

DIGNITY WASHINGTON INC

REVIEW REPORT AND FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Dignity Washington Inc
Washington, DC

We have reviewed the accompanying financial statements of Dignity Washington Inc, a nonprofit organization, which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

January 10, 2025

Nanette K Miller CPA PC

DIGNITY WASHINGTON INC
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024

ASSETS

Cash and cash equivalents	\$ 509,202
Building, furniture and equipment	1,102,653
Less: accumulated depreciation	<u>(82,532)</u>
	<u>1,020,121</u>
Other assets:	
Artwork (donated)	11,000
Cemetery plots (donated)	12,149
Prepaid expenses	<u>1,286</u>
	<u>24,435</u>
<i>Total assets</i>	<u><u>\$ 1,553,758</u></u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	<u>\$ 3,138</u>
<i>Total liabilities</i>	<u>3,138</u>
Net assets with donor restrictions:	
Board restricted net assets - Always Our Home	\$ 8,152
Board restricted net assets - Defender's Fund	11,181
Net assets without donor restrictions - other	<u>1,531,287</u>
	<u>1,550,620</u>
<i>Total liabilities and net assets</i>	<u><u>\$ 1,553,758</u></u>

DIGNITY WASHINGTON INC
STATEMENT OF ACTIVITY AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and gains			
Grants and contributions	\$ 99,280	\$ -	\$ 99,280
Dinners and socials	4,682	-	4,682
Membership dues	1,230	-	1,230
In-kind contributed goods	2,258	-	2,258
	<u>107,450</u>	<u>-</u>	<u>107,450</u>
Released from donor restrictions	-	-	-
Other revenue, gains and (losses):			
Interest income	26,502	-	26,502
	<u>26,502</u>	<u>-</u>	<u>26,502</u>
Total support and revenue	<u>\$ 133,952</u>	<u>\$ -</u>	<u>\$ 133,952</u>
Expenses and losses:			
Program expenses	162,440	-	162,440
	<u>162,440</u>	<u>-</u>	<u>162,440</u>
General, administrative and support services	14,560	-	14,560
Fund raising	2,100	-	2,100
	<u>16,660</u>	<u>-</u>	<u>16,660</u>
Total expenses and losses	<u>179,100</u>	<u>-</u>	<u>179,100</u>
Change in net assets	(45,148)	-	(45,148)
Net assets, beginning	1,595,768	-	1,595,768
Net assets, ending	<u>\$ 1,550,620</u>	<u>\$ -</u>	<u>\$ 1,550,620</u>

DIGNITY WASHINGTON INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Program Expenses</u>	<u>Management, General and Administrative</u>	<u>Development/ Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 19,451	\$ 2,746	\$ 687	\$ 22,884
Professional fees	-	2,500	-	2,500
Bank charges	-	795	-	795
Advertising	3,103	-	-	3,103
Community outreach	4,123	-	-	4,123
Building operations and repairs	31,316	4,421	1,105	36,842
Grants and contributions	25,175	-	-	25,175
Liturgy expenses	39,815	-	-	39,815
Social events expenses	2,286	-	-	2,286
Supplies	1,912	270	67	2,249
IT and communications	2,870	405	101	3,377
Insurance	2,587	365	91	3,044
Depreciation	21,028	2,867	-	23,895
In-kind donated goods	2,258	-	-	2,258
Equipment rental	4,416	-	-	4,416
Program and education	750	-	-	750
Other operating expenses	1,349	190	49	1,588
	<u>\$ 162,440</u>	<u>\$ 14,560</u>	<u>\$ 2,100</u>	<u>\$ 179,100</u>

DIGNITY WASHINGTON INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

CASH FLOW FROM OPERATING ACTIVITIES:

Change in net assets	\$ (45,148)
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Adjustments to reconcile to the change in net assets

(used in) operating activities:

Depreciation and amortization	23,895
Decrease (increase) in advances and prepaid expenses	383
Increase (decrease) in accounts payable and accrued expenses	1,896
	(18,974)

CASH FLOW FROM INVESTING ACTIVITIES:

Design costs of Dignity Center	(168,751)
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<i>TOTAL ADJUSTMENTS</i>	(187,725)
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<i>Cash and cash equivalents, beginning of period</i>	696,927
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<i>Cash and cash equivalents, end of period</i>	\$ 509,202
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SUPPLEMENTAL CASH FLOW INFORMATION:

In-kind contributions	\$ 2,258
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There were no non-cash investing or financing activities for the year ended September 30, 2024.

