

MARYLAND INCLUSIVE HOUSING CORPORATION
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023



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**MARYLAND INCLUSIVE HOUSING CORPORATION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



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, 2024 and 2023, 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, 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 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 13, 2024

MARYLAND INCLUSIVE HOUSING CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash	\$ 221,728	\$ 101,019
Accounts Receivable	984	19,119
Contributions Receivable	121,381	93,163
Prepaid Expenses	6,344	5,012
Website, Net of Accumulated Amortization of \$12,126 in 2024 and \$6,287 in 2023	6,595	7,614
Total Assets	\$ 357,032	\$ 225,927
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 50,801	\$ 49,592
Total Liabilities	50,801	49,592
NET ASSETS		
Without Donor Restrictions	306,231	176,335
Total Liabilities and Net Assets	\$ 357,032	\$ 225,927

See accompanying Notes to Financial Statements.

MARYLAND INCLUSIVE HOUSING CORPORATION
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS						
Contributions	\$ 660,481	\$ -	\$ 660,481	\$ 558,979	\$ -	\$ 558,979
Housing Support Fees	206,351	-	206,351	110,741	-	110,741
Other Income	1,517	-	1,517	-	-	-
Total Revenue, Support, and Gains	<u>868,349</u>	<u>-</u>	<u>868,349</u>	<u>669,720</u>	<u>-</u>	<u>669,720</u>
EXPENSES						
Program Expenses	600,204	-	600,204	500,740	-	500,740
Management and General	138,249	-	138,249	126,037	-	126,037
Total Expenses	<u>738,453</u>	<u>-</u>	<u>738,453</u>	<u>626,777</u>	<u>-</u>	<u>626,777</u>
CHANGE IN NET ASSETS	129,896	-	129,896	42,943	-	42,943
Net Assets - Beginning of Year	<u>176,335</u>	<u>-</u>	<u>176,335</u>	<u>133,392</u>	<u>-</u>	<u>133,392</u>
NET ASSETS - END OF YEAR	<u><u>\$ 306,231</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 306,231</u></u>	<u><u>\$ 176,335</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 176,335</u></u>

See accompanying Notes to Financial Statements.

MARYLAND INCLUSIVE HOUSING CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Related Expenses	\$ 491,001	\$ 86,647	\$ 577,648
Professional Fees	89,921	17,069	106,990
Office Expenses	3,333	15,179	18,512
Staff Development	8,135	1,436	9,571
Conference, Travel, and Meeting	7,814	1,379	9,193
Miscellaneous	-	7,605	7,605
Amortization of Website	-	5,839	5,839
Insurance	-	1,264	1,264
Communications	-	1,169	1,169
Website	-	662	662
	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 600,204</u>	<u>\$ 138,249</u>	<u>\$ 738,453</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
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 129,896	\$ 42,943
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Amortization of Website	5,839	5,627
Changes in Assets and Liabilities:		
Accounts Receivable	18,135	(16,254)
Contributions Receivable	(28,218)	(93,163)
Prepaid Expenses	(1,332)	(2,480)
Accounts Payable and Accrued Expenses	1,209	18,473
Net Cash Provided (Used) by Operating Activities	125,529	(44,854)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(4,820)	(11,921)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	30,000	-
Payments of Line of Credit	(30,000)	-
Net Cash Provided (Used) by Financing Activities	-	-
NET CHANGE IN CASH	120,709	(56,775)
Cash - Beginning of Year	101,019	157,794
CASH - END OF YEAR	\$ 221,728	\$ 101,019

See accompanying Notes to Financial Statements.

MARYLAND INCLUSIVE HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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 – 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 – 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, 2024 and 2023.

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, 2024 AND 2023

**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, 2024 and 2023, all receivables are considered collectible; therefore, no allowance for credit losses 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, 2024 and 2023 was \$5,839 and \$5,627, 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, 2024 AND 2023

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

Revenue Recognition

The contract assets at June 30 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Accounts Receivable:			
Housing Support Fees Receivable	\$ 984	\$ 19,119	\$ 2,865

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

Effective July 1 2023, the Corporation adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Corporation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Corporation’s financial statements but did change how the allowance for credit losses is determined.

Subsequent Events

Management has evaluated subsequent events through November 13, 2024, 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:

	<u>2024</u>	<u>2023</u>
Financial Assets at End of Year		
Cash	\$ 221,728	\$ 101,019
Accounts Receivable	984	19,119
Contributions Receivable	<u>121,381</u>	<u>93,163</u>
Financial Assets Available to Meet General Expenditure Within One Year	<u>\$ 344,093</u>	<u>\$ 213,301</u>

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, 2024 AND 2023

NOTE 3 LINE OF CREDIT

The Corporation has a revolving line of credit from its bank for \$100,000, to be used for working capital. This line of credit expired on February 22, 2024. On February 29, 2024, the Corporation renewed the line of credit, with the new expiration date set for February 22, 2025. Any amount drawn on this line is subject to a variable interest rate based on the bank's Base Loan Rate, which was 10.5% as of June 30, 2024 and 11.5% as of June 30, 2023. For the year ended June 30, 2024, the Corporation made draws and repayments totaling \$30,000. There were no draws made during the year ended June 30, 2023.

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

NOTE 4 CONCENTRATIONS

Contributions Revenue and Receivable

One donor accounted for 100% of the total contributions revenue for each of the years ended June 30, 2024 and 2023. The same donor accounted for 100% of contributions receivable as of June 30, 2024 and 2023.

NOTE 5 RETIREMENT PLAN

The Corporation has adopted a Section 403(b) retirement plan for its employees. 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 years ended June 30, 2024 and 2023, the employer contributions amounted to \$3,247 and \$648, which represents 2% and 1% of eligible compensation, respectively.



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