D A S H

District Alliance for Safe Housing, Inc.
and Subsidiary

Consolidated Audited Financial Statements
and Supplementary Information

September 30, 2023 and 2022

DISTRICT ALLIANCE FOR SAFE HOUSING, INC. AND SUBSIDIARY

TABLE OF CONTENTS
SEPTEMBER 30, 2023 AND 2022

7910 WOODMONT AVENUE
SUITE 500
BETHESDA, MD 20814
(T) 301.986.0600

Independent Auditor's Report

The Board of Directors of
District Alliance for Safe Housing, Inc. and Subsidiary
Washington, D.C.

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of District Alliance for Safe Housing, Inc. and Subsidiary (collectively referred to as the Organization), which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of September 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2 of the consolidated financial statements, the Organization adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 the Organization'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 the Organization'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.

Other Matters

The consolidated financial statements of District Alliance for Safe Housing, Inc. and Subsidiary as of September 30, 2022, were audited by other auditors whose report dated June 26, 2023, expressed an unmodified opinion on those consolidated statements. The comparative information presented herein as of and for the year ended September 30, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

The Board of Directors of
District Alliance for Safe Housing, Inc. and Subsidiary

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Councilor, Buchanan & Mitchell, P.C.

Bethesda, Maryland
June 25, 2024

Certified Public Accountants

DISTRICT ALLIANCE FOR SAFE HOUSING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023
(WITH COMPARATIVE INFORMATION AS OF SEPTEMBER 30, 2022)

	2023	2022
Assets		
Current Assets		
Cash	**$ 2,727,480**	$ 544,182
Restricted Cash	**50,000**	50,000
Grants and Contributions Receivable	**847,935**	1,464,885
Prepaid Expenses and Other Deposits	**122,526**	91,957
Total Current Assets	**3,747,941**	2,151,024
Property and Equipment, Net	**9,333,859**	9,593,348
Operating Right-of-Use Asset	**168,608**	-
Finance Right-of-Use Asset	**55,130**	-
Total Assets	**$ 13,305,538**	$ 11,744,372
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	**$ 412,659**	$ 652,796
Accrued Interest Payable	**316,635**	270,637
Refundable Grant Advance	**50,872**	29,214
Line of Credit	**722,123**	512,123
Note Payable, Current	**271,634**	807,216
Operating Lease Liability	**62,521**	-
Finance Lease Liability	**12,733**	-
Total Current Liabilities	**1,849,177**	2,271,986
Long-Term Liabilities		
Deferred Rent	**-**	1,074
Note Payable, Net of Current Portion	**4,313,431**	6,671,915
Operating Lease Liability, Net of Current Portion	**112,182**	-
Finance Lease Liability, Net of Current Portion	**46,372**	-
Total Long-Term Liabilities	**4,471,985**	6,672,989
Total Liabilities	**6,321,162**	8,944,975
Net Assets		
Without Donor Restrictions	**3,874,443**	1,647,421
With Donor Restrictions	**3,109,933**	1,151,976
Total Net Assets	**6,984,376**	2,799,397
Total Liabilities and Net Assets	**$ 13,305,538**	$ 11,744,372

See accompanying Notes to Consolidated Financial Statements.

DISTRICT ALLIANCE FOR SAFE HOUSING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2022)

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Grants and Contributions	**$ 9,498,634**	**$ 2,551,351**	**$ 12,049,985**	$ 6,866,595	$ 876,920	$ 7,743,515
Donated Goods and Services	**817,083**	**-**	**817,083**	131,735	-	131,735
Interest and Other Income	**42,705**	**-**	**42,705**	12,740	-	12,740
Net Assets Released from Restrictions						
Purpose Restrictions	**543,394**	**(543,394)**	**-**	1,494,890	(1,494,890)	-
Time Restrictions	**50,000**	**(50,000)**	**-**	40,000	(40,000)	-
Total Revenue	**10,951,816**	**1,957,957**	**12,909,773**	8,545,960	(657,970)	7,887,990
Expenses						
Housing Programs	**6,017,053**	**-**	**6,017,053**	5,223,210	-	5,223,210
General and Administration	**2,495,106**	**-**	**2,495,106**	1,979,260	-	1,979,260
Fundraising	**212,635**	**-**	**212,635**	313,645	-	313,645
Total Expenses	**8,724,794**	**-**	**8,724,794**	7,516,115	-	7,516,115
Change in Net Assets	**2,227,022**	**1,957,957**	**4,184,979**	1,029,845	(657,970)	371,875
Net Assets, Beginning of Year	**1,647,421**	**1,151,976**	**2,799,397**	617,576	1,809,946	2,427,522
Net Assets, End of Year	**$ 3,874,443**	**$ 3,109,933**	**$ 6,984,376**	$ 1,647,421	$ 1,151,976	$ 2,799,397

See accompanying Notes to Consolidated Financial Statements.