DIGNITY WASHINGTON INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

1. ORGANIZATION

Dignity Washington Inc (the Organization or DW) is a non-profit organization incorporated under the laws of the District of Columbia in 1972. The Organization is being operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3).

Dignity Washington Inc is a community of Lesbian, Gay, Bisexual, & Transgender Catholics and other Christians, our families and friends. We provide a healing outreach to Lesbian, Gay, Bisexual, & Transgender Catholics and other people by affirmation that they are beloved Children of God. We gather together to establish a nurturing community of worship, blessing, celebration, ministry, spiritual development, education, & fellowship. We are a prophetic witness to the Church, to the Lesbian, Gay, Bisexual & Transgender community and to society.

PROGRAMS -

Always Our Home (AOH) is a board designated fund to be used for capital expenditures and operating expenses related to the Dignity Center.

Defender's Fund (Leather/Levi Club) is an unincorporated fellowship of individuals operating with Dignity Washington Inc providing positive guidance, outreach, socialization and assistance. Additionally, they engage in various fundraising activities and make contributions to other charities, including the Organization's general fund.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements of DW have been prepared on the accrual basis of accounting, in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (FASB ASC) Topic 958, Not-for-Profit Entities.

Basis of presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 958 accounting for contributions received and contributions made financial statements of not-for-profit organizations. Contributions are recognized as revenue when they are received or unconditionally pledged. FASB ASC Topic 958 eliminates the utilization of fund accounting for financial reporting purposes and requires that net assets be classified as (1) net assets without donor restrictions; and (2) net assets with donor restrictions depending on limitations placed on the net assets by donors. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

DIGNITY WASHINGTON INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation (continued)

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may be met or will be met either by actions of the Organization and/or the passage of time.

Buildings, furniture, fixtures and equipment

Buildings and related costs are capitalized at cost and depreciated over their estimated useful life using the straight-line method of 39 years. Furniture, fixtures and equipment are depreciated over 5-15 years. The Organization considers property and equipment to be items with a cost of \$1,000 or more and a useful life of over one year. Repairs and maintenance costs are expensed unless these repairs extend the estimated useful life of the asset.

Income taxes

DW is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to its exempt purpose. This code section enables DW to accept donations that qualify as charitable contributions to the donor. DW is subject to tax on net income from unrelated business activities. For the year ended September 30, 2024, DW did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

Uncertain tax positions

Financial Accounting Standards Board Accounting Standards Codification 740-10, Accounting for Uncertainty of Income Taxes clarifies the accounting for the recognition and measurement of the benefits of an individual tax position in the financial statements, including those of non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the financial statements.

The Organization is not aware of any activities that would jeopardize its tax-exempt status that would require recognition in the accompanying financial statements, pursuant to *Accounting Standards Codification (ASC) for Income Taxes*. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. The open tax years are September 30, 2021- 2024. If there are material omissions of income, tax returns may be subject to examination for up to six years. It is DW's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense. As of September 30, 2024, the Organization had no accruals for interest and/or penalties as there were no uncertain tax positions.

DIGNITY WASHINGTON INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional expenses and allocations

The costs of providing the various programs and other operating activities have been summarized on a functional basis in the statement of functional expenditures. Certain costs that benefit a given program have been directly allocated to that program. Additionally, certain indirect general and administrative costs have been allocated amongst the programs based on management's best estimate of the benefit derived by each function from these expenditures.

Cash equivalents

For purposes of the statement of cash flows, the Organization considers highly liquid investments to include certificates of deposits as well as demand deposits at financial institutions.

Revenue Recognition

DW's primary source of revenue is contributions from individuals and fund-raising events. The Organization reports unconditional contributions and grants of cash and other assets as net assets without donor restrictions and available for general operations, unless specifically restricted by the donor. If contributions and grants are received with donor stipulations that limit the use of the donated funds or assets to a particular purpose or to specific time periods, the Organization reports the contributions and grants as net assets with donor restrictions. When a stipulated time restriction ends or purpose restriction is met, net assets with donor restrictions are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

Unconditional contributions and grants that are expected to be collected in the future are recorded as pledges receivable when the promises are made. Unconditional pledge receivables that are expected to be collected within one year is reported at net realizable value. Unconditional pledge receivables that are expected to be collected beyond one year is reported at the present value of their estimated future cash flows. Program and contract income is recognized when earned. Program and contract income received in advance of performance are recorded as deferred revenue.

