

A WIDER CIRCLE, INC.

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

For the Years Ended September 30, 2024 and 2023

A WIDER CIRCLE, INC.

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

SEPTEMBER 30, 2024 AND 2023

CONTENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to the Financial Statements	8



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Board of Directors of
A Wider Circle, Inc.

We have audited the statements of financial position of A Wider Circle, Inc. (the Organization) as of September 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue for a one year after the date the financial statements are available to be issued.

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

Owings Mills, Maryland
February 19, 2025



A WIDER CIRCLE, INC.

Statements of Financial Position As of September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 34,261	\$ 51,267
Investments	281,525	218,894
Contributions and grants receivable, net	452,190	662,396
Furniture, home goods, and clothing inventory for distribution	215,739	161,540
Prepaid expenses and other assets	86,072	112,472
Property and equipment, net	5,949,620	6,157,617
Right-of-use assets - operating	1,061,417	1,298,994
Total Assets	<u>\$ 8,080,824</u>	<u>\$ 8,663,180</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	\$ 94,044	\$ 127,891
Deferred revenue	189,801	73,499
Grant payable	-	70,000
Line of credit	38,379	287,623
Lease liability - operating	1,180,546	1,340,469
Mortgage payable	2,186,038	2,265,923
Total Liabilities	<u>3,688,808</u>	<u>4,165,405</u>
Net Assets		
Without donor restrictions	3,804,491	3,837,881
With donor restrictions	587,525	659,894
Total Net Assets	<u>4,392,016</u>	<u>4,497,775</u>
Total Liabilities and Net Assets	<u>\$ 8,080,824</u>	<u>\$ 8,663,180</u>

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

A WIDER CIRCLE, INC.

**Statements of Activities and Changes in Net Assets
For the Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Other Support		
Contributions and grants	\$ 4,118,497	\$ 4,231,405
Government grants	1,053,180	830,131
Nonfinancial contributions - goods	2,551,992	3,201,715
Nonfinancial contributions - services	97,145	36,500
Investment income	9,696	5,467
Other	29,881	2,000
Net assets released from restrictions	<u>361,000</u>	<u>170,000</u>
Total Revenue and Other Support	<u>8,221,391</u>	<u>8,477,218</u>
Expenses		
Program services	6,604,497	7,895,026
Management and general	1,131,519	1,321,604
Fundraising	<u>518,765</u>	<u>467,246</u>
Total Expenses	<u>8,254,781</u>	<u>9,683,876</u>
Change in Net Assets Without Donor Restrictions	<u>(33,390)</u>	<u>(1,206,658)</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	226,000	346,000
Investment income, net	62,631	36,311
Net assets released from restrictions	<u>(361,000)</u>	<u>(170,000)</u>
Change in Net Assets With Donor Restrictions	<u>(72,369)</u>	<u>212,311</u>
Changes in total net assets	(105,759)	(994,347)
Net assets, beginning of year	<u>4,497,775</u>	<u>5,492,122</u>
Net Assets, End of Year	<u>\$ 4,392,016</u>	<u>\$ 4,497,775</u>

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

A WIDER CIRCLE, INC.

**Statement of Functional Expenses
For the Year Ended September 30, 2024, with Comparative Totals for 2023**

	2024					2023
	Program Services	Support Services		Total		
		Management and General	Fundraising			
Salaries	\$ 2,771,124	\$ 334,924	\$ 269,071	\$ 3,375,119	\$ 3,801,600	
Payroll taxes	202,138	24,685	19,831	246,654	267,691	
Benefits	229,249	27,995	22,491	279,735	268,699	
Total payroll and related expenses	<u>3,202,511</u>	<u>387,604</u>	<u>311,393</u>	<u>3,901,508</u>	4,337,990	
Furniture and household supplies	2,497,793	-	-	2,497,793	3,495,319	
Professional fees	136,585	202,999	129,641	469,225	551,863	
Occupancy	383,548	87,349	5,502	476,399	385,501	
Depreciation	-	251,840	-	251,840	170,269	
Building maintenance and renovations	107,305	4,720	50	112,075	128,196	
Family assistance	78,248	-	-	78,248	122,736	
Insurance	48,455	48,096	-	96,551	94,031	
Interest	-	95,926	-	95,926	91,992	
Telephone	61,114	13,496	7,747	82,357	56,705	
Community outreach and supplies	8,840	11,921	1,244	22,005	49,771	
Printing and reproduction	(166)	-	33,529	33,363	47,095	
Travel	19,494	-	-	19,494	31,118	
Fees	21,526	2,629	2,112	26,267	25,837	
Staff development	6,441	38	-	6,479	23,670	
Dues and memberships	5,768	9,508	2,628	17,904	23,341	
Property taxes	-	14,738	-	14,738	16,198	
Postage and delivery	-	655	8,965	9,620	12,973	
Non-capitalized equipment	10,015	-	-	10,015	9,970	
Grants	15,439	-	-	15,439	7,550	
Technology, internet, and web	-	-	-	-	1,625	
Miscellaneous	1,581	-	15,954	17,535	126	
Total Expenses	<u><u>\$ 6,604,497</u></u>	<u><u>\$ 1,131,519</u></u>	<u><u>\$ 518,765</u></u>	<u><u>\$ 8,254,781</u></u>	<u><u>\$ 9,683,876</u></u>	

