

WOMEN'S COMMUNITY  
REVITALIZATION PROJECT  
(A Nonprofit Corporation)  
FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2023

Together With

Independent Auditor's Report

**WOMEN'S COMMUNITY REVITALIZATION PROJECT**

**SEPTEMBER 30, 2023**

**C O N T E N T S**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Women's Community Revitalization Project  
Philadelphia, Pennsylvania

**Opinion**

I have audited the accompanying financial statements of WOMEN'S COMMUNITY REVITALIZATION PROJECT (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Community Revitalization Project 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**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Women's Community Revitalization Project and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 accounting principles generally accepted in the United States of America, and for the design,

one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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 the 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, I:

- 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 Women's Community Revitalization Project'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Community Revitalization Project's ability to continue as a going concern for a reasonable period of time.

I am 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

**WOMEN'S COMMUNITY REVITALIZATION PROJECT**

**STATEMENT OF FINANCIAL POSITION**

**SEPTEMBER 30, 2023**

**ASSETS**

CURRENT ASSETS

Cash	\$10,355,919
Grants receivable	695,600
Accounts receivable, net of allowance	654,535
Prepaid expenses	23,777
Deferred project costs - short-term	<u>1,582,541</u>
Total current assets	<u>13,312,372</u>

PROPERTY AND EQUIPMENT, net 184,639

OTHER ASSETS

Deposits	4,981
Investments in marketable securities	187,014
Investments in partnerships	1,762,514
Notes receivable	<u>3,511,831</u>
Total other assets	<u>5,466,340</u>
Total assets	<u>\$18,963,351</u>

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Accounts payable	\$ 301,331
Accrued expenses	11,517
Accrued payroll and payroll taxes	104,824
Deferred revenue	8,400
Line of credit	<u>445,000</u>
Total current liabilities	871,072

LONG-TERM LIABILITIES

Notes payable	<u>2,272,390</u>
Total liabilities	<u>3,143,462</u>

NET ASSETS

Without donor restrictions	
Operating	14,628,009
Board Designated	<u>393,712</u>

**WOMEN'S COMMUNITY REVITALIZATION PROJECT**

**STATEMENT OF ACTIVITY**

**FOR THE YEAR ENDED**

**SEPTEMBER 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT</b>			
Foundation grants	\$ 8,045,000	\$838,000	\$ 8,883,000
Business contributions	110,780	22,500	133,280
Government grants	22,177	-	22,177
Individual contributions	<u>89,482</u>	<u>-</u>	<u>89,482</u>
Total public support	<u>8,267,439</u>	<u>860,500</u>	<u>9,127,939</u>
<b>REVENUE</b>			
Rental income	50,400	-	50,400
Investment income	312,938	-	312,938
Professional fees	1,826,791	-	1,826,791
Miscellaneous income	70,864	-	70,864
Unrealized gain on investments	<u>19,463</u>	<u>-</u>	<u>19,463</u>
Total revenue	<u>2,280,456</u>	<u>-</u>	<u>2,280,456</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>457,008</u>	<u>(457,008)</u>	<u>-</u>
Total public support and revenue	<u>11,004,903</u>	<u>403,492</u>	<u>11,408,395</u>
<b>EXPENSES</b>			
Outreach	266,895	-	266,895
Rental properties	1,216,101	-	1,216,101
Development	557,167	-	557,167
Supportive services	279,507	-	279,507
Administrative	146,548	-	146,548
Fundraising	<u>157,147</u>	<u>-</u>	<u>157,147</u>
Total expenses	<u>2,623,365</u>	<u>-</u>	<u>2,623,365</u>
Change in net assets	8,381,538	403,492	8,785,030