DIGNITY WASHINGTON INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Non-cash contributions, such as marketable securities or other valuables easily converted into cash, are recorded at the fair market value on the date of the contribution. Any gain or loss on the subsequent sale is reported in the Statement of Activity as a realized gain/loss and is considered unrestricted revenue.

In-kind contributions

In accordance with FASB ASC Topic 958, in-kind contributions, if any, are recorded at their estimated fair market value on the date the unconditional promise to give the asset is made and transfer of the asset is assured. As of September 30, 2024, DW has artwork and cemetery plots, donated in prior years, valued at \$23,149, collectively. In kind contributions are included in the accompanying financial statements since the value of the donated services and materials can be objectively measured. For the year ended September 30, 2024, in-kind donations totaled \$2,258.

Investments

In accordance with FASB ASC Sub-Topic 958-320 relating to the accounting for certain investments held by non-profit organizations, investments are carried at estimated fair value based on quoted market prices. Investments received through gifts are recorded at estimated fair market value at the date of donation. Investment income or losses (including realized gains and losses on investments, interest and dividends) are reported when earned and included as operating activities in the Statement of Activity. Unrealized gains and losses, if any, are classified as other (income) losses in the Statement of Activities. In the absence of any donor-imposed or legal restrictions on how investment income may be used, gains are reported as an increase in unrestricted net assets. A loss, realized or unrealized, is recorded as a decrease in unrestricted net assets. If restrictions do exist on the use of an investment, the gain or loss is shown as an increase or decrease in either temporarily or permanently restricted net assets, depending on the type of restriction existing. Investment income (i.e., interest and dividends) earned during the year is reported as an increase in unrestricted net assets, unless the income's use is restricted; in that case, temporarily or permanently restricted net assets are increased depending upon the restriction.

Per FASB ASC Sub-Topic 958-320, certificates of deposit are considered cash equivalents and are not classified as investments held for sale. Additionally, they are required to be recorded at current market value. As of September 30, 2024, certificate of deposits, investments consisted of eight (8) certificates of deposit with a total face value of \$455,000.

DIGNITY WASHINGTON INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

3. RISKS AND UNCERTAINTIES

At times during the year, it is possible for DW to maintain cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) limits of \$250,000. As of September 30, 2024, there were no cash/investment balances in one financial institution that exceeded the SIPC/FDIC limits. Management considers the risk of loss relating to these accounts held by the brokerage firm to be minimal.

4. PROPERTY, FURNITURE AND EQUIPMENT

Building, furniture and equipment consisted of the following as of September 30:

Description	
Building	\$ 1,045,229
Purchase and settlement costs	28,521
Office furniture and equipment	2,000
Subtotal	\$ 1,102,653
Less: Accumulated depreciation	(82,532)
Total	\$ 1,020,121

Depreciation expense for the year ended September 30, 2024 totaled \$23,895.

5. BOARD DESIGNATED NET ASSETS

The board of directors has designated funds for the AOH and Defender's programs (see Note 2). As of September 30, 2024, the remaining balances in the AOH and the Defender's board designated funds are \$8,152 and \$11,181, respectively.

6. COMMITMENTS

During the ordinary course of business, the Organization entered into a leasing arrangement for office equipment. The term of this agreement is 5 years with monthly rent expense relating to these agreements averaging approximately \$360. For the year ended September 30, 2024, total rent expense under these leases totaled \$4,416.

7. LIQUIDITY

DW's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents - not subject to conditions	\$ 509,202
Prepaid expenses	1,286
Accounts payable and other committed funds	(3,138)
	\$ 507,350

DIGNITY WASHINGTON INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

7. LIQUIDITY (continued)

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. DW has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet over a year of normal operating expense, which are, on average, approximately \$13,000 per month. DW's policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

8. SUBSEQUENT EVENTS

Subsequent events have been reviewed through January 10, 2025, and no additional transactions were noted requiring adjustment to or disclosure in the financial statements for September 30, 2024.