

**MT. AIRY, USA AND SUBSIDIARIES**



FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
YEARS ENDED JUNE 30, 2024 AND 2023  
AND INDEPENDENT AUDITOR'S REPORT



McKONLY  
& ASBURY

TAX  
ASSURANCE  
CONSULTING  
ACCOUNTING

**MT. AIRY, USA AND SUBSIDIARIES**  
CONTENTS  
June 30, 2024 and 2023

	Page Number
Independent Auditor's Report	1
Consolidated Financial Statements:	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	7
Statements of Cash Flows	11
Notes to Consolidated Financial Statements	12
Supplemental Schedules:	
Statement of Source and Status of Funds - Contract Number 24-20143	25
Statement of Source and Status of Funds - Contract Number 23-20301	26
Statement of Program Expenditures - Contract Number 24-20143	27
Statement of Program Expenditures - Contract Number 23-20301	28
Schedule of Program Income - Contract Number 24-20143	29
Schedule of Program Income - Contract Number 23-20301	30
Reconciliation Schedule - Contract Number 24-20143	31
Reconciliation Schedule - Contract Number 23-20301	32



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Mt. Airy, USA and Subsidiaries

### ***Opinion***

We have audited the accompanying consolidated financial statements of Mt. Airy, USA and Subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2024, 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 financial position of Mt. Airy, USA and Subsidiaries as of June 30, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Mt. Airy, USA and Subsidiaries 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 opinion.

### ***Responsibilities of Management for the 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 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 Mt. Airy, USA and Subsidiaries' ability to continue as a going concern for one year after the financial statements are issued or available to be issued.

Camp Hill

Lancaster

Bloomsburg

Philadelphia

[macpas.com](http://macpas.com)

### ***Auditor's Responsibilities for the Audit of the 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 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, including omissions, 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 consolidated 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 consolidated 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 Mt. Airy, USA and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mt. Airy, USA and Subsidiaries' 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 Matter***

Our audit as of and for the year ended June 30, 2024 was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis as required by the City of Philadelphia Subrecipient Audit Guide, City of Philadelphia Division of Housing and Community Development Section 4000 and are 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

***Report on 2023 Financial Statements***

The financial statements and supplementary information of Mt. Airy, USA and Subsidiaries' as of and for the year ended June 30, 2023, were audited by Morris J. Cohen & Co., P.C. whose report dated December 14, 2023 expressed an unmodified opinion on those financial statements and supplementary information. On January 1, 2024, Morris J. Cohen & Co., P.C. merged into McKonly & Asbury, LLP.

*McKonly & Asbury, LLP*

Philadelphia, PA  
January 14, 2025

**MT. AIRY, USA AND SUBSIDIARIES**  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash	\$ 427,751	\$ 556,988
Tenant accounts and contracts receivable, net	142,187	117,704
Grants and contributions receivable, net	372,956	350,872
Prepaid expenses and other assets	53,884	50,307
Property and equipment		
Property held for rental, net	3,008,795	3,556,037
Construction of property held for rental	202,957	230,857
Total assets	\$ 4,208,530	\$ 4,862,765
<b>LIABILITIES AND NET ASSETS</b>		
Mortgages and notes payable	\$ 3,712,268	\$ 4,118,913
Accounts payable and accrued expenses	209,625	157,939
Tenant security deposits	32,541	32,006
Total liabilities	3,954,434	4,308,858
Contingencies (Notes 7 and 11)		
Net assets (deficit)		
Without donor restrictions	(465,055)	(198,523)
With donor restrictions	719,151	752,430
Total net assets	254,096	553,907
Total liabilities and net assets	\$ 4,208,530	\$ 4,862,765

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

**MT. AIRY, USA AND SUBSIDIARIES**  
CONSOLIDATED STATEMENT OF ACTIVITIES  
Year Ended June 30, 2024

	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and revenue			
Grants and contributions	\$ 409,859	\$ 262,430	\$ 672,289
Developer fee income	42,500		42,500
Program income	574,993		574,993
Rental income	486,510		486,510
Gain on sale of property and equipment	119,996		119,996
Other income	6,229		6,229
	<u>1,640,087</u>	<u>262,430</u>	<u>1,902,517</u>
Net assets released from restrictions	<u>295,709</u>	<u>(295,709)</u>	<u>-0-</u>
Total revenue and other support	<u>1,935,796</u>	<u>(33,279)</u>	<u>1,902,517</u>
Expenses			
Program services			
Housing counseling	397,617		397,617
Business services	200,269		200,269
Community programs	351,225		351,225
Real estate management and development	730,684		730,684
Total program services	1,679,795		1,679,795
Supporting services			
General and administrative	348,775		348,775
Fundraising	173,758		173,758
Total supporting services	522,533		522,533
Total expenses	<u>2,202,328</u>		<u>2,202,328</u>
Change in net assets	(266,532)	(33,279)	(299,811)
Net assets (deficit), beginning of the year	<u>(198,523)</u>	<u>752,430</u>	<u>553,907</u>
Net assets (deficit), end of the year	<u>\$ (465,055)</u>	<u>\$ 719,151</u>	<u>\$ 254,096</u>