**NET ASSETS,**

beginning of year 6,640,183 204,676 7,034,859

**WOMEN'S COMMUNITY REVITALIZATION PROJECT**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED**

**SEPTEMBER 30, 2023**

	<u>Outreach</u>	<u>Rental Properties</u>	<u>Development</u>	<u>Supportive Services</u>	<u>Total Program Expenses</u>	<u>Administrative</u>
Salaries and wages	\$147,892	\$ 693,709	\$240,483	\$144,908	\$1,226,992	\$ 89,196
Payroll tax expense	14,010	65,717	22,782	13,728	116,237	8,449
Employee benefits	18,891	88,608	30,717	18,510	156,726	11,392
Conferences	732	3,435	1,191	716	6,074	440
Professional fees	3,125	98,064	5,082	3,062	109,333	944
Consultants	14,729	68,587	23,950	48,010	155,276	8,882
Occupancy	8,223	38,571	13,371	8,057	68,222	4,961
Repairs and maintenance	1,232	8,210	2,003	1,208	12,653	741
Telephone	1,302	6,109	2,118	1,276	10,805	786
Office supplies	4,028	18,896	6,551	3,948	33,423	2,428
Postage	465	2,183	757	456	3,861	281
Advertising	2,621	12,296	4,263	2,569	21,749	1,581
Publications/memberships	4,041	18,956	6,572	3,960	33,529	2,435
Travel	752	5,088	1,223	737	7,800	453
Interest	2,505	11,748	39,200	2,454	55,907	1,509
Insurance	4,072	19,100	6,621	3,990	33,783	2,458
Miscellaneous	172	808	280	169	1,429	9,550
Program expenses	38,019	84	29	21,667	59,799	11
Real estate costs	-	2,475	-	-	2,475	-
Development expenses	-	-	149,837	-	149,837	-
Bad debts	-	29,250	-	-	29,250	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses before depreciation	266,811	1,191,894	557,030	279,425	2,295,160	146,497
Depreciation	<u>84</u>	<u>24,207</u>	<u>137</u>	<u>82</u>	<u>24,510</u>	<u>51</u>
Total expenses	<u>\$266,895</u>	<u>\$1,216,101</u>	<u>\$557,167</u>	<u>\$279,507</u>	<u>\$2,319,670</u>	<u>\$146,548</u>

The accompanying notes are an integral part of this statement.

**WOMEN'S COMMUNITY REVITALIZATION PROJECT**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED**

**SEPTEMBER 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 8,785,030
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	24,619
Allowance for bad debts	(28,346)
Unrealized income on investments	(19,463)
Increase in	
Accounts receivable	(127,898)
Grants receivable	(456,519)
Deferred project costs	53,435
Notes receivable	(311,935)
Accounts payable	26,653
Accrued expenses	36,553
Decrease in	
Prepaid expenses	<u>18,012</u>
Net cash provided by operating activities	<u>8,000,141</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(43,316)</u>
Net cash used for investing activities	<u>(43,316)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from notes payable	571,800
Draws on line of credit	<u>170,000</u>
Net cash provided by financing activities	<u>741,800</u>
Net increase in cash	8,698,625
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,657,294</u>



**WOMEN'S COMMUNITY REVITALIZATION PROJECT**

**NOTES TO FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

(1) PROGRAMS AND ACTIVITIES

(a) Nature of Activities

The Women's Community Revitalization Project (WCRP) was organized as a Pennsylvania nonprofit corporation on April 10, 1987, to improve the housing, economic and social conditions of low-income women and their families, particularly women-headed households living in Eastern North Philadelphia. WCRP develops affordable housing, provides supportive services, and advocates for policy change. The Organization undertakes these projects with a parallel goal of developing the leadership skills of low-income women.

(b) Scattered Site Housing

WCRP's first venture consisted of the acquisition and rehabilitation of eight scattered site units requiring moderate rehabilitation for rental to very low-income tenants with children who were either homeless or at risk of homelessness. During the year ended September 30, 1999, the Board decided to convert these units to homeownership through the City of Philadelphia Homeownership Rehabilitation Program. As of September 30, 2002, all of the properties were sold to low-income families.

(c) Villanueva Townhomes

WCRP developed 24 new rental apartments for the use of low-income families referred to as the Villanueva Townhomes. The project was organized in the form of a limited partnership named Somerset Street Associates. WCRP established a nonprofit corporation, Somerset Housing Corporation, as the 1% general partner in this

(1) PROGRAMS AND ACTIVITIES (CONT'D)

(d) Child Care Center Project

WCRP developed a two-story child care center on property adjoining the Villanueva Housing Project. The center is owned by WCRP and leased to an established day care provider. During the year ended September 30, 1995, the organization added a third story to the existing child care facility providing child care for a total of 75 children.

