

A WIDER CIRCLE, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

For the Year Ended September 30, 2021



S B & COMPANY, LLC
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SEPTEMBER 30, 2021

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Directors
A Wider Circle, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of A Wider Circle, Inc. (the Organization) which comprise the statement of financial position as of September 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's judgment, 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 controls 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 controls. 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.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Owings Mills, Maryland
June 8, 2022

SB & Company, LLC

A WIDER CIRCLE, INC.

**Statement of Financial Position
As of September 30, 2021**

ASSETS	
Cash	\$ 1,892,411
Investments	122,937
Grants receivable, net	191,101
Inventory furniture, home goods, and clothing	391,020
Prepaid expenses and other assets	33,605
Property and equipment, net	<u>6,534,680</u>
Total Assets	<u><u>\$ 9,165,754</u></u>
 LIABILITIES AND NET ASSETS	
Liabilities	
Accounts payable and accrued liabilities	\$ 310,765
Accrued payroll and related items	27,518
Grant payable	910,000
Mortgage payable	<u>2,416,402</u>
Total Liabilities	<u>3,664,685</u>
 Net Assets	
Without donor restrictions	5,200,132
With donor restrictions	<u>300,937</u>
Total Net Assets	<u>5,501,069</u>
Total Liabilities and Net Assets	<u><u>\$ 9,165,754</u></u>

The accompanying notes are an integral part of this financial statement.

A WIDER CIRCLE, INC.

**Statement of Activities and Changes in Net Assets
For the Year Ended September 30, 2021**

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue and Other Support

Contributions and other grants	\$	5,126,878
Government grants		1,988,352
Federal grant - Paycheck Protection Program		604,914
Contributed furniture, home goods, and clothing		1,347,292
Investment income		4,839
Other		11,521
Net assets released from restrictions		160,540
Total Revenue and Other Support		9,244,336

Expenses

Program services		6,836,959
Management and general		579,618
Fundraising		421,545
Total Expenses		7,838,122
Change in Net Assets Without Donor Restrictions		1,406,214

NET ASSETS WITH DONOR RESTRICTIONS

Contributions and other grants		218,000
Investment income		22,475
Net assets released from restrictions		(160,540)
Change in Net Assets With Donor Restrictions		79,935

Changes in total net assets		1,486,149
Net assets, beginning of year		4,014,920
Net Assets, End of Year	\$	5,501,069

The accompanying notes are an integral part of this financial statement.

A WIDER CIRCLE, INC.

**Statement of Functional Expenses
For the Year Ended September 30, 2021**

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries	\$ 2,636,561	\$ 358,051	\$ 260,401	\$ 3,255,013
Payroll taxes	199,159	27,046	19,670	245,875
Benefits	90,149	12,242	8,904	111,295
Total payroll-related costs	2,925,869	397,339	288,975	3,612,183
Grants	1,281,294	-	-	1,281,294
Furniture and household supplies	1,190,920	-	-	1,190,920
Professional fees	370,583	50,326	36,601	457,510
Rent	311,210	42,263	30,737	384,210
Depreciation	154,178	20,938	15,227	190,343
Community outreach and supplies	114,654	15,570	11,324	141,548
Fees	74,600	10,131	7,368	92,099
Printing and reproduction	73,934	10,040	7,302	91,276
Insurance	73,363	9,963	7,246	90,572
Interest	89,951	-	-	89,951
Technology, internet, and web	61,876	8,403	6,111	76,390
Building maintenance and renovations	40,094	5,445	3,960	49,499
Postage and delivery	23,615	3,207	2,332	29,154
Telephone	15,128	2,054	1,495	18,677
Staff development	3,684	500	364	4,548
Travel	958	130	95	1,183
Dues and memberships	2,620	356	259	3,235
Family assistance	6,680	-	-	6,680
Non capitalized equipment	7,793	1,058	770	9,621
Miscellaneous	13,955	1,895	1,379	17,229
Total Expenses	\$ 6,836,959	\$ 579,618	\$ 421,545	\$ 7,838,122

The accompanying notes are an integral part of this financial statement.

A WIDER CIRCLE, INC.