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

**MT. AIRY, USA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2023

	<b>2023</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and revenue			
Grants and contributions	\$ 374,319	\$ 432,086	\$ 806,405
Program income	350,357		350,357
Rental income	491,180		491,180
Other income	1,582		1,582
	<u>1,217,438</u>	<u>432,086</u>	<u>1,649,524</u>
Net assets released from restrictions	<u>325,856</u>	<u>(325,856)</u>	<u>-0-</u>
Total revenue and other support	<u>1,543,294</u>	<u>106,230</u>	<u>1,649,524</u>
Expenses			
Program services			
Housing counseling	340,892		340,892
Business services	205,599		205,599
Community programs	262,444		262,444
Real estate management and development	505,194		505,194
Total program services	1,314,129		1,314,129
Supporting services			
General and administrative	350,029		350,029
Fundraising	108,087		108,087
Total supporting services	458,116		458,116
Total expenses	<u>1,772,245</u>		<u>1,772,245</u>
Change in net assets	(228,951)	106,230	(122,721)
Net assets, beginning of the year	<u>30,428</u>	<u>646,200</u>	<u>676,628</u>
Net assets (deficit), end of the year	<u>\$ (198,523)</u>	<u>\$ 752,430</u>	<u>\$ 553,907</u>

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

**MT. AIRY, USA AND SUBSIDIARIES**  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2024

	<b>Program Services</b>				<b>Total</b>
	<b>Housing Counseling</b>	<b>Business Services</b>	<b>Community Programs</b>	<b>Real Estate Management and Development</b>	
Payroll	\$ 295,755	\$ 32,485	\$ 57,401	27,973	\$ 413,614
Payroll taxes	20,841	3,345	3,612	683	28,481
Employee benefits	34,721	10,027	29,866	\$ 1,059	75,673
Payroll and related expenses	351,317	45,857	90,879	29,715	517,768
Advertising and promotion	750	3,568	4,048	105	8,471
Bad debt expense		3,333			3,333
Bank fees and charges	6,301	14,137	562	1,262	22,262
Condominium fees				20,360	20,360
Donations and contributions			175		175
Depreciation				127,989	127,989
Dues and subscriptions	100		10		110
Equipment rental and maintenance	2,544	4,785	2,959	694	10,982
Grant expenses	2,000		23,946		25,946
Information technology	5,581	1,294		5,033	11,908
Insurance	2,883	8,276	1,808	35,883	48,850
Interest and loan fees		19,404		145,296	164,700
Office and administrative expenses	8,918	1,618	3,510	2,110	16,156
Postage and mailing		128	3		131
Printing					
Professional fees					
Accounting and audit fees	6,245	15,491	14,201	16,899	52,836
Legal Fees	44		30	22	96
Contracted services	3,590	26,282	156,606	105,424	291,902
Other professional fees			10,127	10,300	20,427
Real estate taxes		5,393		47,481	52,874
Rent expense	245	390	395	1,481	2,511
Repairs and maintenance	567	26,779	871	119,680	147,897
Taxes, other			796	629	1,425
Training and subscriptions	1,140		425		1,565
Travel and entertainment	4,152	993	6,970	763	12,878
Utilities	1,216	22,267	510	58,899	82,892
Miscellaneous expenses	24	274	32,394	659	33,351
	<u>\$ 397,617</u>	<u>\$ 200,269</u>	<u>\$ 351,225</u>	<u>\$ 730,684</u>	<u>\$ 1,679,795</u>

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

**MT. AIRY, USA AND SUBSIDIARIES**  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)  
Year Ended June 30, 2024

	<b>Supporting Services</b>			
	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total Expenses</b>
Payroll	\$ 135,239	\$ 80,795	\$ 216,034	\$ 629,648
Payroll taxes	9,896	5,834	15,730	44,211
Employee benefits	13,562	8,818	22,380	98,053
	158,697	95,447	254,144	771,912
Payroll and related expenses				
Advertising and promotion	669	561	1,230	9,701
Bad debt expense				3,333
Bank fees and charges	9,665	292	9,957	32,219
Condominium fees				20,360
Donations and contributions				175
Depreciation	46,047		46,047	174,036
Dues and subscriptions	6,461	1,200	7,661	7,771
Equipment rental and maintenance	1,181	1,044	2,225	13,207
Grant expenses	12,000	46,000	58,000	83,946
Information technology	10,739	4,921	15,660	27,568
Insurance	5,218		5,218	54,068
Interest and loan fees	37,212		37,212	201,912
Office and administrative expenses	6,221	1,758	7,979	24,135
Postage and mailing	16	240	256	387
Printing		2,058	2,058	2,058
Professional fees				
Accounting and audit fees	41,028	10,921	51,949	104,785
Legal Fees	40		40	136
Contracted services	845	7,671	8,516	300,418
Other professional fees				20,427
Real estate taxes				52,874
Rent expense	245	245	490	3,001
Repairs and maintenance	1,060	35	1,095	148,992
Taxes, other	7		7	1,432
Training and subscriptions		428	428	1,993
Travel and entertainment	269	252	521	13,399
Utilities	10,856	413	11,269	94,161
Miscellaneous expenses	299	272	571	33,922
	\$ 348,775	\$ 173,758	\$ 522,533	\$ 2,202,328