(e) Villanueva Townhomes - Phase II

WCRP developed 30 new rental apartments for the use of low-income families referred to as Villanueva Associates. The project was organized in the form of a limited partnership named Villanueva Associates L.P. WCRP established a nonprofit corporation, Eighth Street Development Corporation, as the 1% general partner in this venture. The equity partner had a 99% limited partnership interest in the project. Tenants moved in on January 15, 1995. As of May 2012, these 30 units became part of a preservation project of 77 units known as the Tillmon Villanueva Limited Partnership. WCRP has established a .01% general partner in this venture and obtained an equity partner that has a 99.99% limited partner interest in the project, which was completed and fully leased in December 2013.

(f) Johnnie Tillmon Townhouses

WCRP developed 23 new rental units for the use of low-income families referred to as the Johnnie Tillmon Townhouses. This project was organized in the form of a limited partnership named Orianna Street Limited Partnership. WCRP established a nonprofit corporation, Orianna Street, Inc., as the 1% general partner in this venture. The equity partner had a 99% limited partnership interest in the project. Tenants moved in on November 1, 1997. As of May 2012, the 23 units became part of a preservation project of 77 units known as the Tillmon Villanueva Limited Partnership. WCRP has established a .01% general partner in this venture and obtained an equity partner that has a 99.99% limited partner interest

(1) PROGRAMS AND ACTIVITIES (CONT'D)

(g) Lillia Crippen Townhomes (Cont'd)

The project was organized in the form of a limited partnership named Targeted Neighborhood Initiative L.P. WCRP established a nonprofit corporation, Targeted Neighborhood Initiative, Inc., as the .01% general partner in this venture. Tenants moved in June 1999. In 2020, these 26 units were included as part of a preservation project of 46 units known as Crippen Townhomes which was completed and fully leased in January 2021.

(h) Lillia Crippen Townhomes Phase II

WCRP developed 20 units of low-income special needs housing referred to as the Lillia Crippen Townhomes Phase II. This project was organized in the form of a limited partnership named TNI 2 Limited Partnership. WCRP established a nonprofit corporation, TNI 2 Development Corporation, as the .01% general partner in this venture. Tenants moved in April 2002. In 2020, these 20 units were included as part of a preservation project of 46 units known as Crippen Townhomes which was completed and fully leased in January 2021.

(i) Karen Donnally Townhouses

WCRP developed 32 units of low-income special needs housing referred to as the Karen Donnally Townhouses. This project was organized in the form of a limited partnership named 4th and Diamond Limited Partnership. WCRP established a nonprofit corporation, 4th and Diamond Development Corporation, as the .01% general partner in this venture. The equity investor has a 99.99% limited partner interest in this project. Tenants moved in April 2005. In 2021, these 32 units were included as part of a preservation project of 44 units known as KDINB which was completed and fully leased up in August 2022.

(j) Iris Nydia Brown Townhouses

WCRP developed 12 units of low-income special needs housing referred to as the Iris Nydia Brown Townhouses.

(1) PROGRAMS AND ACTIVITIES (CONT'D)

(k) Evelyn Sanders Townhouses Phase I

WCRP developed 40 units of low-income special needs housing referred to as the Evelyn Sanders Townhouses. This project has been organized in the form of a limited partnership named Evelyn Sanders, L.P. WCRP established a nonprofit corporation, Evelyn Sanders Development Corporation as the .01% general partner in this venture. The equity investor has a 99.99% limited partner interest in this project. Tenants moved in June 2009.

(l) Evelyn Sanders Townhouses Phase II

WCRP developed 31 units of low-income housing referred to as the Evelyn Sanders Townhouses Phase II. This project has been organized in the form of a limited partnership named Evelyn Sanders 2, L.P. WCRP established a nonprofit corporation, Evelyn Sanders 2 G.P., Inc. as the .01% general partner in this venture. The equity investor has a 99.99% limited partner interest in this project. Tenants moved in February 2011.

(m) Tillmon Villanueva Preservation

In 2011, WCRP was awarded tax credits for substantial capital improvements to its three oldest developments (77 units). As a result, these developments have been organized under a new limited partnership, Tillmon Villanueva Limited Partnership. WCRP established a non-profit corporation, Tillmon Villanueva G.P., Inc., to serve as general partner of Tillmon Villanueva Limited Partnership as the .01% general partner in this venture. The equity investor has a 99.99% limited partner interest in this project. Renovation activities began in May 2012 and was completed. The project was fully leased-up in December 2013.