DISTRICT ALLIANCE FOR SAFE HOUSING, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2022)

	2023				2022			
	Housing Programs	**General and Administration**	**Fundraising**	**Total**	Housing Programs	General and Administration	Fundraising	Total
Salaries and Benefits	**$ 2,594,490**	**$ 1,219,301**	**$ 48,663**	**$ 3,862,454**	$ 1,907,173	$ 1,040,134	$ 233,471	$ 3,180,778
Survivor Assistance	**1,394,424**	**-**	**-**	**1,394,424**	1,483,905	506	86	1,484,497
Consultants, Partnerships, and Professional Services	**510,282**	**315,875**	**138,701**	**964,858**	432,636	666,995	48,817	1,148,448
Occupancy	**552,153**	**259**	**1,295**	**553,707**	617,665	39,648	78	657,391
Depreciation and Amortization	**363,648**	**28,920**	**161**	**392,729**	275,462	11,749	-	287,211
Other Operating Expenses	**212,808**	**67,628**	**23,783**	**304,219**	195,596	64,477	29,060	289,133
Interest, Taxes, and Fees	**262,786**	**46,040**	**32**	**308,858**	238,431	21,594	2,100	262,125
Repairs and Maintenance	**126,462**	**-**	**-**	**126,462**	71,651	-	-	71,651
Donated Goods and Services	**-**	**817,083**	**-**	**817,083**	691	134,157	33	134,881
Total Expenses	**$ 6,017,053**	**$ 2,495,106**	**$ 212,635**	**$ 8,724,794**	$ 5,223,210	$ 1,979,260	$ 313,645	$ 7,516,115

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2022)

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets	**$ 4,184,979**	$ 371,875
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation and Amortization	**391,791**	287,211
Amortization of Loan Fees	**938**	13,265
Gain from Forgiveness of Loan	**(81,292)**	(81,292)
Operating Lease Expense	**69,203**	-
Decrease (Increase) in Assets		
Grants and Contributions Receivable	**616,950**	(492,733)
Prepaid Expenses and Other Deposits	**(30,569)**	6,630
(Decrease) Increase in Liabilities		
Accounts Payable and Accrued Expenses	**(240,137)**	193,308
Grants Payable	**-**	(44,494)
Accrued Interest Payable	**45,998**	45,865
Refundable Grant Advance	**21,658**	29,214
Deferred Rent	**-**	(2,851)
Operating Lease Liabilities	**(64,182)**	-
Net Cash Provided by Operating Activities	**4,915,337**	325,998
Cash Flows from Investing Activities		
Purchase of Property and Equipment	**(124,758)**	(1,185,867)
Net Cash Used in Investing Activities	**(124,758)**	(1,185,867)
Cash Flows from Financing Activities		
Principal Payments on Notes Payable	**(2,812,774)**	(97,267)
Proceeds from Line of Credit	**210,000**	1,094
Principal Payments on Finance Lease Liability	**(4,507)**	-
Net Cash Used in Financing Activities	**(2,607,281)**	(96,173)
Net Increase (Decrease) in Cash and Restricted Cash	**2,183,298**	(956,042)
Cash and Restricted Cash, Beginning of Year	**594,182**	1,550,224
Cash and Restricted Cash, End of Year	**$ 2,777,480**	$ 594,182
Noncash Transactions from Investing and Financing Activities		
Establishment of Operating Right-of-Use Asset	**$ 229,223**	$ -
Establishment of Finance Right-of-Use Asset	**63,612**	-
Establishment of Operating Lease Liability	**230,297**	-
Establishment of Finance Lease Liability	**63,612**	-

See accompanying Notes to Consolidated Financial Statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

District Alliance for Safe Housing, Inc. (DASH) is a not-for-profit organization whose mission is to be an innovator in providing access to safe housing and services to survivors of domestic and sexual violence and their families as they rebuild their lives on their own terms. DASH was incorporated in October 2006 under the laws of the District of Columbia. These activities are funded primarily by grants and contributions.

DASH Properties, LLC (LLC) was formed as a wholly-owned subsidiary of DASH in April 2007 to own and manage the housing related to DASH's mission.

Principle of Consolidation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States and, as a result, all significant intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements include the accounts of DASH and LLC (hereafter collectively referred to as the Organization).

Basis of Accounting

The consolidated financial statement presentation follows generally accepted accounting principles in the United States of America (GAAP). The Organization maintains its accounts on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when the underlying obligations are incurred.