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

**MT. AIRY, USA AND SUBSIDIARIES**  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2023

	<b>Program Services</b>			<b>Real Estate Management and Development</b>	<b>Total</b>
	<b>Housing Counseling</b>	<b>Business Services</b>	<b>Community Programs</b>		
Payroll	\$ 245,505	\$ 53,349	\$ 51,184		\$ 350,038
Payroll taxes	17,088	3,899	3,284		24,271
Employee benefits	40,453	8,700	23,722	\$ 1,130	74,005
Payroll and related expenses	303,046	65,948	78,190	1,130	448,314
Advertising and promotion		4,939	11,937		16,876
Bad debt expense (recovery)		1,500		(12,625)	(11,125)
Bank fees and charges	3,495	400	131		4,026
Condominium fees				21,111	21,111
Donations and contributions					
Depreciation		1,143		122,905	124,048
Dues and subscriptions		1,295			1,295
Equipment rental and maintenance	15	693	1,207	2,890	4,805
Grant expenses					
Information technology	3,050	3,165		3,744	9,959
Insurance	2,576	6,623	538	37,227	46,964
Interest and loan fees		19,450		145,603	165,053
Office and administrative expenses	5,110	5,028	1,604	937	12,679
Postage and mailing		300	9		309
Printing		38	615		653
Professional fees					
Accounting and audit fees	7,940	15,741	15,552	12,698	51,931
Contracted services	10,235	19,189	120,808	3,628	153,860
Other professional fees			1,075		1,075
Real estate taxes		10,261		46,548	56,809
Rent expense	380	570	570	1,692	3,212
Repairs and maintenance		28,177		56,626	84,803
Taxes, other			341		341
Training and subscriptions	2,492		15		2,507
Travel and entertainment	59	1,721	597		2,377
Utilities	2,494	17,280	805	61,080	81,659
Miscellaneous expenses		2,138	28,450		30,588
	<u>\$ 340,892</u>	<u>\$ 205,599</u>	<u>\$ 262,444</u>	<u>\$ 505,194</u>	<u>\$ 1,314,129</u>

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

**MT. AIRY, USA AND SUBSIDIARIES**  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)  
Year Ended June 30, 2023

	<b>Supporting Services</b>			
	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total Expenses</b>
Payroll	\$ 129,804	\$ 58,345	\$ 188,149	\$ 538,187
Payroll taxes	10,758	3,643	14,401	38,672
Employee benefits	4,380	1,003	5,383	79,388
	144,942	62,991	207,933	656,247
Payroll and related expenses				
Advertising and promotion	1,299	505	1,804	18,680
Bad debt expense (recovery)				(11,125)
Bank fees and charges	9,000	377	9,377	13,403
Condominium fees				21,111
Donations and contributions	130		130	130
Depreciation	47,992		47,992	172,040
Dues and subscriptions	5,689	25	5,714	7,009
Equipment rental and maintenance	722	9	731	5,536
Grant expenses	10,063	17,000	27,063	27,063
Information technology	15,220	7,152	22,372	32,331
Insurance	12,574		12,574	59,538
Interest and loan fees	37,295		37,295	202,348
Office and administrative expenses	6,199	2,336	8,535	21,214
Postage and mailing	43		43	352
Printing	3,630	38	3,668	4,321
Professional fees				
Accounting and audit fees	40,514	11,521	52,035	103,966
Contracted services		3,468	3,468	157,328
Other professional fees				1,075
Real estate taxes				56,809
Rent expense	380	380	760	3,972
Repairs and maintenance	658		658	85,461
Taxes, other	1,191		1,191	1,532
Training and subscriptions		600	600	3,107
Travel and entertainment	546	282	828	3,205
Utilities	11,854	974	12,828	94,487
Miscellaneous expenses	88	429	517	31,105
	\$ 350,029	\$ 108,087	\$ 458,116	\$ 1,772,245

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

**MT. AIRY, USA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (299,811)	\$ (122,721)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation	174,036	172,040
Amortization of deferred financing fees	18,165	18,165
Gain on sale of property and equipment	(119,996)	
Changes in assets and liabilities		
Tenant accounts and contracts receivable	(24,483)	(45,074)
Grants and contributions receivable	(22,084)	(139,422)
Prepaid expenses and other assets	(3,577)	2,200
Accounts payable and accrued expenses	51,686	22,583
Tenant security deposits	535	(920)
	<u>74,282</u>	<u>29,572</u>
Net cash used in operating activities	<u>(225,529)</u>	<u>(93,149)</u>
Cash flows from investing activities		
Proceeds from sale of property and equipment	600,000	
Purchases of property and equipment	(78,898)	(549,437)
Net cash provided by (used in) investing activities	<u>521,102</u>	<u>(549,437)</u>
Cash flows from financing activities		
Proceeds from long-term borrowings	93,177	530,465
Payments on mortgages and notes payable	(517,987)	(2,980)
Net cash provided by (used in) financing activities	<u>(424,810)</u>	<u>527,485</u>
Net decrease in cash	(129,237)	(115,101)
Cash at beginning of year	<u>556,988</u>	<u>672,089</u>
Cash at end of year	<u>\$ 427,751</u>	<u>\$ 556,988</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for interest	<u>\$ 185,511</u>	<u>\$ 169,851</u>

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

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**1. Summary of significant accounting policies**

**Organization**

Mt. Airy, USA and Subsidiaries (the "Organization"), operating under the name Mt. Airy CDC, is a nonprofit community development corporation incorporated in 1980. The Organization's mission is to preserve, empower and advance the vibrant and diverse Mt. Airy neighborhood in Philadelphia, PA by stimulating development responsive to the community's needs. The Organization currently advances its mission through the following programs:

Housing counseling: Neighborhood programs to improve the quality of life for neighbors through services and housing counseling to first-time homebuyers and distressed homeowners.