(n) Grace Townhomes

In 2014, WCRP was awarded tax credits for the construction of Grace Townhomes, 36 units of low-income housing in Port Richmond. The project has been organized in the form of a limited partnership named Grace

(1) PROGRAMS AND ACTIVITIES (CONT'D)

(o) Lillia Crippen Townhomes Preservation

In fiscal year 2020, WCRP began construction of a 4% tax credit preservation deal for the existing Lillia Crippen and Lillia Crippen Phase 2 developments with the goal of substantial capital improvements to those properties. WCRP established a .01% general partner in this venture and obtained an equity partner that has a 99.99% limited partner interest in the project, which was completed in January 2021.

(p) Nicole Hines Townhomes

In 2019 WCRP was awarded 9% low income housing tax credits for the construction of Nicole Hines Townhomes, 35 units of low-income housing in Germantown. The project has been organized in the form of a limited partnership named Nicole Hines Townhomes Limited Partnership. WCRP established a nonprofit corporation, Nicole Hines G.P., Inc., as the .01% general partner in this venture. The equity investor has a 99.99% limited partner interest in this project. Nicole Hines Townhomes was fully occupied in April 2021. The families who are tenants will have the option of buying their unit and becoming homeowners at the end of the tax credit compliance period.

(q) Mamie Nichols Homeownership

WCRP developed five (5) affordable homeownership units in Pt. Breeze named the Mamie Nichols Homeownership Development utilizing a \$750,000 Federal Home Loan Bank of Pittsburgh Affordable Housing Program grant. Construction began in April 2020 and the units were sold and occupied by December 2021.

(r) KDINB - Karen Donnally Iris Nydia Brown Townhomes

WCRP secured 4% tax credits for the combined preservation of the 44 unit Karen Donnally and Iris Nydia Brown Townhomes with the goal of substantial capital improvements to these properties. WCRP has established a .01% general partner in this venture and obtained an equity partner that has a 99.99% limited partner interest

(1) PROGRAMS AND ACTIVITIES (CONT'D)

(s) Mamie Nichols Townhomes

In July of 2019, WCRP was awarded an allocation of 9% low income housing tax credits for development of a 33-home site in Point Breeze to be named Mamie Nichols Townhomes. Financial closing occurred in December 2020. The development was fully occupied by December 2022.

(t) Arlene Thorpe Townhomes

In 2021 WCRP was awarded an allocation of 9% low income housing tax credits to develop the Arlene Thorpe Townhomes in Gray's Ferry. These 27 homes are under construction and are expected to be fully occupied by June 2024.

(u) Development Services

1. As part of its general oversight of the limited partnerships, in 2002 WCRP assumed complete responsibility for the property management of the rental housing it developed and other real estate it owns.

2. In 2010, the Community Justice Land Trust was created as a program of WCRP to hold land for housing, community gardens and commercial projects to be developed as affordable, sustainable community assets by WCRP or its partners. The land for Grace Townhomes, Nicole Hines Townhomes, Mamie Nichols Homeownership Development and Mamie Nichols Townhomes has been placed into the land trust so that these properties remain permanently affordable.

3. In 2022 WCRP was awarded an allocation of 9% low income housing tax credits to develop 32 units in West Philadelphia at 39<sup>th</sup> and Brown Streets to be known as Abigail Pankey Apartments. Financial closing for this development is projected for May or June of 2024.

4. In 2022 WCRP purchased and began predevelopment

(1) PROGRAMS AND ACTIVITIES (CONT'D)

(v) Supportive Services

WCRP has created a Supportive Services program to assist its 342 tenant families with personal, family and economic goals through intensive case management. During FY 2023, COVID-19 continued to have a direct impact on many tenants as they lost employment, experienced reduced hours, were exposed to the virus and otherwise faced numerous obstacles. The focus of WCRP's supportive services thus was on supporting tenants in maintaining their housing stability and in coping with challenging circumstances that arose due to the coronavirus. In addition, WCRP most recent analysis of changes in tenant income based found that tenant income increased by 56% over the first four years in WCRP housing.

(w) Outreach and Advocacy

WCRP believes housing alone cannot revitalize a neighborhood and, to that end, has a community outreach and advocacy component to address the issues and concerns of tenants and residents in the community. To date, the Outreach and Advocacy Team (OAT) has conducted open space and greening activities, including the development of 155 greening projects, and has provided community education and leadership development activities.