Statement of Cash Flows For the Year Ended September 30, 2021

Cash Flows from Operating Activities

Changes in net assets	\$ 1,486,149
Adjustments to reconcile changes in net assets to net cash from operating activities:	
Capital grant	(1,284,270)
Endowment contributions	(40,000)
Depreciation	190,343
Unrealized gain on investment	(22,475)
Forgiveness of note payable - Paycheck Protection Program	(604,914)
Effects of changes in non-cash operating assets and liabilities:	
Grants receivable, net	50,251
Inventory furniture, home goods, and clothing	(156,372)
Prepaid expenses and other assets	(1,057)
Accounts payable and accrued liabilities	186,028
Accrued payroll and related items	(1,514)
Grant payable	910,000
Deferred income	(138,431)
Net Cash from Operating Activities	<u>573,738</u>

Cash Flows from Investing Activities

Purchase of investments	(45,000)
Building improvements	(1,585,992)
Net Cash Flows from Investing Activities	<u>(1,630,992)</u>

Cash Flows from Financing Activities

Payments on mortgage payable	(70,572)
Endowment contributions	40,000
Building improvements from capital grant	1,284,270
Net Cash from Financing Activities	<u>1,253,698</u>

Net change in cash	196,444
Cash, beginning of year	1,695,967
Cash, End of Year	<u>\$ 1,892,411</u>

Supplemental Cash Flow Disclosure

Cash paid for interest	<u>\$ 89,951</u>
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The accompanying notes are an integral part of this financial statement.

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

1. BACKGROUND OF THE ORGANIZATION

A Wider Circle, Inc. (the Organization) is a 501(c)(3) charitable non-profit organization that was incorporated in the State of Maryland on October 1, 2001. The mission of the Organization is to end poverty using a holistic approach which integrates on-the-ground services for the creation of stable homes, workforce development, and neighborhood revitalization. The Organization also seeks to develop large-scale solutions that incorporate greater awareness and engagement by the community.

Each day, the Organization provides basic need items to families transitioning out of shelters or simply living without life's necessities. The Organization furnishes the homes of thousands of children and adults each year, all free of charge. The Organization also provides comprehensive workforce readiness programming, including job skills training and the provision of professional attire and accessories to more than 1,000 individuals annually. Additionally, the Organization's Neighborhood Partnerships Program offers individual and community-based programming from within two Washington, D.C. neighborhoods. Finally, the Organization serves individuals working towards sustained financial self-sufficiency through the Partnership to Independence, a long-term wraparound supportive initiative.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Organization are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of the Organization's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Actual results could differ from those estimates.

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Grants Receivable

The Organization receives grants from various entities, including foundations and government agencies. Unconditional grants are reported at fair value at the date the promise is received. Management assesses the collectability for each amount based on historic data. Management considers all amounts as of September 30, 2021 to be fully collectible when due. Accordingly, an allowance for doubtful accounts has not been established.

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory Furniture, Home Goods, and Clothing

Furniture, home goods, and clothing not distributed as of year-end are maintained in inventory and recorded as an asset. Inventory is carried at fair value based on the estimated costs of the item and review of prices at similar organizations. Inventory is expensed to program expense when distributed to clients.

Property and Equipment

Property and equipment costing more than \$1,000, are recorded at cost, except for contributions of property and equipment, which are recorded at their fair values when received. The Organization records depreciation expense using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance are expensed as incurred.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by the Organization has been limited by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue and Other Support

Contributions and grants received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities and changes in net assets as net assets released from restrictions.

Government grants are recognized as revenue when the services are performed. Contributions of furniture, home goods, and clothing are recognized at the value described in the inventory section above, when received. All other revenue is recognized when earned.

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-Kind Contributions

The Organization's mission is continued through contributions of furniture, home goods, clothing, and other necessities. These are recognized as contributed revenue when received in the accompanying statement of activities and changes in net assets.

The Organization recognizes contributed services if the services meet any of the following criteria: a) they create or enhance non-financial assets; or b) they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Numerous unpaid volunteers make significant contributions of their time to the management of the Organization and to the delivery of its program services. The value of this donated time does not meet the criteria as outlined above, and as such, is not reflected in the accompanying statement of activities and changes in net assets.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities and changes in net assets and in the statement of functional expenses. Accordingly, certain costs have been allocated or directly coded among the program and support services that benefit from those costs. Management and general expenses include those expenses not directly identified with any other specific function but provide for the overall support and direction of the Organization. Shared costs were allocated based on time and effort.

Income Taxes

The Organization is a not-for-profit organization that is exempt from Federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code and is recognized as such by the Internal Revenue Service.