Business services: Business district revitalization to improve the business climate along Mt. Airy's main street, Germantown Avenue, through streetscape and place-making improvements and the operation of a program to provide business owners with a host of services including marketing, technical assistance, and event planning.

Community programs: Community programs which include the Mt. Airy Schools Coalition, the Healthy Aging Initiative, Lovett Park Programming, and various community events such as Supper Sessions on the Avenue, Moonlight Movies, Mt. Airy Monday Markets, and Autumn on the Avenue.

Real estate management and development: Real estate development to remove blight, push markets, and attract private investment to commercial corridors and residential neighborhoods through scattered-site residential rehab and large-scale mixed-use development, as well as transit-oriented development. In addition, the Organization self-manages its real estate portfolio and provides an array of property management services. Regular services include lease management and tenant negotiation, performance of ongoing maintenance and capital improvement projects, analysis of portfolio financial performance, preparation of annual property budgets, maintenance of loan portfolio compliance and risk management.

**Basis of presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The basic consolidated financial statements include the accounts of Mt. Airy, USA, Inc. and its wholly-owned subsidiaries Wagon Wheel, LLC, Mt. Airy Special Services District, LLC, and Montana, LLC. All significant intercompany accounts and transactions have been eliminated in the basic consolidated financial statements.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**1. Summary of significant accounting policies (Continued)**

**Financial statement presentation**

The financial statement presentation is in accordance with FASB Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor-imposed restrictions are perpetual in nature, whereby the donor has stipulated that resources be maintained in perpetuity. At June 30, 2024 and 2023, the Organization has no net assets with donor-imposed restrictions that are perpetual in nature.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Recent authoritative pronouncements**

The Organization adopted FASB ASC Topic 842, *Leases*, effective July 1, 2022 using a modified retrospective method by applying the transition approach as of the beginning of the period of adoption. The Organization elected the "package of practical expedients," which permitted the Organization not to reassess whether a contract is or contains a lease, lease classification and initial direct costs. Adoption of the new guidance had no impact on the Organization's statement of financial position at July 1, 2022.

In addition, effective July 1, 2022, the Organization recognizes rental revenue in accordance with ASC Topic 842. There was no substantial change in the Organization's recognition of rental revenue upon the adoption of ASC Topic 842.

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining estimated life of a financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 are contract receivables from housing and counseling revenues. The Organization adopted the new standard using the modified retrospective approach effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**1. Summary of significant accounting policies (Continued)**

**Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates include allowances for impairment and depreciation of property and equipment. It is reasonably possible that the Organization's estimates for these items could change in the near term.

**ASC 606 revenue recognition**

The Organization's revenue is derived from services performed for providing housing counseling, business services, community programs, and real estate management and development. The Organization recognizes revenue when it determines that the customer has obtained control of the promised service in an amount reflects the consideration which the Organization expects to receive in exchange for the service. To determine revenue the Organization performs the following steps: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when, or as, the Organization satisfies a performance obligation. The Organization considers a contract with a customer to exist when there is approval and commitment from both the Organization and the customer, the rights of the parties and payment terms are identified, the contract has commercial substance, and collectability of consideration is probable.

The Organization recognizes revenue, net of adjustments, in the period services are performed and customers are billed in arrears for these services. The Organization does not have any allowances as revenues are billed at the rates specified in each contract and there are no discounts offered. At times, customers may prepay development fees. At June 30, 2024, 2023 and 2022 there were no contract assets or liabilities. Contracts receivable totaled \$126,642, \$85,312, and \$62,310 at June 30, 2024, 2023, and 2022, respectively.

**Rental income**

The Organization recognizes rental income in accordance with ASC Topic 842, *Leases*. Rental income, including rent escalations and concessions, is recognized over the term of the lease using the straight line method. Rental leases are generally for a period of one year. Rental payments are due monthly and all tenant leases are operating leases. Contingent rent is received from tenants for certain costs as provided in the lease agreement. The costs generally include real estate taxes, utilities, insurance, common area maintenance and recoverable costs. The Organization includes such costs as expenses in the statement of activities.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**1. Summary of significant accounting policies (Continued)**

**Grants and contributions revenue**

The Organization recognizes grants and contributions in accordance with ASC Topic 958, *Not-for-Profit Entities*. Contributions received are recorded as with donor restrictions and without donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restricted purpose is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Promises to contribute that stipulate conditions to be met before the contribution is made are not recorded until the conditions are met. There were no conditional promises to give at June 30, 2024 and 2023. The Organization reports investment income that is limited to specific uses by donor restrictions as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

**Tenant accounts receivable**

The Organization records tenant accounts receivable as rental income is earned. Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. The need for an allowance for uncollectible accounts is evaluated based upon the accounts receivable aging and the Organization's history of bad debts. An allowance for uncollectible accounts of \$5,000 was deemed necessary for tenant receivables at June 30, 2024 and 2023.