In 2000, WCRP implemented its Affordable Housing Campaign, which engaged constituents and other organizations in advocating for increased resources for affordable housing for the city's lowest income families.

In 2002-2007 WCRP continued to staff a strong, diverse city-wide coalition focused on affordable housing as well as conduct leadership development activities and listening projects in the community.

In 2009, WCRP worked with a coalition of 15 neighborhood based organizations, "Eastern North Philadelphia Coalition," to develop a neighborhood strategic plan as well as a land use plan. In 2010, the Community Justice Land Trust (see above) was established by the Coalition as a program of WCRP as a strategy to develop vacant land

(1) PROGRAMS AND ACTIVITIES (CONT'D)

(w) Outreach and Advocacy (Cont'd)

In response to the neighborhood plan's priorities, WCRP convened the Campaign to Take Back Vacant Land, expanding its equitable development work to advocate for the City of Philadelphia to support families and build neighborhoods by transforming its acres of blighted, unused land into quality housing, good jobs and fresh food. Forty-seven (47) organizations joined this coalition, which was successful in advocating for the creation of a municipal land bank in Philadelphia. The land bank was signed into law in January 2014.

In summer 2014, WCRP and partners formed the Philadelphia Coalition for Affordable Communities and, in September, publicly launched the Development without Displacement Campaign. The goal of this campaign was to prevent the displacement of low-income residents by successfully advocating for the passage of laws that create new resources for affordable housing and other community uses such as urban agriculture. In October of 2018 the Coalition won \$71M for the City's Housing Trust Fund.

In December 2019, WCRP and partners in the Philadelphia Coalition for Affordable Communities successfully advocated for two new policies governing real estate development, both aimed at bringing new resources into the Housing Trust Fund where they would be used for affordable housing. With the outbreak of COVID-19 in Spring 2020, the coalition fought sharp cuts proposed to the City's 2021 budget, dollars previously committed to the Housing Trust Fund. Through a rapid response campaign, the coalition succeeded in reversing these cuts and adding additional funds to the Housing Trust Fund. Membership of the Coalition stands at 58 at the end of FY 2020.

In January 2021, the Philadelphia Coalition for Affordable Communities launched a Land Justice Campaign to advocate for reforms to city land disposition processes so that communities have more control over how public land is used and that land is used to meet community needs such as affordable housing. By September



(1) PROGRAMS AND ACTIVITIES (CONT'D)

(w) Outreach and Advocacy (Cont'd)

Trust Fund. To date, this has increased Trust Fund resources by \$26,000,000 each year and is projected to continue bringing this level of resources into the Fund on a permanent basis.

During FY 2023, the Philadelphia Coalition for Affordable Communities grew to 77 member organizations and began planning a new Housing Justice Campaign to be formally launched in FY 2024. The goal of this campaign is to require the city to use 50% of its housing budget to serve households with the greatest need.

(x) Strategic Planning

In 2019, WCRP's board approved an update to its 5-year strategic plan for 2015-2019. The updated plan guides WCRP's work from 2023 through 2025.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

These financial statements present only the non-profit operations of WCRP. WCRP has ownership of or controlling interest through stock ownership in the general partners of various for-profit real estate limited partnerships. These financial statements do not include consolidation with those entities.

The organization follows Financial Accounting Standards Board (FASB) ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities to prepare its financial statements in accordance with generally accepted accounting standards. Under ASC No. 958, the organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

(b) Restricted and Unrestricted Support

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Restricted and Unrestricted Support (Cont'd)

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

(c) Estimates

The preparation of 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 and disclosures. Accordingly, actual results could differ from those estimates.

(d) Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activity and in the Statement of Functional Expenses. Accordingly, certain administrative and fundraising costs have been allocated to the programs based on usage.

(e) Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

(f) Supplies

Supplies purchased during the program year are charged as current expenditures and those remaining at the end of the program year are not inventoried.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Property, Renovations and Depreciation

Property contributed and purchases made during the program year relating to property, renovations to property and equipment over \$500 are capitalized using the appraised value or historical cost basis and are depreciated on the straight line basis over the estimated useful lives of the assets, ranging from 5 to 30 years. Expenditures for maintenance and repairs incurred in the ordinary course of operations are expensed.