Basis of Presentation

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions or conditions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

With Donor Restrictions

Contributions and grants pending satisfaction of donor-imposed, time or purpose restrictions are reported as revenue with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Donor-imposed restrictions satisfied in the year received are recognized as revenue without donor restrictions.

Without Donor Restrictions

Net assets without donor restrictions result from revenues and other inflows of assets, the use of which by the Organization is not limited by donor-imposed restrictions or conditions and are available for use in the general operations of the Organization.

Income Taxes

DASH is exempt under Section 501(c)(3) of the Internal Revenue Code (the Code) from the payment of taxes on income other than unrelated business income. DASH has been determined by the Internal Revenue Service as a "publicly supported" organization under Section 509(a) of the Code.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

LLC is a disregarded entity for income tax purposes. No provision for income tax was required for the years ended September 30, 2023 and 2022, as the Organization had no net unrelated business income.

The Organization requires that a tax position be recognized or derecognized based on a "more-likely-than-not" threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its consolidated financial statements include, or reflect, any uncertain tax positions. The Organization's IRS Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by taxing authorities generally for three years after filing.

As of September 30, 2023, the statute of limitations remained open with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns; however, there are currently no audits for any tax periods in progress or pending. It is the Organization's policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in interest or income tax expense. As of September 30, 2023 and 2022, the Organization had no accruals for interest and/or penalties.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers cash and cash equivalents to be amounts in bank checking and savings accounts, money market accounts, and short-term certificates of deposit.

The Organization has $50,000 restricted cash as of both September 30, 2023 and 2022.

Receivables

The Organization uses the allowance method to record potentially uncollectible receivables. Management determines the allowance for doubtful receivables by specifically identifying troubled receivables. Receivables are written off when deemed uncollectible, and recoveries of receivables previously written off are recorded when received.

Right-of-Use Asset and Lease Liabilities

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of-use assets are the lease liabilities adjusted for other lease-related accounts. Management considers the likelihood of exercising renewal or termination clauses (if any) in measuring the Organizations right-of-use assets and lease liabilities. Operating lease expense and finance lease amortization expense is allocated over the remaining lease term on a straight-line basis. Finance lease interest expense is calculated using a risk-free rate that approximates the remaining term of the lease multiplied by the outstanding finance lease liability.

The Organization considers leases with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-Use Asset and Lease Liabilities (Continued)

In addition, the Organization separates lease components from non-lease components (if any) for real estate leases only. Leases for other asset classes will not separate lease components from non-lease components.

Property and Equipment

The Organization capitalizes all additions to property and equipment in excess of $5,000, while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are expensed. Property and equipment are recorded at cost, if purchased, or fair market value at date of donation, if contributed. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which are 40 years for building and 5 years for furniture and office equipment, additional improvements to the building are depreciated on a straight-line basis over the shorter of the estimated life of the improvements or the remaining life of the building. Upon the retirement or disposal of assets, the cost and accumulated depreciation or amortization is eliminated from the respective accounts and the resulting gain or loss, if any, is included in revenue and support or expenses in the accompanying consolidated statement of activities. The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. There were no impairment losses recognized for the years ended September 30, 2023 and 2022.

Revenue Recognition

The Organization recognizes all unconditional contributed support in the period in which the commitment is made. Unconditional contributions are considered without restrictions and are available for general operations unless specifically restricted by the donor. The Organization reports unconditional grants of cash and other assets as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets to particular purposes or to future periods. When the stipulated time restriction ends or the purpose of the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions. Donor-restricted grants and contributions whose restrictions are satisfied in the same reporting period in which the grants and contributions are made are recorded as revenue and support without donor restrictions.

The Organization also receives revenue from conditional federal, District of Columbia, and private grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has met the specified conditions. Amounts received in advance for conditional grants are recorded as refundable advances until the conditions have been met. Amounts recognized under the agreements but not received are included in grants and contributions receivable in the accompanying consolidated statement of financial position. The Organization reports conditional donor-restricted contributions, whose both conditions and restrictions are met in the same year, as revenue and support within net assets without donor restrictions.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

Donated services are recognized if the services create or enhance nonfinancial assets; or require specialized skills, are performed by people with those skills and would otherwise have to be purchased by the Organization.