**Contracts receivable and allowance for credit losses**

The Organization records contracts receivable as revenue is earned. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses for its contract receivables. The allowance estimate for accounts receivable is derived from a review of the Organization's historical losses based on the aging for receivables. The estimates are adjusted for management's assessment of current conditions, reasonable and supportable forecast regarding future events, and any other factors deemed relevant by the Organization. Contracts receivable are written-off against the allowance for credit losses once the Organization exhausted all means of collection. No allowance for credit losses was deemed necessary for contract receivables at June 30, 2024, 2023 and 2022.

**Grants and contributions receivable**

Grants and contributions receivable are recorded as receivables and revenue in the year made by the donor. Grants and contributions receivable are recorded after being discounted to the anticipated net present value of future cash flows and are reduced by an allowance for uncollectible balances (See Note 2). The Organization writes off receivables to bad debt expense as they are determined to be uncollectible. The need for an allowance is evaluated based on the Organization's history of bad debts. No allowance was considered necessary at June 30, 2024 and 2023.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**1. Summary of significant accounting policies (Continued)**

**Property, equipment and depreciation**

Property and equipment purchases are recorded at cost, except for donated items which are recorded at fair value on the date of donation. When donors stipulate how long the assets must be used, the contributions are recorded as support with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as support without donor restrictions. The Organization capitalizes all expenditures for buildings, building improvements and equipment in excess of \$5,000. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The Organization uses estimated useful lives of 40 years for buildings and improvements and 5 to 7 years for office equipment and furniture. Maintenance, repairs and minor renewals are charged to operations as incurred.

The Organization reviews its rental property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value (See Note 3). The Organization did not record any impairment losses for the years ended June 30, 2024 and 2023.

**Property held for rental**

The Organization incurs costs in connection with properties it is considering for development as well as costs associated with properties in the initial stages of development. These costs include such items as market studies, purchase options, environmental study costs, and legal and accounting costs. Predevelopment expenses are capitalized until such time as the project is either abandoned, at which time the costs are written off to operations.

Construction of property held for rental includes all costs incurred with the development of the property. Property includes land and properties under construction. Costs capitalized include direct costs of land, development costs, building materials, direct overhead costs, and real estate taxes. Property under development or held for development is stated at cost, unless certain facts indicate such cost would not be recovered from the cash flows generated by future disposition. Properties are developed with the intent of meeting affordable housing pricing and the sales prices are set accordingly.

**Advertising**

Advertising costs are charged to expense as incurred.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**1. Summary of significant accounting policies (Continued)**

**Functional allocation of expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Specific expenses that are identifiable to a single program or activity are charged to that activity. Certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization are allocated based on time and effort (payroll and related benefits) or estimate of utilization (depreciation, equipment rental and maintenance, information technology, insurance, interest and loan fees, accounting fees, real estate taxes, repairs and maintenance, utilities, and miscellaneous expenses).

**Donated services**

Numerous individuals volunteer their services to the Organization for various programmatic purposes. These services do not meet the criteria for recognition as contributions under ASC Topic 958, *Not-for-Profit Entities* and, accordingly, they are not reflected in the accompanying financial statements.

**Leases**

The Organization determines whether an arrangement is, or contains, a lease at inception. Prior to July 1, 2022, the Organization did not account for operating leases on the statement of financial position. Beginning July 1, 2022, as discussed above under *Recent authoritative pronouncements*, operating and finance leases that have commenced are included in operating and finance lease ROU assets and operating and finance lease liabilities in the statement of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Operating and finance lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Leases with an initial term of twelve months or less are not recorded on the statement of financial position. The Organization recognizes lease expense for these leases on a straight-line basis over the lease term. The Organization has no leases with an initial term of greater than twelve months. Accordingly, there are no ROU assets or lease liabilities reflected on the statement of financial position.

For the Organization's leases which do not provide an implicit rate, the Organization estimates the incremental borrowing rate based on the risk-free rate at the commencement date in determining the present value of lease payments. The Organization uses the implicit rate when readily determinable. Lease terms may include the effect of options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. As a lessee, the Organization accounts for the lease and non-lease components as a single lease component. Certain leases which include variable payments based on an index or rate are recognized as lease expense on a straight line basis over the term of the lease. Variable lease payments not based on a rate or index are expensed as incurred. See Note 6 for additional information about the Organization's leases.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**1. Summary of significant accounting policies (Continued)**

**Income taxes**

Mt. Airy, USA, Inc. qualifies as a tax-exempt organization under existing provisions of the Internal Revenue Code Section 501(c)(3) and its income is not subject to federal or state income taxes.

As single-member limited liability companies, Wagon Wheel, LLC, Mt. Airy Special Services District, LLC, and Montana, LLC are disregarded entities for federal and state reporting purposes.

ASC Topic 740, *Income Taxes*, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The Organization has determined that there were no tax uncertainties that met the recognition threshold at June 30, 2024 and 2023. ASC Topic 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure.

The Organization's policy is to account for interest and penalties related to unrecognized tax benefits as a component of income tax expense.

**Concentrations of credit risk**

Financial instruments which subject the Organization to concentrations of credit risk consist of cash and receivables. Tenant accounts and contracts receivable and grants and contributions receivable are due from businesses and individuals in the greater Philadelphia area. Although these entities may be directly affected by local economic conditions, the Organization's management does not believe a significant credit risk exists at June 30, 2024. The Organization places its cash in financial institutions. At times, cash balances may be in excess of the FDIC insurance limit.