The provisions included in accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The Organization performed an evaluation of uncertain tax positions as of September 30, 2021 and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of September 30, 2021, the statute of limitations for fiscal years 2018 through 2021 remains open for the U.S. Federal jurisdiction tax returns. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of September 30, 2021, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	<u>Amount</u>
Cash	\$ 1,892,411
Investments	122,937
Grants receivable, net	<u>191,101</u>
	2,206,449
Less: amounts not available to be used within one year:	
Purpose restricted net assets	<u>122,937</u>
Financial assets available to meet cash needs	<u>\$ 2,083,512</u>

The Organization manages its liquidity following two principles: operating within a prudent range of financial soundness and stability, and maintaining adequate liquid assets to fund near-term operating needs.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which creates a singular reporting model for leases. This standard will require the entity to record changes to its statement of financial position to reflect balances for current leases that are not shown in the statement of financial position. In July 2018, the FASB issued ASU No. 2018-10, *Codification Improvements to Topic 842, Leases and Leases (Topic 842): Targeted Improvements*, which provides further clarity and transition options for adoption of FASB ASU No. 2016-02. These standards will be effective for periods beginning after December 15, 2021.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets, and additional disclosures including qualitative information regarding the use of assets. This standard is effective retrospectively for periods beginning after June 15, 2021.

Management is evaluating the effects of these pronouncements on the financial statements and will implement these pronouncements by their respective implementation dates.

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

The Organization's management evaluated the accompanying financial statements for subsequent events and transactions through June 8, 2022, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

3. GRANTS RECEIVABLE

Grants receivable as of September 30, 2021 included the following unconditional promises to give.

Amounts due in less than one year	\$	117,069
Amounts due in one to five years		75,000
		<u>192,069</u>
Less: Discount of 0.98%		968
Grants Receivable	\$	<u>191,101</u>

4. INVESTMENTS

The following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodology used as of September 30, 2021.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table, presents by level, the fair value hierarchy of the Organization's investments at fair value as of September 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Equities	<u>\$ 122,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,937</u>

For the year ended September 30, 2021, investment income consisted of unrealized gains of \$22,475 and \$4,839 of interest income.

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

5. PROPERTY AND EQUIPMENT

As of September 30, 2021, property and equipment consisted of the following:

	<u>Amount</u>	<u>Useful Life</u>
Land	\$ 2,866,701	
Building	1,511,642	40 years
Building improvements - in process	1,409,480	20 years
Leasehold improvements	721,503	5 - 40 years
Leasehold improvements - Highland	322,305	5 years
Vehicles	435,490	7 years
Furniture and fixtures	89,994	3-10 years
Computers and equipment	47,912	5 years
	<u>7,405,027</u>	
Less: accumulated depreciation	<u>870,347</u>	
Property and Equipment, Net	<u>\$ 6,534,680</u>	

Depreciation expense was \$190,343 for the year ended September 30, 2021.

6. GRANT PAYABLE

The Organization committed to making a grant of \$1,260,000 for the Shared Humanity Project, a new organization founded by Mark Bergel, former President and Founder of A Wider Circle, Inc. The grant is designed to support the mission and daily activities of the new 501(c)(3) organization. The grant is to be paid over a 3-year period. Monthly installments of \$35,000 began on January 1, 2021. The remaining amount payable has been recorded as a liability in the accompanying statement of financial position as of September 30, 2021. The Organization made payments of \$350,000 during the year ended September 30, 2021.

The future payments were as follows:

<u>Fiscal Years Ending</u>	<u>Amount</u>
2022	\$ 420,000
2023	420,000
2024	70,000
	<u>\$ 910,000</u>

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

7. NOTE PAYABLE – PAYCHECK PROTECTION PROGRAM

On April 13, 2020, the Organization received a Paycheck Protection Program (PPP) note in the amount of \$604,914. The PPP note was received from the U.S. Federal government under the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress. The terms of the note required the proceeds to be spent on eligible expenses, which were primarily payroll related costs. Part or all of the notes could have been forgiven based on meeting certain conditions as set forth in the note agreement. Any portion of the PPP note that was not forgiven would require repayment over a two-year period after a six-month deferral period at an interest rate of 1%.

During the year ended September 30, 2021 this note was fully forgiven and was recognized as Federal grant revenue in the accompanying statement of activities and changes in net asset for the year ended September 30, 2021.

8. MORTGAGE PAYABLE

On May 27, 2015, the Organization purchased a building and entered into a mortgage with a financial institution in the amount of \$4,000,000. The mortgage is secured by the property.

The note matures on December 1, 2029 and accrues interest at the rate of 3.93% with monthly principal and interest payments of \$14,056. A single balloon payment of the entire unpaid balance of principal and interest will be due on December 1, 2029. The balance of the mortgage payable as of September 30, 2021 was \$2,416,402.