Loan Financing Costs

Loan financing costs incurred in connection with the notes payable are being amortized using the straight-line method over the life of the loan, which approximates the effective interest method. Loan financing costs are reported as a direct deduction from the face amount of the note, and the related amortization is reported as interest expense.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Expenses directly attributed to a specific functional area of the Organization are reported as expenses of those functional areas, while shared costs that benefit multiple functional areas, such as salaries and benefits and depreciation and amortization expense, have been allocated among the various functional areas based on estimates determined by management to be equitable. Salary expenses are allocated based on time and effort tracked by timesheets.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATES

Accounting Standards Update 2016-02

During the year ended September 30, 2023, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which supersedes the leasing guidance in *Topic 840*. The Organization also adopted the following ASUs, which amend and clarify *Leases (Topic 842)*: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2021-05, *Leases (Topic 842): Lessors - Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new lease guidance is the requirement to recognize right-of-use assets and lease liabilities for operating leases on the consolidated statement of financial position.

2. ADOPTION OF ACCOUNTING STANDARDS UPDATES (CONTINUED)

Accounting Standards Update 2016-02 (Continued)

The Organization adopted the leasing standards effective October 1, 2022, using the modified retrospective approach with October 1, 2022, as the initial date of application. Management has elected to apply three practical expedients available under the new guidance, which allows the Organization to: (1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; (2) not reassess the lease classification for any expired or existing leases; and (3) not reassess initial direct costs for any existing leases. The Organization has elected not to apply the Portfolio Method practical expedient, while each lease will be individually recorded. The Organization has elected not to apply the Hindsight practical expedient, and will record the existing operating leases using a lease term which is based on information as of the implementation date.

The most significant impact was the recognition of right-of-use assets and lease liabilities for all leases with terms greater than twelve months. Accordingly, an operating right-of-use asset and lease liability totaling approximately $229,000 and $230,000, respectively, was recognized as of October 1, 2022. Existing deferred rent of approximately $1,000 as of October 1, 2022, is included as a reduction to the initial measurement of the right-of-use asset for the operating lease. In addition, a finance right-of-use asset and lease liability totaling approximately $64,000 and $64,000, respectively, was recognized as of February 15, 2023.

Accounting Standards Update 2020-07

During the year ended September 30, 2022, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958).* This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofits through enhancements to presentation and disclosure. Specifically, the ASU addresses the lack of transparency surrounding the measurement of contributed nonfinancial assets, as well as the amount of those contributions used in programs and other activities. Management believes that the adoption of this ASU enhances the transparency of financial information among nonprofit entities. The change in accounting principle was applied on a retrospective basis.

Accounting Pronouncement Not Yet Adopted

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326)*: *Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. Assets must be presented in the consolidated financial statements at the net amount expected to be collected.

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable are as follows as of September 30, 2023 and 2022:

	2023	2022
District of Columbia Grants	$ 623,557	$ 881,423
Federal Grants	17,237	395,836
Other Grants and Contributions	207,141	187,626
Total Grants and Contributions Receivable	$ 847,935	$ 1,464,885

The Organization receives conditional contributions and grants from federal, state, and local governments and other organizations. The conditional portion of these grants has not been recorded as revenue or as a receivable, as the required criteria under generally accepted accounting principles has not been met as of September 30, 2023. The conditional portion of the contributions and grants not yet recognized is approximately $586,000 and requires certain measurable barriers to be met such as being in compliance with specialized cost principles and allowable costs.

4. PROPERTY AND EQUIPMENT

The Organization's property and equipment consisted of the following as of September 30, 2023 and 2022:

	2023	2022
Land	$ 1,299,499	$ 1,299,499
Building and Building Improvements	11,332,395	11,292,232
Office Furniture and Equipment	522,320	475,080
Total Property and Equipment	13,154,214	13,066,811
Less Accumulated Depreciation and Amortization	(3,820,355)	(3,473,463)
Property and Equipment, Net	$ 9,333,859	$ 9,593,348

Depreciation expense for the years ended September 30, 2023 and 2022, was $391,791 and $287,211, respectively.

5. NOTES PAYABLE

In February 2009, the Organization entered into a loan with D.C. Department of Housing and Community Development (DHCD) financing in the amount of $5,251,674, consisting of (1) a $3,251,674 noninterest-bearing note that self-amortizes commencing on February 1, 2010, with no payments due and annual debt forgiveness of $81,292 as long as the Organization remains compliant with the loan agreement and there is no uncured default; and (2) a $2,000,000 note that bears interest at 1% per annum, payable upon maturity, with monthly principal payments of $5,057 commencing in February 2011, subject to the Organization's available cash flow, as defined in the loan agreement (no payments had been made through September 30, 2023). DHCD financing is secured by the Organization's property and equipment.

