

MARYLAND INCLUSIVE HOUSING CORPORATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022



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**MARYLAND INCLUSIVE HOUSING CORPORATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Maryland Inclusive Housing Corporation
Silver Spring, Maryland

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Maryland Inclusive Housing Corporation, which comprise the statements of financial position as of June 30, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maryland Inclusive Housing Corporation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maryland Inclusive Housing Corporation 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 the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Maryland Inclusive Housing Corporation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Maryland Inclusive Housing Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maryland Inclusive Housing Corporation's ability to continue as a going concern for a reasonable period of time.

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



CliftonLarsonAllen LLP

Greenbelt, Maryland
November 14, 2023

MARYLAND INCLUSIVE HOUSING CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash	\$ 101,019	\$ 157,794
Accounts Receivable	19,119	2,865
Contributions Receivable	93,163	-
Prepaid Expenses	5,012	2,532
Website, Net of Accumulated Amortization of \$6,287 in 2023 and \$660 in 2022	7,614	1,320
Total Assets	\$ 225,927	\$ 164,511
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 49,592	\$ 31,119
Total Liabilities	49,592	31,119
NET ASSETS		
Without Donor Restrictions	176,335	133,392
Total Liabilities and Net Assets	\$ 225,927	\$ 164,511

See accompanying Notes to Financial Statements.

MARYLAND INCLUSIVE HOUSING CORPORATION
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS						
Contributions	\$ 558,979	\$ -	\$ 558,979	\$ 193,999	\$ 3,050	\$ 197,049
Housing Support Fees	110,741	-	110,741	30,750	-	30,750
Net Assets Released from Restrictions	-	-	-	233,550	(233,550)	-
Total Revenue, Support, and Gains	<u>669,720</u>	<u>-</u>	<u>669,720</u>	<u>458,299</u>	<u>(230,500)</u>	<u>227,799</u>
EXPENSES						
Program Expenses	500,740	-	500,740	178,995	-	178,995
Management and General	126,037	-	126,037	142,736	-	142,736
Total Expenses	<u>626,777</u>	<u>-</u>	<u>626,777</u>	<u>321,731</u>	<u>-</u>	<u>321,731</u>
CHANGE IN NET ASSETS	42,943	-	42,943	136,568	(230,500)	(93,932)
Net Assets - Beginning of Year	<u>133,392</u>	<u>-</u>	<u>133,392</u>	<u>(3,176)</u>	<u>230,500</u>	<u>227,324</u>
NET ASSETS - END OF YEAR	<u>\$ 176,335</u>	<u>\$ -</u>	<u>\$ 176,335</u>	<u>\$ 133,392</u>	<u>\$ -</u>	<u>\$ 133,392</u>

See accompanying Notes to Financial Statements.

MARYLAND INCLUSIVE HOUSING CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Related Expenses	\$ 436,871	\$ 74,688	\$ 511,559
Professional Fees	42,905	26,301	69,206
Staff Development	12,518	2,384	14,902
Office Expenses	3,645	9,666	13,311
Amortization of Website	-	5,627	5,627
Conference, Travel and Meeting	4,801	305	5,106
Communications	-	2,544	2,544
Miscellaneous	-	2,229	2,229
Insurance	-	1,781	1,781
Website	-	512	512
	<u>\$ 500,740</u>	<u>\$ 126,037</u>	<u>\$ 626,777</u>
Total Expenses	<u>\$ 500,740</u>	<u>\$ 126,037</u>	<u>\$ 626,777</u>

See accompanying Notes to Financial Statements.

MARYLAND INCLUSIVE HOUSING CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Related Expenses	\$ 144,375	\$ 81,923	\$ 226,298
Professional Fees	31,125	47,520	78,645
Insurance	3,495	1,606	5,101
Office Expenses	-	4,293	4,293
Staff Development	-	2,437	2,437
Communications	-	1,643	1,643
Conference, Travel and Meeting	-	1,470	1,470
Website	-	918	918
Amortization of Website	-	660	660
Miscellaneous	-	266	266
	<u>\$ 178,995</u>	<u>\$ 142,736</u>	<u>\$ 321,731</u>
Total Expenses	<u>\$ 178,995</u>	<u>\$ 142,736</u>	<u>\$ 321,731</u>

See accompanying Notes to Financial Statements.

MARYLAND INCLUSIVE HOUSING CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 42,943	\$ (93,932)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Amortization of Website	5,627	660
Changes in Assets and Liabilities:		
Accounts Receivable	(16,254)	(2,865)
Contributions Receivable	(93,163)	232,000
Prepaid Expenses	(2,480)	(1,224)
Accounts Payable and Accrued Expenses	18,473	7,474
Net Cash Provided (Used) by Operating Activities	(44,854)	142,113
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(11,921)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loan	-	15,000
Payments of Loan	-	(15,000)
Net Cash Used by Financing Activities	-	-
NET CHANGE IN CASH	(56,775)	142,113
Cash - Beginning of Year	157,794	15,681
CASH - END OF YEAR	\$ 101,019	\$ 157,794

See accompanying Notes to Financial Statements.