Three donors accounted for 49% and 70% of grants and contributions revenue for the year ended June 30, 2024 and 2023, respectively.

Amounts due from two donors comprised 100% of grants and contributions receivable at June 30, 2024. Amounts due from two customers comprised 89% of tenant accounts and contracts receivable at June 30, 2024.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**2. Promises to give – grants and contributions receivable, net**

Promises to give at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 191,128	\$ 99,000
Receivable in one to five years	<u>200,000</u>	<u>280,000</u>
Total grants and contributions receivable	391,128	379,000
Less discounts to net present value at approximately 3%	<u>18,172</u>	<u>28,128</u>
Net grants and contributions receivable	<u>\$ 372,956</u>	<u>\$ 350,872</u>

**3. Property and equipment**

Property and equipment net of accumulated depreciation at June 30 consists of the following:

	<u>2024</u>	<u>2023</u>
Property held for rental, net		
Land	\$ 162,400	\$ 162,400
Building and improvements (net of reserves for impairment of \$854,000)	<u>5,447,796</u>	<u>6,131,866</u>
	5,610,196	6,294,266
Less accumulated depreciation	<u>2,601,401</u>	<u>2,738,229</u>
	<u>\$3,008,795</u>	<u>\$3,556,037</u>
Furnishings and equipment, net		
Furnishings and office equipment	\$ 24,648	\$ 81,525
Less accumulated depreciation	<u>24,648</u>	<u>81,525</u>
	<u>\$ -0-</u>	<u>\$ -0-</u>
Construction of property held for rental	<u>\$ 202,957</u>	<u>\$ 230,857</u>

Property held for rental also includes the Organization's administrative offices. Substantially all land, buildings and improvements collateralize mortgages and notes payable. As part of the Organization's mission, the costs to rehabilitate properties may exceed the resulting values of such properties. These additional costs are typically funded through project-specific grants.

In April 2024, the Organization sold one of its properties and recognized a gain on sale totaling \$119,966.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**4. Mortgages and notes payable**

A summary of mortgages and notes payable at June 30 is as follows:

	<u>2024</u>	<u>2023</u>
Construction note payable to First Citizens Community Bank (FCCB), formerly Huntingdon Valley Bank, with a maximum borrowing of \$3,651,500, with interest-only payments at a rate of 4.75% on the unpaid principal balance through June 1, 2023 at which time the note converts to a term loan maturing June 2026. The note is collateralized by substantially all properties and corporate assets. The note is subject to a prepayment fee and requires certain financial and reporting covenants which have been met or waived at June 30, 2024.	\$3,138,853	\$3,651,500
Construction note payable to FCCB with a maximum borrowing of \$248,500, with interest-only payments at a rate of 4.75% on the unpaid principal balance through April 1, 2024 at which time the note converts to a term loan maturing March 2027. The note is collateralized by substantially all properties and corporate assets. The note is subject to a prepayment fee and requires certain financial and reporting covenants which have been met or waived at June 30, 2024.	216,029	124,496
Note payable to The Philadelphia Redevelopment Authority for improvements and equipment for property at 6513 Germantown Avenue and 6614-24 Germantown Avenue Unit D. The loan is non-interest bearing and will be forgiven over a five-year period beginning December 19, 2042 (20% per year) as long as the properties are rented to low income tenants. Otherwise, the loan will be due in full. The loan is collateralized by all leases and rents associated with 6513 Germantown Avenue and 6614-24 Germantown Avenue Unit D and subordinated to the above noted FCCB loan in the amount of \$248,500.	249,585	249,585

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**4. Mortgages and notes payable (Continued)**

	<u>2024</u>	<u>2023</u>
Economic Injury Disaster Loan (EIDL) payable to the Small Business Administration (SBA). The loan bears interest at 2.75% and is payable in monthly installments of \$641, beginning with the twelfth month from the date of the note. Loan proceeds are to be used as working capital to alleviate economic injury cause by disaster occurring in the month of January 31, 2020 and continuing thereafter. The loan is collateralized by all tangible and intangible property.	143,325	147,020
	3,747,792	4,172,601
Less: Deferred financing fees, net of amortization	35,524	53,688
	<u>\$3,712,268</u>	<u>\$4,118,913</u>

The total interest expense for the years ended June 30, 2024 and 2023 was \$201,912 and \$202,348, respectively.

Aggregate annual maturities of all mortgages and notes payable over each of the next five years, as of June 30, 2024 are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 116,351
2026	3,045,232
2027	205,692
2028	4,143
2029	4,259
Thereafter	372,115
	<u>\$3,747,792</u>

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**5. Availability and liquidity**

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

	2024	2023
Financial assets at year end:		
Cash	\$ 427,751	\$ 556,988
Tenant accounts and contracts receivable	142,187	117,704
Grants and contributions receivable	372,956	350,872
Total financial assets	942,894	1,025,564
Less amounts not available to be used within one year:		
Net assets with donor restrictions	719,151	752,430
Financial assets available to meet general expenditures over the next twelve months	\$ 223,743	\$ 273,134

For the years ended June 30, 2024 and 2023, the Organization has approximately \$223,000 and \$273,000, respectively, of financial assets available within one year of the statements of financial position date. The Organization monitors liquidity required to meet its operating needs and other contractual commitments on a regular basis.

**6. Leases**

The Organization leases office equipment under short-term operating leases.