5. NOTES PAYABLE (CONTINUED)

The Organization entered into a $4,125,000 note payable, with interest at 4.75% per annum through August 31, 2020. The interest rate was lowered to 4.5% from September 1, 2020 until September 2022, then the rate adjusted to 6.375%. This was the greater of (i) the monthly average of the five-year Treasury constant as of the adjustment date plus 3.30%, or (ii) 4.75% per annum. Monthly principal and interest payments commenced in January 2018 and will continue through September 2027, when the balloon payment is due. The note payable is secured by a first priority lien on the Organization's property and equipment, the assignment of rents.

The Organization's notes payable which were used for the acquisition and renovation of its housing building consisted of the following as of September 30, 2023 and 2022:

	2023	2022
DHCD Notes Payable	**$ 4,140,684**	$ 4,221,976
Eagle Bank Notes Payable	**444,381**	3,258,093
Total Notes Payable	**4,585,065**	7,480,069
Less Current Portion	**(271,634)**	(807,216)
Less Unamortized Debt Issuance Costs	**-**	(938)
Notes Payable, Net	**$ 4,313,431**	$ 6,671,915

The outstanding loan agreements contain certain covenants, events of default, and other customary provisions. The Organization was in compliance with all financial covenants and customary provisions.

Future minimum principal payments or forgiveness on these promissory notes are as follows:

For the Years Ending September 30,	
2024	$ 351,093
2025	255,872
2026	81,292
2027	81,292
2028	81,292
Thereafter	3,734,224
Total Future Minimum Principal Payments	$ 4,585,065

Total interest expense was $223,884 and $196,924 for the years ended September 30, 2023 and 2022, respectively, and is included as part of interest, taxes, and fees in the consolidated statement of functional expenses.

6. LINE OF CREDIT

The Organization has a $750,000 line of credit agreement to support working capital requirements. The line of credit is secured by the Organization's real estate property, with interest rate ranging from WSJ prime rate minus 0.75% to WSJ minus 0.25% depending on the Organization's ongoing deposit balances with the financial institution. Interest rate was 8.25% and 5.25% as September 30, 2023 and 2022, respectively. Interest expense was approximately $41,100 and

6. LINE OF CREDIT (CONTINUED)

$16,300 for the years ended September 30, 2023 and 2022, respectively. The Organization had an outstanding balance on this line of credit of $722,123 and $512,123 as of September 30, 2023 and 2022, respectively.

7. LEASES

Operating Lease under Topic 842

The Organization leases office space under a noncancelable 64-month operating lease which was set to expire in January 2023. During August 2022, the lease was renewed for a period of 39 months, commencing February 2023 and ending April 2026. Under the terms of the lease, the base lease payment increases annually based on scheduled increases provided for in the lease.

Under accounting principles generally accepted in the United States of America (GAAP), operating lease expense is recognized on a straight-line basis over the remaining lease term. Operating lease expense for the year ended September 30, 2023, was approximately $69,200. The Organization had no variable or short-term lease expense in 2023.

Maturity of the operating lease liability as of September 30, 2023, is as follows:

For the Years Ending September 30,	Amount
2024	$ 68,630
2025	70,355
2026	45,885
Total Undiscounted Minimum Lease Payments	184,870
Less Discount to Present Value	(10,167)
Total Operating Lease Liability	$ 174,703

The supplementary qualitative operating lease information is as follows:

Supplementary Qualitative Operating Lease Information	Amount
Weighted-Average Remaining Lease Term (Years)	2.58
Weighted-Average Discount Rate	4.16%

Operating Lease under Topic 840

Under accounting principles generally accepted in the United States of America (GAAP), all rental payments, including fixed rent increases, are recognized on a straight-line basis over the term of the lease. Lease incentives are amortized over the life of the lease on a straight-line basis as an offset to rent expense. The difference between the GAAP rent expense and the required lease payments are reflected as deferred rent in the accompanying consolidated statement of financial position as of September 30, 2022.

7. LEASES (CONTINUED)

Operating Lease under Topic 840 (Continued)

As previously disclosed in prior year's audited consolidated financial statements and under the previous lease accounting, future minimum lease payments as of September 30, 2022, were as follows:

For the Years Ending September 30,	Amount
2023	$ 89,226
2024	74,870
2025	76,751
2026	45,850
Total	$ 286,697

Finance Lease under Topic 842

The Organization is obligated under a non-cancelable finance lease for certain office equipment through February 2028. Amortization on the finance right-of-use asset totaled $8,482 and is included in depreciation and amortization expense on the consolidated statement of functional expenses for the year ended September 30, 2023. The accumulated amortization on the finance right-of-use asset was approximately $8,482 as of September 30, 2023. Interest expense on the finance lease liability totaled $1,700 for the year ended September 30, 2023.