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, 2023**

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries	\$ 2,952,490	\$ 565,344	\$ 283,766	\$ 3,801,600
Payroll taxes	207,901	39,809	19,981	267,691
Benefits	208,683	39,959	20,057	268,699
Total payroll and related expenses	3,369,074	645,112	323,804	4,337,990
Furniture and household supplies	3,495,319	-	-	3,495,319
Professional fees	190,906	266,445	94,512	551,863
Occupancy	268,557	111,551	5,393	385,501
Depreciation	132,238	25,322	12,709	170,269
Building maintenance and renovations	100,011	28,185	-	128,196
Family assistance	119,699	2,963	74	122,736
Insurance	49,577	44,454	-	94,031
Interest	-	91,992	-	91,992
Telephone	29,718	23,381	3,606	56,705
Community outreach and supplies	30,454	18,350	967	49,771
Printing and reproduction	22,868	337	23,890	47,095
Travel	30,839	279	-	31,118
Fees	-	25,837	-	25,837
Staff development	156	23,514	-	23,670
Dues and memberships	13,382	9,233	726	23,341
Property taxes	14,942	1,256	-	16,198
Postage and delivery	9,222	2,312	1,439	12,973
Non-capitalized equipment	9,945	25	-	9,970
Technology, internet, and web	7,550	-	-	7,550
Miscellaneous	569	1,056	126	1,751
Total Expenses	\$ 7,895,026	\$ 1,321,604	\$ 467,246	\$ 9,683,876

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

A WIDER CIRCLE, INC.

Statements of Cash Flows For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ (105,759)	\$ (994,347)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation	251,840	170,269
Unrealized gains	(67,337)	(33,119)
Reinvested earnings	(4,990)	(3,192)
Change in the measurement of operating lease	77,654	41,475
Effects of changes in non-cash operating assets and liabilities:		
Contributions and grants receivable, net	210,206	48,119
Furniture, home goods, and clothing inventory for distribution	(54,199)	286,460
Prepaid expenses and other assets	26,400	(25,550)
Accounts payable and accrued liabilities	(33,847)	(116,736)
Grant payable	(70,000)	(420,000)
Deferred revenue	116,302	73,499
Net Cash from Operating Activities	<u>346,270</u>	<u>(973,122)</u>
Cash Flows from Investing Activities		
Sale of investments	9,696	-
Purchase of furniture and improvements to buildings	(43,843)	(93,090)
Net Cash Flows from Investing Activities	<u>(34,147)</u>	<u>(93,090)</u>
Cash Flows from Financing Activities		
Payments on mortgage payable	(79,885)	(76,736)
Proceeds from line of credit	-	287,623
Payments on line of credit, net	(249,244)	-
Net Cash from Financing Activities	<u>(329,129)</u>	<u>210,887</u>
Cash and Cash Equivalents		
Net change in cash	(17,006)	(855,325)
Cash, beginning of year	51,267	906,592
Cash and Cash Equivalents, End of Year	<u>\$ 34,261</u>	<u>\$ 51,267</u>
Supplemental Cash Flow Disclosure		
Cash paid for interest	<u>\$ 95,926</u>	<u>\$ 91,992</u>

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

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

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 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.

Ongoing Operations

The accompanying financial statements have been prepared on a going concern basis, which assumes the Organization will be able to realize its assets and discharge its liabilities in the normal course of business for the 12-month period beginning January 31, 2025.