The cost of capitalized assets as of September 30, 2023, are as follows:

Land	\$ 53,597
Property and improvements	1,080,130
Equipment and furnishings	<u>60,594</u>
	1,194,321
Less accumulated depreciation	<u>(1,009,682)</u>
	<u>\$ 184,639</u>

(i) Income Taxes

Women's Community Revitalization Project is a nonprofit WCRP exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions to WCRP as provided by the Internal Revenue Code.

(j) Deferred Project Costs

Management has elected to defer costs related to project predevelopment or revision until the development phase is completed.

(k) Cash

Cash is defined as all cash in bank accounts, money market accounts, and cash on hand for purposes of this statement.

(l) Allowance for Doubtful Accounts

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Board Designated Reserve

The Board of directors has established a reserve fund to assist in long term financial viability of the organization. At September 30, 2023, the reserve fund consists of:

Cash	\$211,881
Mutual funds	<u>181,831</u>
Total	<u>\$393,712</u>

(3) INVESTMENTS IN MARKETABLE SECURITIES

WCRP invested \$231,600 in mutual funds during the year ended September 30, 2019. These funds are part of the board designated endowment fund. The market value and unrealized gain(loss)on investments are as follows:

Cost	\$209,741
Market Value	<u>181,831</u>
Unrealized loss	<u>\$(27,910)</u>

(4) INVESTMENT IN PARTNERSHIPS

WCRP has contributed money to its projects to set up rent subsidy reserves and to finance unfunded development costs, property management expenses and other costs.

The amounts invested in the Partnerships are as follows:

Evelyn Sanders, L.P.	\$ 684,055
Evelyn Sanders II, L.P.	523,671
Tillmon Villanueva Limited Partnership	165,605
Grace Townhomes	43,022
Nicole Hines Townhomes, L.P.	310,266
Lillia Crippen	<u>35,895</u>

\$1,762,514

(5) NOTES RECEIVABLE

(a) Note Receivable - Tillmon Villanueva

(5) NOTES RECEIVABLE (CONT'D)

(b) Note Receivable - KDINB

WCRP provided funding of \$715,494 to KDINB, L.P. in the form of a mortgage note. The note receivable bears interest at 5.08% which accrues monthly. Principal and interest will be payable in full on the 31st anniversary of the loan closing. The note is secured by the property. At September 30, 2023, the balance totaled \$865,152, including accrued interest of \$149,658.

(c) Note Receivable - Lillia Crippen

WCRP provided funding of \$500,000 to Lillian Crippen Limited Partnership in the form of a mortgage note. The note receivable bears interest at 6.0% which accrues annually. Principal and interest will be payable in full on the 37th anniversary of the loan closing. The note is secured by the property. At September 30, 2023, the balance totaled \$624,875, including accrued interest of \$124,875.

(d) Note Receivable - Lillia Crippen

WCRP provided funding of \$513,373 to Lillia Crippen, Limited Partnership in the form of a mortgage note. The note receivable bears interest at 6.0% which accrues annually. Principal and interest will be payable in full on the 37th anniversary of the loan closing. The note is secured by the property. At September 30, 2023, the balance totaled \$578,268, including accrued interest of \$64,895.

(e) Note Receivable - Nicole Hines

WCRP provided funding of \$284,350 to Nicole Hines Limited Partnership in the form of a mortgage note. The note receivable bears interest at 7.0% which accrues annually. Principal and interest will be payable in full on the 40th anniversary of the loan closing. The note is secured by the property. At September 30, 2023, the balance totaled \$325,552, including accrued interest of \$41,202.

(6) NOTES PAYABLE

(6) NOTES PAYABLE (CONT'D)

(b) Predevelopment Notes Payable

WCRP obtained a predevelopment loan in the amount of \$48,029. The funds are to assist WCRP in purchasing property and relocating owners/residents related to Evelyn Sanders, L.P. The note bears no interest and will be forgiven in full on its thirtieth anniversary in April 2038. The balance due at September 30, 2023, is \$48,029.

(c) Acquisition and Loan Fund

During the years ended September 30, 2023, 2022 and 2021, WCRP obtained loans totaling \$1,722,000 from various individuals and organizations to support the organization's efforts to acquire development sites and/or finance predevelopment expenses. The loans bear interest at varying rates between 0% and 6% which is accrued and paid annually. Each loan is due on its fifth anniversary, unless extended. The balance due at September 30, 2023, is \$1,722,000.