Maturity of the finance lease liability as of December 31, 2023, is as follows:

For the Years Ending September 30,	Amount
2024	$ 14,898
2025	14,898
2026	14,898
2027	14,898
2028	4,964
Total Undiscounted Minimum Lease Payments	64,556
Less Discount to Present Value	(5,451)
Total Finance Lease Liability	$ 59,105

The supplementary qualitative finance lease information is as follows:

Supplementary Qualitative Finance Lease Information	Amount
Interest Paid for Amounts Included in the Measurement of Finance Lease Liabilities - Operating Cash Flows	$ 1,700
Weighted-Average Remaining Lease Term (Years)	4.33
Weighted-Average Discount Rate	4.06%

8. CONCENTRATIONS

The Organization maintains a cash balance at a financial institution in the Washington, D.C. metropolitan area. The account at this institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. At times during the year, the Organization's cash balance may exceed the FDIC limits. The Organization monitors the creditworthiness of these institutions and has not experienced any credit losses on its cash.

The Organization is primarily supported by federal and District of Columbia government agencies and is subject to availability of funds from these sources. For the years ended September 30, 2023 and September 30, 2022, federal and District of Columbia grants comprised approximately 51% and 79% of total revenue, excluding donated services, respectively. As of September 30, 2023 and 2022, receivables related to federal and District of Columbia grants totaled $640,794 and $1,277,259, representing 76% and 87% of total grants and contributions receivable, respectively.

9. COMPLIANCE AUDITS

The Organization has received federal and District of Columbia grants that are subject to review, audit, and adjustment by the federal and District of Columbia granting agencies for qualified expenses charged to the grants. Such audits could lead to requests for reimbursement to the federal and District of Columbia granting agencies for any expenditures or claims disallowed under the terms of the agreements. The amount of expenditures which may be disallowed by the federal and District of Columbia granting agencies cannot be determined at this time although the Organization expects such amounts, if any, to be insignificant. Accordingly, the Organization has not accrued a liability on its consolidated financial statements as of September 30, 2023 and 2022.

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were available for the following purposes as of September 30, 2023 and 2022:

	2023	2022
Housing Programs		
Capital Campaign	**$ 451,537**	$ 501,831
Day 1 Families Fund	**-**	311,525
Capacity Building	**155,745**	199,264
Safe Nights Fund	**16,300**	47,505
Survivor Resilience Fund	**-**	26,321
Amazon Housing Equity Fund	**2,300,000**	-
Other	**36,351**	15,530
Time-Restricted	**150,000**	50,000
Total Net Assets with Donor Restrictions	**$ 3,109,933**	$ 1,151,976

10. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

For the years ended September 30, 2023 and 2022, net assets releases from donor restrictions were as follows:

	2023	2022
Housing Programs		
Capital Campaign	**$ 110,293**	$ 242,341
Day 1 Families Fund	**311,525**	1,204,466
Capacity Building	**43,519**	736
Safe Nights Fund	**41,205**	2,347
Survivor Resilience Fund	**26,322**	45,000
Other	**10,530**	-
Time-Restricted	**50,000**	40,000
Total Net Assets Releases from Donor Restrictions	**$ 593,394**	$ 1,534,890

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's cash flows have seasonable variations due to the timing of grants and contributions. The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments, while also striving to preserve the principal and return on the investment of its funds.

As of September 30, 2023 and 2022, the following financial assets and liquidity resources were available for general operating expenditures in the years ending September 30, 2024 and 2023:

	2023	2022
Financial Assets		
Cash	**$ 2,727,480**	$ 544,182
Grants and Contributions Receivable	**847,935**	1,464,885
Less Amounts Restricted by Donor for Purpose	**(3,059,933)**	(1,101,976)
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	**$ 515,482**	$ 907,091

12. DONATED GOODS AND SERVICES

The Organization recognized contributed nonfinancial assets within revenue, including services, household goods, clothing, and facility usage. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. Contributed household goods and clothing were used in domestic and sexual violence survivor programs. In valuing household goods and clothing, the Organization estimated the fair value based on estimates values that would be received for selling similar products in the United States. Contributed services recognized comprise professional services from attorneys advising the Organization on various administrative legal matters, as well as photography, coaching, and graphic design services. Contributed services are valued and reported at the estimated fair value in the consolidated financial statements based on current rates for similar services. Contributed use of facilities is valued and reported at the rental fair value of similar spaces.

