

# **Miriam's Kitchen, Inc.**

Financial Statements  
For the years ended  
December 31, 2012 and 2011

# Miriam's Kitchen, Inc.

## CONTENTS

---

Independent Auditor's Report	1
------------------------------	---

---

Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4-5
Statement of Cash Flows	6
Notes to the Financial Statements	7-12

---

To the Board of Directors of  
Miriam's Kitchen, Inc.  
Washington, DC

### **Independent Auditor's Report**

We have audited the accompanying financial statements of Miriam's Kitchen (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miriam's Kitchen as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



September 22, 2013

**Miriam's Kitchen, Inc.**  
**Statement of Financial Position**

	December 31,	
	2012	2011
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 512,334	\$ 227,414
Accounts receivable	185,715	498,956
Pledges receivable	184,568	221,593
Prepaid expenses	29,521	12,991
<b>Total current assets</b>	<b>912,138</b>	<b>960,954</b>
Investments		
Vanguard index and money market funds	1,938,029	2,081,223
<b>Total investments</b>	<b>1,938,029</b>	<b>2,081,223</b>
Property and equipment		
Dining room renovations	90,781	90,781
Kitchen equipment	23,075	19,812
Office equipment	37,202	37,202
Van	22,454	22,454
Less: accumulated depreciation	(80,408)	(60,452)
<b>Total property and equipment</b>	<b>93,104</b>	<b>109,797</b>
Other assets		
Pledges receivable - long term	13,890	66,945
Other	930	660
<b>Total other assets</b>	<b>14,820</b>	<b>67,605</b>
<b>Total assets</b>	<b>\$ 2,958,091</b>	<b>\$ 3,219,579</b>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 108,434	\$ 80,740
Deferred income	33,000	-
<b>Total current liabilities</b>	<b>141,434</b>	<b>80,740</b>
Net assets		
Unrestricted	2,618,199	2,716,548
Temporarily restricted	198,458	422,291
<b>Total net assets</b>	<b>2,816,657</b>	<b>3,138,839</b>
<b>Total liabilities and net assets</b>	<b>\$ 2,958,091</b>	<b>\$ 3,219,579</b>

*See accompanying notes.*

**Miriam's Kitchen, Inc.**  
**Statement of Activities**

For the years ended December 31,  
2012                      2011

Changes in unrestricted net assets		
Support and revenue		
Cash contributions	\$ 1,153,092	\$ 1,048,193
In kind contributions	170,678	151,438
Special events revenue	603,588	493,320
Investment income	22,716	13,099
Merchandise sales	714	2,369
Miscellaneous income	-	9
Realized and unrealized gains (losses) on investments	55,599	(748)
Assets released from restriction	355,747	567,374
<b>Total unrestricted support and revenue</b>	<b>2,362,134</b>	<b>2,275,054</b>
Expenses		
Program services		
Breakfast	447,622	399,017
Miriam's studio	173,456	203,773
Morning case management	395,485	322,278
Dinner program	353,600	304,446
Evening case management	335,501	341,847
Advocacy	209,293	139,801
Development	426,342	343,970
Miriam's café	94,717	47,450
Administration	24,467	84,455
<b>Total expenses</b>	<b>2,460,483</b>	<b>2,187,037</b>
<b>Increase in unrestricted net assets</b>	<b>(98,349)</b>	<b>88,017</b>
Changes in temporarily restricted net assets		
Contributions	131,914	415,424
Assets released from restriction	(355,747)	(567,374)
<b>Increase (decrease) in temporarily restricted net assets</b>	<b>(223,833)</b>	<b>(151,950)</b>
<b>Change in net assets</b>	<b>(322,182)</b>	<b>(63,933)</b>
<b>Net assets, beginning of year</b>	<b>3,138,839</b>	<b>3,202,772</b>
<b>Net assets, end of year</b>	<b>\$ 2,816,657</b>	<b>\$ 3,138,839</b>
Represented by		
Unrestricted	\$ 2,618,199	\$ 2,716,548
Temporarily restricted	198,458	422,291
<b>Net assets, end of year</b>	<b>\$ 2,816,657</b>	<b>\$ 3,138,839</b>