Net lease costs totaling \$7,928 for the years ended June 30, 2024 and 2023 are allocated to program and supporting services and are included in equipment rental and maintenance and office and administrative expenses on the statement of functional expenses.

**7. Contingency**

Financial awards from federal, state, and local governmental entities in the form of grants may be subject to additional audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date. Management does not believe any material liabilities would result from such audits.

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**8. Net assets**

Net assets with donor restrictions were as follows at June 30:

Subject to expenditure for specified purpose:

	<u>2024</u>	<u>2023</u>
Corridor Enhancement	\$ 20,000	
COVID-19 Response		\$ 2,693
EMAN Schools Marketing Campaign	2,905	2,905
First-time Homebuyers Workshop	18,218	12,965
Homebuyer Education Program	20,000	
Housing Stability (PHARE)	50,000	
Job Training	39,213	
Literacy Rich Program	252,577	150,348
Neighborhood Implementation Grant	286,400	366,400
Philadelphia Immigrant Innovation Hub (PhillyiHub)		161,473
Schools and Reading Programs	<u>29,838</u>	<u>55,646</u>
	<u>\$ 719,151</u>	<u>\$ 752,430</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes specified by donors as follows during the years ended June 30:

	<u>2024</u>	<u>2023</u>
EMAN Schools Marketing Campaign		\$ 2,045
First-time Homebuyers Workshop	\$ 12,965	16,654
Literacy Rich Program	12,771	211,901
Neighborhood Implementation Grant	80,000	
Philadelphia Immigrant Innovation Hub (PhillyiHub)	161,473	85,405
Schools and Reading Programs	<u>28,500</u>	<u>9,851</u>
	<u>\$ 295,709</u>	<u>\$ 325,856</u>

**MT. AIRY, USA AND SUBSIDIARIES**  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**9. Commercial leases**

The Organization's leasing activities consist of leasing office space under short-term (less than one year) and long-term (three to five years) operating leases. These leases are non-cancellable and may offer renewal options. The following is a schedule of future minimum lease payments to be received under non-cancellable leases as of June 30, 2024 for each of the next five years:

<u>Year Ending June 30</u>	<u>Amount</u>
2025	\$ 151,540
2026	135,814
2027	136,267
2028	20,150
2029	<u>5,402</u>
	<u>\$ 449,173</u>

**10. Retirement plan**

The Organization has a 403(b) savings plan (the "Plan") that is available to substantially all employees. Participants may contribute to the Plan amounts up to the elective deferral limit imposed by the Internal Revenue Service each year. The Organization may elect to make matching contributions to the Plan at its discretion. The Organization made no matching contributions to the Plan in 2024. The Plan was formed in 2024.

**11. Subsequent events**

Subsequent to the fiscal year, the Organization is subject to legal matters related to alleged personal injury lawsuits. Both matters have been reported to the insurance provider for review and the amount of loss, if any, is uncertain at this time.

In connection with the preparation of the financial statements, the Organization has evaluated subsequent events from June 30, 2024 through January 14, 2025, which is the date financial statements were available for issuance and concluded that no additional disclosures are required.

**MT. AIRY, USA AND SUBSIDIARIES**  
STATEMENT OF SOURCE AND STATUS OF FUNDS -  
CONTRACT NUMBER 24-20143  
Year Ended June 30, 2024

	<u>CDBG Funds</u>	<u>Program Income</u>	<u>Other City Funds</u>	<u>Non-City Funds</u>	<u>Total</u>
Total contract (Final authorized budget)	<u>\$ 54,920</u>		<u>\$ 337,000</u>		<u>\$ 391,920</u>
Less:					
Funds drawn down prior fiscal years					
Funds drawn down current year	<u>54,920</u>		<u>263,818</u>		<u>318,738</u>
Total funds drawn down	<u>54,920</u>		<u>263,818</u>		<u>318,738</u>
Funds still available for draw-down			73,182		73,182
Add:					
Program income					
Less:					
Program income expended					
Funds applied prior fiscal years					
Funds applied current fiscal year	<u>54,920</u>		<u>263,818</u>		<u>318,738</u>
Total funds applied	<u>54,920</u>		<u>263,818</u>		<u>318,738</u>
Total funds due from funding source	<u>-0-</u>		<u>-0-</u>	<u>\$ -0-</u>	<u>-0-</u>
Total funds available for disposition	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 73,182</u>	<u>\$ -0-</u>	<u>\$ 73,182</u>

**MT. AIRY, USA AND SUBSIDIARIES**  
 STATEMENT OF SOURCE AND STATUS OF FUNDS -  
 CONTRACT NUMBER 23-20301  
 Year Ended June 30, 2024

	<b>CDBG Funds</b>	<b>Program Income</b>	<b>Other City Funds</b>	<b>Non-City Funds</b>	<b>Total</b>
Total contract (Final authorized budget)	\$ 54,920		\$ 201,000		\$ 255,920
Less:					
Funds drawn down prior fiscal years	43,639		185,107		228,746
Funds drawn down current year	7,191		8,449		15,640
Funds lost current year	4,090		7,444		11,534
Total funds drawn down	54,920		201,000		255,920
Funds still available for draw-down					
Add:					
Program income					
Less:					
Program income expended					
Funds applied prior fiscal years	43,639		185,107		228,746
Funds applied current fiscal year	11,281		15,893		27,174
Total funds applied	54,920		201,000		255,920
Total funds due from funding source	-0-	\$ -0-	-0-	\$ -0-	-0-
Total funds available for disposition	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