12. DONATED GOODS AND SERVICES (CONTINUED)

For the year ended September 30, 2023 and 2022, contributed nonfinancial assets recognized within the consolidated statement of activities included:

	2023	2022
Services	**$ 781,479**	$ 69,876
Household Goods	**22,109**	57,759
Clothing	**1,545**	4,100
Use of Facilities	**11,950**	-
Totals	**$ 817,083**	$ 131,735

13. RETIREMENT PLAN

The Organization has a defined contribution plan (the Plan) for the benefit of its employees. Eligible employees begin participation in the Plan on the first day of the month following completion of a three-month period of service and the attainment of age 21. After the completion of one year of service, the Organization matches an employee's contribution, dollar for dollar, up to 3% of the employee's salary, which is the maximum amount that the Organization contributes. An employee may make contributions of his or her salary up to the annual statutory limits. For the years ended September 30, 2023 and 2022, retirement expense was approximately $94,000 and $66,000, respectively. These amounts are included in employee benefits in the accompanying consolidated statement of functional expenses.

14. RECLASSIFICATIONS

Certain 2022 amounts have been reclassified to conform to the 2023 financial statement presentation.

15. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 25, 2024, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

DISTRICT ALLIANCE FOR SAFE HOUSING, INC. AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
SEPTEMBER 30, 2023
(WITH COMPARATIVE INFORMATION AS OF SEPTEMBER 30, 2022)

	2023				2022			
	DASH	**LLC**	**Eliminations**	**Total**	DASH	LLC	Eliminations	Total
Assets								
Current Assets								
Cash	**$ 321,876**	**$ 2,405,604**	**$ -**	**$ 2,727,480**	$ 465,964	$ 78,218	$ -	$ 544,182
Restricted Cash	**50,000**	**-**	**-**	**50,000**	50,000	-	-	50,000
Grants and Contributions Receivable	**847,935**	**-**	**-**	**847,935**	1,464,885	-	-	1,464,885
Due from Affiliate	**-**	**-**	**-**	**-**	-	230,410	(230,410)	-
Prepaid Expenses and Other Deposits	**122,526**	**-**	**-**	**122,526**	91,957	-	-	91,957
Total Current Assets	**1,342,337**	**2,405,604**	**-**	**3,747,941**	2,072,806	308,628	(230,410)	2,151,024
Investment in LLC	**6,713,800**	**-**	**(6,713,800)**	**-**	2,099,862	-	(2,099,862)	-
Property and Equipment, Net	**123,963**	**9,209,896**	**-**	**9,333,859**	52,346	9,541,002	-	9,593,348
Operating Right-of-Use Asset	**168,608**	**-**	**-**	**168,608**	-	-	-	-
Finance Right-of-Use Asset	**55,130**	**-**	**-**	**55,130**	-	-	-	-
Total Assets	**$ 8,403,838**	**$ 11,615,500**	**$ (6,713,800)**	**$ 13,305,538**	$ 4,225,014	$ 9,849,630	$ (2,330,272)	$ 11,744,372

DISTRICT ALLIANCE FOR SAFE HOUSING, INC. AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION (CONTINUED)
SEPTEMBER 30, 2023
(WITH COMPARATIVE INFORMATION AS OF SEPTEMBER 30, 2022)

	2023				2022			
	DASH	**LLC**	**Eliminations**	**Total**	DASH	LLC	Eliminations	Total
Liabilities and Net Assets								
Current Liabilities								
Accounts Payable and Accrued Expenses	**$ 412,659**	**$ -**	**$ -**	**$ 412,659**	$ 652,796	$ -	$ -	$ 652,796
Accrued Interest Payable	**-**	**316,635**	**-**	**316,635**	-	270,637	-	270,637
Due to Affiliate	**-**	**-**	**-**	**-**	230,410	-	(230,410)	-
Refundable Grant Advance	**50,872**	**-**	**-**	**50,872**	29,214	-	-	29,214
Line of Credit	**722,123**	**-**	**-**	**722,123**	512,123	-	-	512,123
Note Payable, Current	**-**	**271,634**	**-**	**271,634**	-	807,216	-	807,216
Operating Lease Liability	**62,521**	**-**	**-**	**62,521**	-	-	-	-
Finance Lease Liability	**12,733**	**-**	**-**	**12,733**	-	-	-	-
Total Current Liabilities	**1,260,908**	**588,269**	**-**	**1,849,177**	1,424,543	1,077,853	(230,410)	2,271,986
Long-Term Liabilities								
Deferred Rent	**-**	**-**	**-**	**-**	1,074	-	-	1,074
Note Payable, Net of Current Portion	**-**	**4,313,431**	**-**	**4,313,431**	-	6,671,915	-	6,671,915
Operating Lease Liability, Net of Current Portion	**112,182**	**-**	**-**	**112,182**	-	-	-	-
Finance Lease Liability, Net of Current Portion	**46,372**	**-**	**-**	**46,372**	-	-	-	-
Total Long-Term Liabilities	**158,554**	**4,313,431**	**-**	**4,471,985**	1,074	6,671,915	-	6,672,989
Total Liabilities	**1,419,462**	**4,901,700**	**-**	**6,321,162**	1,425,617	7,749,768	(230,410)	8,944,975
Net Assets								
Without Donor Restrictions	**3,874,443**	**-**	**-**	**3,874,443**	1,647,421	-	-	1,647,421
With Donor Restrictions	**3,109,933**	**-**	**-**	**3,109,933**	1,151,976	-	-	1,151,976
Capital Contributions	**-**	**2,070,037**	**(2,070,037)**	**-**	-	-	-	-
Member's Equity	**-**	**4,643,763**	**(4,643,763)**	**-**	-	2,099,862	(2,099,862)	-
Total Net Assets	**6,984,376**	**6,713,800**	**(6,713,800)**	**6,984,376**	2,799,397	2,099,862	(2,099,862)	2,799,397
Total Liabilities and Net Assets	**$ 8,403,838**	**$ 11,615,500**	**$ (6,713,800)**	**$ 13,305,538**	$ 4,225,014	$ 9,849,630	$ (2,330,272)	$ 11,744,372