(d) Predevelopment Notes Payable

WCRP obtained a predevelopment loan in the amount of \$500,000 that matures in 36 months. The funds are to assist WCRP with redevelopment costs related to Arlene Thorpe Townhomes. The note bears interest at 5% which will be paid monthly. The balance due at September 30, 2023, is \$481,375.

(e) Line of Credit - Capital Bank

WCRP obtained a line of credit from Capital Bank, N.A., in the amount of \$750,000 for twelve months. Interest accrues at a variable interest rate based on the 30-day average standard overnight financing rate and is payable monthly. During the year ended September 30, 2023, WCRP extended the maturity date to June 16, 2024. At September 30, 2023, the balance due was \$170,000.

(f) Line of Credit - LISC

WCRP obtained a line of credit from Local Initiatives

(7) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

Emergency fund	\$169,668
Outreach and Advocacy	583,500
Housing development	7,500
General and administrative	<u>37,500</u>
	<u>\$798,168</u>

(8) NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors, as follows:

Emergency fund	\$ 36,675
Outreach and Advocacy	173,500
Supportive and tenant services	161,833
Housing development	2,500
Acquisition and Loan Fund	50,000
PCAC	20,000
General operating expenses	<u>12,500</u>
	<u>\$457,008</u>

(9) REVENUE SOURCES

During the year ended September 30, 2023, WCRP received approximately 78% from foundation grants and 16% of its revenue from professional fees.

WCRP earns fees as a developer of affordable housing opportunities in the multifamily real estate market. Because the development process spans multiple years and is subject to regulatory oversight, professional fees related to these endeavors may not be earned until approximately 3-4 years after the development process begins. Accordingly, WCRP's annual revenue stream from housing fluctuates depending on where they are in the process.

(10) FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

(11) PENSION PLAN

WCRP has a pension plan covering employees who meet certain eligibility requirements. WCRP has the option of contributing a percentage of the employee's base pay to the plan. Additionally, WCRP has a 403(b) plan where employees may make payroll contributions which may be tax deferred in accordance with the Internal Revenue Code. All funds contributed are 100% vested in the employee's name. No employer contributions were made for year ended September 30, 2023.

(12) COMMITMENTS AND CONTINGENCIES

(a) Rental Lease

In March 2014, WCRP entered into a non-cancellable lease for office space. Effective August 2014, the lease is for a term of 61 months with a monthly payment of \$3,314 for the initial 12 months, with annual 3% increases. In January 2019, the lease was renewed for an additional 36 months with annual 3% increases. In June 2022, the lease was renewed for an additional 36 months with annual 3% increases.

Additionally, WCRP will pay a proportionate share of operating expenses beginning at a rate of \$1,078 per month, subject to annual recalculation, and utilities beginning at a rate of \$589 per month, subject to annual recalculation. Rent expense under this lease totaled \$71,521 for the year ended September 30, 2023.

(b) Operating Leases

WCRP leases office equipment under three operating leases, all with a 60 month term, at a monthly rate of \$663. Rental payments for the year ended September 30, 2023, totaled \$7,962.

At September 30, 2023, the future minimum payments were as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Amount</u>
2024	\$ 58,660



(12) COMMITMENTS AND CONTINGENCIES (CONT'D)

(c) Contingent Liability

As developer of several housing projects, WCRP is contingently liable as detailed in the respective partnership and development agreements for operating deficits and reduced tax benefits, should these occur.

(13) SUBSEQUENT EVENTS

Management has evaluated all events through November 29, 2023, the date that these financial statements were available to be issued, and determined that there are no subsequent events that require disclosure.

(14) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects WCRP's financial assets at the Statement of Financial Position date reduced by amounts not available for general use due to donor restrictions or board designations.

Cash	\$ 9,746,900
Grants receivable	695,600
Accounts receivable	<u>1,318,698</u>
Subtotal	11,761,198
Less:	
Funds subject to donor restriction	(798,168)
Board designated funds	<u>(393,712)</u>
Financial assets available to meet cash needs within one year	<u><u>\$10,569,318</u></u>

WCRP is primarily supported by professional fees including property management fees, development fees and supportive services fees. Grants and contributions also provide a significant portion of WCRP's revenue. Additionally, WCRP has two lines of credit of up to \$1,000,000 that it could draw upon as the need arises.