The future minimum principal payments as of September 30, 2021 are as follows:

<u>Fiscal Years Ending</u>	<u>Amount</u>
2022	\$ 75,423
2023	78,441
2024	81,580
2025	84,844
2026	88,239
Thereafter	2,007,875
	<u>\$ 2,416,402</u>

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

9. ENDOWMENT

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Organization classifies net assets with donor restrictions to be held in perpetuity as a) the original value of gifts donated to the perpetual endowment and b) the original value of subsequent gifts to the perpetual endowment.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted and board-designated endowment funds:

- a) The duration and preservation of the fund
- b) The purposes of the Organization's restricted endowment fund
- c) General economic conditions
- d) The possible effects of inflation and deflation
- e) The expected total return from income and the appreciation of investments
- f) The investment policies of the Organization

Spending Policy

In order to provide a sustainable level of income to support the Organization while preserving the real (inflation adjusted) purchasing power of the endowment, the Organization establishes the following total return spending policy with regard to the use of available funds as follows:

- 1) Up to 5% of the total market value of the available funds may be distributed annually based upon a three-year rolling average. Distributions shall be calculated annually.
- 2) Prior to the completion of three years from the establishment of the endowment, annual distributions from the endowment may not exceed the income-only (interest and dividends).
- 3) The percentage distributed shall be reviewed annually by the Organization and adjusted as appropriate according to the needs of the Organization and the current market climate.
- 4) Should the suggested distribution result in a reduction of the real value of the endowment and reserve funds to a level below the adjusted real value, the Organization shall determine the percent or amount to be withdrawn.

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

9. ENDOWMENT (continued)

The endowment consists of one Fund, the Mitchell E. Davis M.D. Endowment Fund (the Fund). The Fund was designed to create stable and dignified homes for those in need, particularly formerly homeless U.S. veterans, women, and children fleeing domestic violence, and for eviction prevention. The funds may not be used for overhead expenses such as rent, utilities, and salaries.

Other endowment policies are in process of being finalized.

For the year ended September 30, 2021, the change in the endowment net assets were as follows:

	<u>Available for Appropriation</u>	<u>To be Held into Perpetuity</u>	<u>Total</u>
Net Assets at October 1	\$ -	\$ 60,462	\$ 60,462
Contributions	-	40,000	40,000
Unrealized Gains	22,475	-	22,475
Net Assets, September 30	<u>\$ 22,475</u>	<u>\$ 100,462</u>	<u>\$ 122,937</u>

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of September 30, 2021:

	<u>Amount</u>
Time restricted	\$ 178,000
Endowment - held in perpetuity	100,462
Endowment earnings	22,475
Total	<u>\$ 300,937</u>

A WIDER CIRCLE, INC.

Notes to the Financial Statements September 30, 2021

11. STATE OF MARYLAND GRANTS

Through a mix of bond bills and capital budget grants over several years, the State of Maryland has allocated funding for the Organization totaling \$2,250,000 for capital improvements of its Welcome and Drop-off Center in Silver Spring, Maryland.

<u>Year Awarded</u>	<u>Amount</u>
2016	\$ 175,000
2017	125,000
2018	750,000
2019	500,000
2020	700,000
Total	\$ 2,250,000

The Organization has recognized \$1,284,270, of the available State grants during the year ended September 30, 2021, which is recognized in government grants in the accompanying statement of activities and changes in net assets for the year ended September 30, 2021.

12. CONTRIBUTED FURNITURE, HOME GOODS, AND CLOTHING

The Organization's mission is continued through contributions of furniture, home goods, clothing, and other necessities from the public. The Organization was the recipient of various pieces of furniture, home goods and clothes to distribute to various families in need. Contributed revenue of \$1,347,292 and expenses of \$1,190,920 were recorded in the accompanying statement of activities and changes in net assets, and statement of functional expenses for the year ended September 30, 2021.

13. COMMITMENTS

The Organization has a lease effective June 1, 2020, which expires on May 31, 2023, for office space. This lease escalates 3% annually. The Organization also has a lease effective August 1, 2020, which expires on June 30, 2023, for storage space. This lease escalates 3% annually. Additionally, the Organization has an annual lease with the District of Columbia for its Highland location, where the rent is \$1 annually, if requested. Total rent expense was \$384,210 for the year ended September 30, 2021.

The future minimum rental commitments under these lease agreements as of September 30, 2021 are as follows:

<u>Fiscal Years Ending</u>	<u>Amount</u>
2022	\$ 273,574
2023	210,060
Total	\$ 483,634

A WIDER CIRCLE, INC.

**Notes to the Financial Statements
September 30, 2021**

14. RETIREMENT PLAN

The Organization maintains a 401k retirement plan for the benefit of its employees. All employees are eligible to participate, and the Organization matches employee contributions up to 7% of each employee's compensation based on each employee's years of service after two years of service. The Organization's matching contribution to the plan for the year ended September 30, 2021 was \$24,600.