A comparison of fiscal year ending September 30, 2023, the Organization experienced a negative change in net assets of \$994,347. For FY24, the year ended September 30, 2024, the Organization experienced a negative change in net assets of \$105,759, an improvement in financial performance due to implementation of several cost cutting and efficiency measures. Correspondingly, cash and cash equivalents decreased by \$855,325 in 2023 and by \$17,006 in 2024. While the Organization had less than a month of cash on hand as of September 30, 2024, since September 30, 2024, cash has improved substantially and cash on hand entering FY25 was at a healthier level. As of December 31, 2024, the Organization's unaudited statement of financial position reported \$797,916 in cash and cash equivalents.

Management and the Board have approved a budget reflecting a positive change in net assets for the year ending September 30, 2025, supported by cost-cutting initiatives that have reduced annual expenses. The Organization has an unaudited cash forecast through January 31, 2026, with positive cash through the period. The expectation is that cash on hand will continue to improve in alignment with budget, to cover needed expenditures, and to ensure critical savings.

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ongoing Operations (continued)

Management and the Board have been actively pursuing revenue and service opportunities to achieve future balanced budgets and strengthen the Organization's financial position. Based on the Organization's current financial position and the positive outlook for continued operational and financial improvements, management and the Board of Directors affirm that the Organization remains stable and continues as a going concern. Management remains vigilant in monitoring liquidity and cash flow to ensure the Organization's mission is well-supported.

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 and assumptions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents as of September 30, 2024, consisted of money deposited in an interest-bearing account. As of September 30, 2023, the Organization did not have cash equivalents.

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).

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Financial instruments consisted of cash, investments, receivables, and payables. The carrying value of the organization's financial instruments in the accompanying statements of financial position approximates their respective estimated fair values as of September 30, 2024 and 2023. Fair values are estimates based on current market rates, prices, or liquidation value.

Contributions and Grants Receivable, Net

The Organization receives grants from various entities, including foundations and government agencies. Unconditional promises to give that are expected to be collected in one year are recorded and valued at management's estimate of the net realizable value. Management assesses the collectability for each amount based on historic data. Management considers all amounts as of September 30, 2024 and 2023, to be fully collectible when due. Accordingly, no allowance for doubtful accounts was recorded. As of September 30, 2024 and 2023, receivables that were expected to be collected greater than one year were discounted at 3.66% and 4.80%, respectively.

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Furniture, Home Goods, and Clothing Inventory for Distribution

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 retail organizations. Inventory is expensed to program expense when distributed to clients.

Property and Equipment, Net

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.

Right-of-Use Asset and Lease Liability

The Organization records the right-of-use asset related to its office and storage space leases. The right-of-use asset is amortized over the term of the leases. The lease liability represents the future commitments for the Organization's office and storage space leases. These liabilities are measured at the present value of future lease payments, discounted using an estimated lease rate of 7.25% as of the lease measurement date.

Deferred Revenue

Deferred revenue represents amounts collected in advance for event sponsorships and are recorded as deferred revenue in the accompanying statements of financial position.

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 restricted 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. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions.

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Other Support

The Organization recognizes grants and contributions when an unconditional promise to give is received. Conditional promises to give, with measurable performance or other barriers and a right of return, are not recognized until the conditions on which they depend have been met.

Grants and contributions received are recorded as net assets with or without donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. 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 statements of activities and changes in net assets as net assets released from restrictions.

Government grants are recognized as revenue when allowable expenses are incurred.

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.

Investment gains/losses include both realized and unrealized gains and losses on investments. Realized gains and losses are calculated based on the difference between the cost of the investments and the proceeds received from the sale of the respective investments. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Unrealized and realized gains and losses, dividends, and interest from investing activities in income producing assets are included in the applicable net asset classification depending on donor restrictions.

Nonfinancial Contributions – Goods and Services

The Organization recognizes nonfinancial goods and services if they 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. The Organization's mission is continued through contributions of furniture, home goods, clothing, and other necessities from the public. These are recorded at their fair value at the date of receipt and are recorded as contributed revenue in the accompanying statements of activities and changes in net assets.