**MT. AIRY, USA AND SUBSIDIARIES**  
**STATEMENT OF PROGRAM EXPENDITURES - CONTRACT NUMBER 24-20143**  
**Year Ended June 30, 2024**

Contract Categories	Contract Number 24-20143															
	Project Budget				Accrued Expenditures Prior Year				Accrued Expenditures 7/1/2023 - 6/30/2024				Accrued Expenditures Cumulative			
	CDBG Funds	Other City Funds	Other Non- City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non- City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non- City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non- City Funds	Total Funds
Direct personnel	\$ 54,920	\$ 211,567		\$ 266,487					\$ 54,920	\$ 155,593		\$ 210,513	\$ 54,920	\$ 155,593		\$ 210,513
Direct fringe benefit		62,514		62,514						55,754		55,754		55,754		55,754
Travel		100		100												
Occupancy		62,819		62,819						52,471		52,471		52,471		52,471
Consumable supplies																
Other costs:																
Professional fees																
Insurance																
Indirect costs																
Operating subtotal	54,920	337,000		391,920					54,920	263,818		318,738	54,920	263,818		318,738
Audit costs																
Contract total	<u>\$ 54,920</u>	<u>\$ 337,000</u>	<u>\$ -0-</u>	<u>\$ 391,920</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 54,920</u>	<u>\$ 263,818</u>	<u>\$ -0-</u>	<u>\$ 318,738</u>	<u>\$ 54,920</u>	<u>\$ 263,818</u>	<u>\$ -0-</u>	<u>\$ 318,738</u>

**MT. AIRY, USA AND SUBSIDIARIES**  
**STATEMENT OF PROGRAM EXPENDITURES - CONTRACT NUMBER 23-20301**  
**Year Ended June 30, 2024**

Contract Categories	Contract Number 23-20301															
	Project Budget				Accrued Expenditures Prior Year				Accrued Expenditures 7/1/2023 - 6/30/2024				Accrued Expenditures Cumulative			
	CDBG Funds	Other City Funds	Other Non- City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non- City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non- City Funds	Total Funds	CDBG Funds	Other City Funds	Other Non- City Funds	Total Funds
Direct personnel	\$ 54,920	\$ 129,506		\$ 184,426	\$ 43,639	\$ 127,168		\$ 170,807	\$ 7,191	\$ 2,338		\$ 9,529	\$ 50,830	\$ 129,506		\$ 180,336
Direct fringe benefit		68,198		68,198		56,214		56,214		5,037		5,037		61,251		61,251
Travel		3,296		3,296		1,725		1,725		1,074		1,074		2,799		2,799
Occupancy																
Consumable supplies																
Other costs:																
Professional fees																
Insurance																
Indirect costs																
Operating subtotal	54,920	201,000		255,920	43,639	185,107		228,746	7,191	8,449		15,640	50,830	193,556		244,386
Audit costs																
Contract total	<u>\$ 54,920</u>	<u>\$ 201,000</u>	<u>\$ -0-</u>	<u>\$ 255,920</u>	<u>\$ 43,639</u>	<u>\$ 185,107</u>	<u>\$ -0-</u>	<u>\$ 228,746</u>	<u>\$ 7,191</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 15,640</u>	<u>\$ 50,830</u>	<u>\$ 193,556</u>	<u>\$ -0-</u>	<u>\$ 244,386</u>

**MT. AIRY, USA AND SUBSIDIARIES**

Schedule of Program Income – Contract Number 24-20143

June 30, 2024

Program income reported for the year ended June 30, 2024 under this contract totaled \$318,738.

**MT. AIRY, USA AND SUBSIDIARIES**  
Schedule of Program Income – Contract Number 23-20301  
June 30, 2024

Program income reported for the year ended June 30, 2024 under this contract totaled \$15,640.

**MT. AIRY, USA AND SUBSIDIARIES**

RECONCILIATION SCHEDULE  
CONTRACT NUMBER 24-20143

June 30, 2024

<u>Category</u>	<u>Contract Number 24-20143</u>		
	<u>Amount per Books and Records</u>	<u>Amount per Subrecipient Invoices</u>	<u>Difference</u>
Contract amount	\$ 391,920	\$ 391,920	
Program costs			
Current year	318,738	318,738	
Cumulative	318,738	318,738	
Funds drawn down			
Current year	318,738	318,738	
Cumulative	<u>318,738</u>	<u>318,738</u>	
Balance of advance	<u>\$ 73,182</u>	<u>\$ 73,182</u>	<u>\$ -0-</u>

**MT. AIRY, USA AND SUBSIDIARIES**

RECONCILIATION SCHEDULE  
CONTRACT NUMBER 23-20301

June 30, 2024

<u>Category</u>	<u>Contract Number 23-20301</u>		
	<u>Amount per Books and Records</u>	<u>Amount per Subrecipient Invoices</u>	<u>Difference</u>
Contract amount	\$ 255,920	\$ 255,920	
Program costs			
Current year	28,174	15,640	\$ 11,534
Cumulative	228,746	228,746	
Funds drawn down			
Current year	28,174	15,640	11,534
Cumulative	<u>255,920</u>	<u>255,920</u>	
Balance of advance	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>