District Alliance for Safe Housing, Inc. and Subsidiary

Consolidating Schedule of Activities
For the Year Ended September 30, 2023

	DASH			LLC		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	Total
Revenue						
Grants and Contributions	$ 9,417,342	$ 2,551,351	$ 11,968,693	$ 81,292	$ -	$ 12,049,985
Donated Goods and Services	817,083	-	817,083	-	-	817,083
Interest and Other Income	15,319	-	15,319	53,057	(25,671)	42,705
Facility Operation Support	-	-	-	2,990,660	(2,990,660)	-
Share in Net Losses of a Subsidiary	2,543,901	-	2,543,901	-	(2,543,901)	-
Net Assets Released from Restrictions						
Purpose Restrictions	543,394	(543,394)	-	-	-	-
Time Restrictions	50,000	(50,000)	-	-	-	-
Total Revenue	13,387,039	1,957,957	15,344,996	3,125,009	(5,560,232)	12,909,773
Expenses						
Housing Programs	8,452,276	-	8,452,276	581,108	(3,016,331)	6,017,053
General and Administration	2,495,106	-	2,495,106	-	-	2,495,106
Fundraising	212,635	-	212,635	-	-	212,635
Total Expenses	11,160,017	-	11,160,017	581,108	(3,016,331)	8,724,794
Changes in Net Assets	2,227,022	1,957,957	4,184,979	2,543,901	(2,543,901)	4,184,979
Net Asset, Beginning of Year	1,647,421	1,151,976	2,799,397	2,099,862	(2,099,862)	2,799,397
Net Assets, End of Year	$ 3,874,443	$ 3,109,933	$ 6,984,376	$ 4,643,763	$ (4,643,763)	$ 6,984,376

DISTRICT ALLIANCE FOR SAFE HOUSING, INC. AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	DASH			LLC		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Eliminations	Total
Revenue						
Grants and Contributions	$ 6,785,303	$ 876,920	$ 7,662,223	$ 81,292	$ -	$ 7,743,515
Donated Goods and Services	131,735	-	131,735	-	-	131,735
Interest and Other Income	12,547	-	12,547	1,185,567	(1,185,374)	12,740
Facility Operation Support	-	-	-	961,471	(961,471)	-
Share in Net Losses of a Subsidiary	1,159,555	-	1,159,555	-	(1,159,555)	-
Net Assets Released from Restrictions						
Purpose Restrictions	1,494,890	(1,494,890)	-	-	-	-
Time Restrictions	40,000	(40,000)	-	-	-	-
Total Revenue	9,624,030	(657,970)	8,966,060	2,228,330	(3,306,400)	7,887,990
Expenses						
Housing Programs	6,631,912	-	6,631,912	738,143	(2,146,845)	5,223,210
General and Administration	1,648,628	-	1,648,628	330,632	-	1,979,260
Fundraising	313,645	-	313,645	-	-	313,645
Total Expenses	8,594,185	-	8,594,185	1,068,775	(2,146,845)	7,516,115
Changes in Net Assets	1,029,845	(657,970)	371,875	1,159,555	(1,159,555)	371,875
Net Asset, Beginning of Year	617,576	1,809,946	2,427,522	940,307	(940,307)	2,427,522
Net Assets, End of Year	$ 1,647,421	$ 1,151,976	$ 2,799,397	$ 2,099,862	$ (2,099,862)	$ 2,799,397