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and in the statements 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, 2024 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, 2024, the statute of limitations for fiscal years 2021 through 2024 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

Liquidity and Availability of Resources

The following reflects the Organization's financial assets as of September 30, 2024 and 2023, reduced by amounts not available for general use within one year because of donor-imposed restrictions.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 34,261	\$ 51,267
Investments	281,525	218,894
Contributions and grants receivable, net	452,190	662,396
Financial assets, at year-end	<u>767,976</u>	<u>932,557</u>
Less: amounts unavailable for general expenditures within one year, due to:		
Donor restrictions - time	50,000	182,816
Donor restrictions - purpose	419,025	218,894
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	<u><u>\$ 298,951</u></u>	<u><u>\$ 530,847</u></u>

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Additionally, the Organization maintains a line of credit with a financial institution, as discussed in more detail in Note 9. As of September 30, 2024 and 2023, \$211,621 and \$212,377, respectively, remained available on the Organization's \$250,000 and \$500,000 line of credit, respectively.

Subsequent Events

The Organization's management evaluated the accompanying financial statements for subsequent events and transactions through February 19, 2025, 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. 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, 2024 and 2023.

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

Money Market Fund: Valued at the closing price of the underlying market value of investments.

Mutual Funds: Valued at the daily closing price as reported by the fund. These funds are required to publish their daily value and to transact at that price.

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, 2024 and 2023:

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

3. INVESTMENTS (continued)

	2024			Total Fair Value
	Level 1	Level 2	Level 3	
Money market funds	\$ 8,842	\$ -	\$ -	\$ 8,842
Exchange traded funds	272,683	-	-	272,683
Total	\$ 281,525	\$ -	\$ -	\$ 281,525

	2023			Total Fair Value
	Level 1	Level 2	Level 3	
Money market funds	\$ 7,427	\$ -	\$ -	\$ 7,427
Mutual funds	211,467	-	-	211,467
Total	\$ 218,894	\$ -	\$ -	\$ 218,894

For the years ended September 30, 2024 and 2023, investment income consisted of:

	2024	2023
Unrealized gains	\$ 67,337	\$ 33,119
Investment interest income	5,274	8,862
Investment fees	(284)	(203)
Total	\$ 72,327	\$ 41,778

4. CONTRIBUTIONS AND GRANTS RECEIVABLE, NET

Contributions and grants receivable as of September 30, 2024 and 2023, included the following unconditional promises to give:

	2024	2023
Amounts due in less than one year	\$ 403,955	\$ 492,825
Amounts due in one to five years	50,000	180,000
	453,955	672,825
Less: Discount of 3.66% and 4.80%, respectively	1,765	10,429
Contributions and Grants receivable, Net	\$ 452,190	\$ 662,396

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

5. PROPERTY AND EQUIPMENT

As of September 30, 2024 and 2023, property and equipment consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>Useful Life</u>
Land	\$ 2,866,701	\$ 2,866,701	N/A
Building	1,512,287	1,512,287	40 years
Building improvements	1,409,480	1,409,480	20 years
Leasehold improvements	738,232	738,232	5 - 40 years
Leasehold improvements - Highland	324,881	324,881	5 years
Vehicles	509,275	509,275	7 years
Furniture and fixtures	146,821	102,978	3-10 years
Computers and equipment	47,912	47,912	5 years
	<u>7,555,589</u>	<u>7,511,746</u>	
Less: accumulated depreciation	<u>1,605,969</u>	<u>1,354,129</u>	
Property and Equipment, Net	<u><u>\$ 5,949,620</u></u>	<u><u>\$ 6,157,617</u></u>	

Depreciation expense was \$251,840 and \$170,269, for the years ended September 30, 2024 and 2023, respectively.

6. LEASES

The Organization entered into a lease agreement effective June 1, 2023, which expires on May 31, 2028, for office space. This lease escalates 2% annually. The Organization also entered into an annual escalating lease agreement for a storage space effective July 1, 2023, which expires on June 30, 2028. The Organization has an annual lease with the District of Columbia for its Highland location, where the rent is \$1 annually, if requested. Total occupancy expense was \$216,418 and \$196,918, for the years ended September 30, 2024 and 2023, respectively.

The future minimum rental commitments under these lease agreements as of September 30, 2024 are as follows:

<u>Fiscal Years Ending</u>	<u>c</u>
2025	\$ 358,020
2026	361,852
2027	360,681
2028	244,792
Total	<u>1,325,345</u>
Less present value discount	(144,799)
Total	<u><u>\$ 1,180,546</u></u>

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

7. 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 statements of financial position as of September 30, 2024 and 2023. The Organization made payments of \$70,000 and \$420,000 during the years ended September 30, 2024 and 2023, respectively. As of September 30, 2024, the grant was paid in full.