*See accompanying notes.*

**Miriam's Kitchen, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2012**

	Program services							Miriam's café	Administration	Total
	Breakfast program	Miriam's studio	Morning case management	Dinner program	Evening case management	Advocacy	Development			
Food and kitchen supplies	\$ 129,818	\$ -	\$ -	\$ 86,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,366
Salaries and benefits	201,521	123,041	265,073	167,291	231,427	169,305	266,513	67,680	21,133	1,512,984
Insurance	4,600	1,533	3,505	3,943	2,628	1,971	2,628	876	219	21,903
Office supplies and expense	10,231	5,328	11,307	8,123	8,496	6,309	7,897	2,439	615	60,745
Program support	17,804	17,313	20,009	15,368	15,137	12,180	-	4,666	-	102,477
Client support	-	-	34,360	-	22,907	-	-	-	-	57,267
Financial solicitation	451	292	425	345	451	212	123,391	133	27	125,727
Repairs and maintenance	21,039	2,466	2,466	15,549	2,466	-	-	1,015	-	45,001
Professional fees	2,550	1,050	2,850	2,100	2,100	1,500	2,100	600	150	15,000
Miscellaneous	15,132	4,833	12,392	13,042	9,131	6,522	9,000	2,609	652	73,313
Occupancy	13,487	5,404	11,973	10,711	10,178	6,235	12,637	3,048	727	74,400
Strategic plan implementation	2,316	1,090	2,452	1,907	1,907	1,362	1,907	545	136	13,622
Depreciation and amortization	6,461	-	6,461	6,461	6,461	-	269	-	808	26,921
Advocacy	-	-	-	-	-	3,697	-	-	-	3,697
Cleaning	22,212	11,106	22,212	22,212	22,212	-	-	11,106	-	111,060
<b>Total expenses</b>	<b>\$ 447,622</b>	<b>\$ 173,456</b>	<b>\$ 395,485</b>	<b>\$ 353,600</b>	<b>\$ 335,501</b>	<b>\$ 209,293</b>	<b>\$ 426,342</b>	<b>\$ 94,717</b>	<b>\$ 24,467</b>	<b>\$ 2,460,483</b>

*See accompanying notes.*

**Miriam's Kitchen, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2011**

	Program services								Administration	Total
	Breakfast program	Miriam's studio	Morning case management	Dinner program	Evening case management	Advocacy	Development	Miriam's café		
Food and kitchen supplies	\$ 114,488	\$ -	\$ -	\$ 76,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,812
Salaries and benefits	185,151	153,595	222,209	156,678	247,579	106,283	204,142	27,040	77,229	1,379,906
Insurance	2,168	1,230	1,875	1,875	1,933	996	1,523	586	176	12,362
Office supplies and expense	8,445	5,357	8,445	6,682	8,832	4,651	6,842	2,777	816	52,847
Program support	15,866	17,816	16,476	13,866	17,976	9,100	-	6,238	-	97,338
Client support	-	-	28,070	-	18,713	-	-	-	-	46,783
Financial solicitation	778	489	778	600	823	378	99,166	222	68	103,302
Repairs and maintenance	17,271	2,371	2,371	12,491	2,371	-	-	976	-	37,851
Professional fees	2,171	1,425	2,171	1,696	2,239	1,153	1,764	678	204	13,501
Miscellaneous	23,042	8,208	12,799	9,878	13,217	6,817	10,434	4,174	1,252	89,821
Occupancy	13,793	7,044	11,140	10,524	11,817	4,833	11,890	1,640	2,919	75,600
Strategic plan implementation	9,558	6,238	9,658	7,546	10,061	5,232	7,948	3,119	1,006	60,366
Depreciation and amortization	6,286	-	6,286	6,286	6,286	-	261	-	785	26,190
Advocacy	-	-	-	-	-	358	-	-	-	358
<b>Total expenses</b>	<b>\$ 399,017</b>	<b>\$ 203,773</b>	<b>\$ 322,278</b>	<b>\$ 304,446</b>	<b>\$ 341,847</b>	<b>\$ 139,801</b>	<b>\$ 343,970</b>	<b>\$ 47,450</b>	<b>\$ 84,455</b>	<b>\$ 2,187,037</b>

*See accompanying notes.*

**Miriam's Kitchen, Inc.**  
**Statement of Cash Flows**

For the years ended December 31,  
2012                      2011

	2012	2011
<b>Cash flow provided (used) by operating activities</b>		
Change in net assets	\$ (322,182)	\$ (63,933)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	26,921	26,190
Donation of stock	(37,089)	(44,106)
Gain/loss on investments	(55,599)	748
Accounts receivable	313,241	(210,291)
Pledges receivable	90,080	100,037
Prepaid expenses	(16,530)	17,162
Other assets	(270)	120
Accounts payable and accrued expenses	27,694	7,618
Deferred income	33,000	-
Net cash provided (used) by operating activities	59,266	(166,455)
<b>Cash flow provided by investing activities</b>		
Proceeds from sale of stock	37,675	43,325
Acquisition of fixed assets	(10,228)	(22,454)
Net (acquisition) disposition of investments	198,207	231,695
Net cash provided by investing activities	225,654	252,566
Net increase in cash and cash equivalents	284,920	86,111
Cash and cash equivalents, beginning of year	227,414	141,303
Cash and cash equivalents, end of year	\$ 512,334	\$ 227,414

