ 793,327	\$ 4,329,403	\$ -	\$ 910,956	\$ 910,956	\$ 5,240,359
Fringe benefits	136,126	352,082	10,427	32,412	669,968	286,390	1,487,405	-	404,364	404,364	1,891,769
Bad debts	-	-	-	-	-	95,414	95,414	-	-	-	95,414
Subcontractors and Affiliates	-	-	-	-	2,583,592	-	2,583,592	-	-	-	2,583,592
Client assistance	151,228	342,773	-	-	706,493	42	1,200,536	-	32,582	32,582	1,233,118
Depreciation	-	-	-	-	-	-	-	62,976	14,359	77,335	77,335
Equipment rental	-	1,907	-	-	1,379	-	3,286	-	7,771	7,771	11,057
Insurance	-	6,082	-	-	4,203	-	10,285	20,943	46,056	66,999	77,284
Interest	-	-	-	-	-	17,653	17,653	117,936	417	118,353	136,006
International assistance	-	-	-	-	-	-	-	-	31,387	31,387	31,387
Licenses and taxes	562	2,595	-	-	2,145	-	5,302	111,414	3,266	114,680	119,982
Repairs and maintenance	121	1,045	-	-	591	-	1,757	17,978	4,818	22,796	24,553
Upkeep	-	-	-	-	2,184	-	2,184	24,562	2,553	27,115	29,299
Meeting, conference and seminars	673	1,211	-	-	4,983	1,833	8,700	-	17,047	17,047	25,747
Miscellaneous	-	36	-	-	36	363	435	5,372	6,960	12,332	12,767
Postage and shipping	460	733	-	-	400	889	2,482	-	3,791	3,791	6,273
Materials	-	-	-	-	-	-	-	23,606	-	23,606	23,606
Printing	1,105	2,048	773	-	3,073	1,909	8,908	-	9,288	9,288	18,196
Professional fees	22,157	37,218	-	-	112,530	12,636	184,541	63,266	251,454	314,720	499,261
Outreach and advertsing	3,415	-	50	-	55	9,139	12,659	-	4,406	4,406	17,065
Occupancy	97,512	146,679	1,980	-	82,679	700	329,550	-	-	-	329,550
Subscriptions and membership dues	433	237	-	-	2,099	490	3,259	-	9,095	9,095	12,354
Supplies	2,076	31,630	-	405	58,477	20,235	112,823	-	54,018	54,018	166,841
Telephone, internet, network	196	3,899	-	-	4,512	1,813	10,420	1,799	16,214	18,013	28,433
Security	-	-	-	-	-	-	-	13,552	-	13,552	13,552
Technology	4,900	7,354	-	-	2,528	-	14,782	-	7,493	7,493	22,275
Travel	229	5,373	381	-	30,021	2,968	38,972	-	5,867	5,867	44,839
Utilities	211	3,623	-	-	1,039	-	4,873	74,705	39	74,744	79,617
In-kind Client Assistance	-	-	-	-	-	-	-	-	96,502	96,502	96,502
Workshop, training and incentive	17,592	5,591	1,422	-	17,325	-	41,930	-	40,259	40,259	82,189
TOTAL	\$ 1,019,641	\$ 1,927,411	\$ 49,520	\$ 122,601	\$ 6,146,177	\$ 1,245,801	\$ 10,511,151	\$ 538,108	\$ 1,980,962	\$ 2,519,070	\$ 13,030,221