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. Interest expense was \$88,785 and \$91,992 for the year ended September 30, 2024 and 2023, respectively. The balance of the mortgage payable as of September 30, 2024 and 2023 was \$2,186,038 and \$2,265,923, respectively.

The future minimum principal payments as of September 30, 2024 are as follows:

<u>Fiscal Years Ending</u>	<u>Amount</u>
2025	\$ 84,844
2026	88,239
2027	91,770
2028	95,443
2029	99,262
Thereafter	1,726,480
Total	\$ 2,186,038

9. LINE OF CREDIT

On January 26, 2023, the Organization obtained a revolving line of credit with a financial institution, allowing for borrowings up to \$500,000 with a maturity date of January 31, 2024. On May 10, 2024, the revolving line of credit was modified, allowing for borrowings up to \$250,000 with a maturity date of May 10, 2025. The line of credit is secured by all current and future acquired business assets of the Organization. The line of credit includes a variable rate of interest based on the Wall Street Journal Prime rate. Interest expense was \$7,141 and \$58 for the years ended September 30, 2024 and 2023. The outstanding balance was \$38,379 and \$287,623 for the years ended September 30, 2024 and 2023, respectively.

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

10. 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.

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 fund may not be used for overhead expenses such as rent, utilities, and salaries.

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

10. ENDOWMENT (continued)

Spending Policy (continued)

For the year ended September 30, 2024, 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	\$ 18,432	\$ 200,462	\$ 218,894
Unrealized gains	67,337	-	67,337
Interest and dividends	4,990	-	4,990
Withdrawals	(9,696)	-	(9,696)
Net assets, September 30	<u>\$ 81,063</u>	<u>\$ 200,462</u>	<u>\$ 281,525</u>

For the year ended September 30, 2023, 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	\$ (17,879)	\$ 200,462	\$ 182,583
Contributions	-	-	-
Unrealized gains	33,119	-	33,119
Interest and dividends	3,192	-	3,192
Net assets, September 30	<u>\$ 18,432</u>	<u>\$ 200,462</u>	<u>\$ 218,894</u>

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Time restricted	\$ 168,500	\$ 441,000
Neighborhood Partnership Program	137,500	-
Endowment - held in perpetuity	200,462	200,462
Endowment earnings	81,063	18,432
Total	<u>\$ 587,525</u>	<u>\$ 659,894</u>

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

12. NONFINANCIAL CONTRIBUTIONS – GOODS AND SERVICES

Contributed Facilities

The Organization receives its Highland facility space in-kind from the District of Columbia. The agreement for facility space expires on September 30, 2025. The Organization is responsible for utilities, janitorial services, security, insurance, and snow removal. The estimated rental value of the facility is based on fair market value of comparable rental facilities in the area and is recognized as contributed facilities in the accompanying statement of activities and changes in net assets and as occupancy in the accompanying statement of functional expenses for the year ended September 30, 2024 and 2023.

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.

The valuation of in-kind donations is based on observable market prices of similar organization in the area. Management exercises judgment in estimating fair values for items without readily determinable prices. Contributed goods were recorded in the accompanying statements of activities and changes in net assets, and statements of functional expenses for the years ended September 30, 204 and 2023, respectively.

Contributed Services

During the year ended September 30, 2024, contributed services received by the Organization related to hours contributed for consulting on the Organization's various projects. During the year ended September 30, 2023, contributed services received by the Organization related to hours contributed for pro bono legal support. The Organization received invoices with costs from the donor to determine the fair value on contributed services. Contributed services were recorded in the accompanying statements of activities and changes in net assets, and statements of functional expenses for the years ended September 30, 204 and 2023, respectively.

The Organization received contributed goods and services as follows during the years ended September 30, 2024 and 2023:

A WIDER CIRCLE, INC.

Notes to the Financial Statements For the Years Ended September 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>	<u>Value</u>
Contributed - goods	\$ 2,551,992	\$ 3,201,715	Fair Value
Consulting - services	62,345	-	Fair Value
Facilities - services	34,800	24,000	Fair Value
Legal support	-	12,500	Fair Value
	<u>\$ 2,649,137</u>	<u>\$ 3,238,215</u>	

13. 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 years ended September 30, 2024 and 2023, was \$47,308 and \$39,736, respectively.