MARYLAND INCLUSIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization

The Maryland Inclusive Housing Corporation (the Corporation) is organized and operates exclusively for charitable, educational, and scientific purposes. Founded in 2019, the Corporation's mission is to help people with intellectual and other development disabilities successfully access and maintain inclusive, affordable, and accessible housing of their choice by creating opportunities, identifying resources, connecting people, and providing services.

Basis of Presentation

The Corporation's financial statements are presented in accordance with accounting principles generally accepted in the United States of America (GAAP) for nonprofit organizations. Under those principles, the Corporation is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – represent resources that are not subject to donor-imposed restrictions and are available for operations at management's discretion.

Net Assets With Donor Restrictions – represent resources restricted by donors. Some donor restrictions are temporary in nature and those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, donor-restricted net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the accompanying statement of activities.

There were no net assets with donor restrictions as of June 30, 2023 and 2022.

Basis of Accounting

The Corporation's financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Corporation is exempt from Federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. The Corporation is not classified as a private foundation.

MARYLAND INCLUSIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(CONTINUED)**

Income Taxes (Continued)

The Corporation's tax returns are subject to review and examination by federal and state authorities. The Corporation is not aware of any activities that would jeopardize its tax-exempt status.

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. All contributions receivables are expected to be collected in less than one year.

At June 30, 2023 and 2022, all receivables are considered collectible; therefore, no allowance for doubtful accounts has been recognized.

Property, Equipment and Website

Property and equipment acquisitions are recorded in the financial statements at cost, net of accumulated depreciation or amortization. Depreciation or amortization expense is computed using the straight-line method over the estimated useful lives of the assets as follows:

Website	3 Years
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The Corporation's policy is to capitalize major additions and improvements over \$1,000. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred. Depreciation and amortization expense for the years ended June 30, 2023 and 2022 was \$5,627 and \$660, respectively.

Revenue Recognition

The Corporation recognizes contributions when an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Corporation reports contributions as support with donor restrictions if they are received or promised with donor stipulations that limit the use of the donated assets to the Corporation's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions.

Revenue from housing support fees consist of training fees and service fees. Training fees is recognized as revenue in the period in which the trainings are held. Service fees are recognized when the support services are provided to customers.

MARYLAND INCLUSIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (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 statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Corporation are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. The adoption of this guidance did not have a significant impact on the Corporation's financial statements.

Subsequent Events

Management has evaluated subsequent events through November 14, 2023, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The following represents the Corporation's financial assets at June 30:

	2023	2022
Financial Assets at End of Year		
Cash	\$ 101,019	\$ 157,794
Accounts Receivable	19,119	2,865
Contributions Receivable	93,163	-
Financial Assets Available to Meet General Expenditure Within One Year	\$ 213,301	\$ 160,659

The Corporation's goal is generally to maintain financial assets to meet 90 days of operating expenses.

MARYLAND INCLUSIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3 LINE OF CREDIT

In 2022, the Corporation obtained a revolving line of credit with its bank in the amount of \$50,000, to be used for working capital. The line of credit expired on February 22, 2023. On March 22, 2023, the Corporation renewed the line of credit with its bank in the amount of \$100,000 which will expire on February 22, 2024. Any amount drawn on this line is subject to a variable interest rate based on an index (Base Loan Rate established by the bank) which was at 11.5% as of June 30, 2023 and 5.5% as of June 30, 2022. There were no draws during the years ended June 30, 2023 and 2022.

The line of credit is secured by the Corporation's cash and business personal property.

NOTE 4 CONCENTRATIONS

Contributions Revenue and Receivables

One donor accounted for 100% of the total contributions revenue for each of the years ended June 30, 2023 and 2022. The same donor accounted for 100% of contributions receivable as of June 30, 2023.

NOTE 5 NET ASSETS RELEASED FROM RESTRICTIONS

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors for the year ended June 30:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Community Living Coordinator Training	\$ -	\$ 13,550
Subject to Passage of Time	-	220,000
Total	\$ -	\$ 233,550

NOTE 6 RETIREMENT PLAN

The Corporation adopted a Section 403(b) retirement plan for its employees effective January 1, 2022. The plan provides employer matching and/or discretionary contributions equivalent to a certain percentage of eligible compensation after employees complete one year of service. This contribution rate is determined from year to year. For the year ended June 30, 2023, the employer contributions amounted to \$648, which represent 1% of eligible compensation. There were no employer contributions during the year ended June 30, 2022.