*See accompanying notes.*

# Miriam's Kitchen, Inc.

## Notes to the Financial Statements

### Note 1

#### Organization and Purpose

Miriam's Kitchen (the Organization) was founded in 1983 under the laws of the District of Columbia through a collaboration of Western Presbyterian Church, the United Church, and the George Washington University Hillel Student Association. Located in Northwest Washington, D.C., the Organization operates four programs: the Meals Program, which serves breakfast and dinner each weekday morning; the Case Management Program, which provides clinical case management services, transportation and identification assistance, and referrals to needed support services; the Miriam's Studio Program, which provides therapeutic art and socialization groups each weekday morning; and the Miriam's Café Program, which operates every Wednesday afternoon from 12 – 2 pm.

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, it has been organized and operated exclusively for charitable purposes.

### Note 2

#### Summary of Significant Accounting Policies

##### Basis of Accounting

The Organization uses the accrual basis of accounting for financial reporting whereby revenue is recognized when earned and expenses are recognized when incurred. The Organization's primary source of revenue, contributions, is recognized as unrestricted unless specified by the donor for a specific use in future periods. Temporarily restricted revenues received and released from restriction in the same period are reported as unrestricted revenue.

##### Contributed Goods and Services

Support from donated food, professional services, van usage and building and equipment usage has been recorded at its estimated fair value. Support arising from contributed services of volunteers has not been recognized in the accompanying financial statements because an objective basis is not available to assign fair values to such items.

The 2012 and 2011 in-kind contributions are described below:

	2012	2011
Facility use	\$ 49,400	\$ 50,600
Food	96,278	75,838
Fundraising support	25,000	25,000
Total	\$ 170,678	\$ 151,438

As part of the 100 Bowls of Compassion fundraising event, donors contribute items to be auctioned off. Items that are not sold during the event are returned to the donor unless the donor declines to accept them back. Items that are not returned are utilized in other fundraising events. These items are not recorded on the financial statements.

##### FDIC and SIPC Insurance

The Organization maintains its cash accounts primarily with banks located in the Washington, DC area. The total cash balances are insured by the FDIC up to \$250,000 per bank in 2012 and 2011. In 2012 and 2011 the Organization maintained cash balances that exceeded the FDIC insured limit by \$265,492 and \$97,844.

The Organization maintains accounts with an investment firm. The accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation.

##### Inventory

The Organization holds immaterial amounts of inventory, consisting of various food items and paper products, the costs of which have been expensed in the accompanying financial statements.

##### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash on deposit with banks, and all highly liquid investments with original maturity dates of three months or less.

# Miriam's Kitchen, Inc.

## Notes to the Financial Statements (Continued)

### Use of Estimates

The presentation 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### Investments

Investments are reported at market value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-320, Investments. Unrealized gains and losses are shown as changes in net assets.

### Receivables

Receivables are recorded at cost, no interest is charged on accounts and accounts are written off at the point management deems them to be uncollectible.

### Property and Equipment

Equipment is recorded at cost and depreciation is computed on the accelerated method over a five year to seven year useful life. Real property is depreciated on the accelerated method over a 15 or 27.5 year life and personal property is depreciated on the accelerated method over a 5 or 7 year life.

Expenditures for maintenance and repairs and minor betterments that do not extend the lives of the assets are charged to expense as incurred. Major expenditures which extend the lives of the assets are capitalized.

### Fair Value of Financial Instruments

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures. ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with U.S. generally accepted accounting principles (GAAP) and expands disclosures about fair value measurements. This pronouncement did not require any new fair value measurements and its adoption did not affect the results of operations or financial position of the Organization.

### Subsequent Events

Subsequent events have been evaluated through September 22, 2013, which is the date the financial statements were available to be issued.

## Note 3

### Contributions

Contributions include the following for the year ended December 31, 2012:

	Unrestricted	In-kind	Total
Foundations	\$ 361,793	\$ -	\$ 361,793
Church community	44,029	49,400	93,429
Corporation/other organizations	167,852	96,278	264,130
Workplace Giving/United Way	42,525	-	42,525
Individuals	536,893	-	536,893
Total contributions	\$ 1,153,092	\$ 145,678	\$ 1,298,770

For the year ended December 31, 2012, \$95,463 was received from members of the Board of Directors and staff.

Contributions include the following for the year ended December 31, 2011:

	Unrestricted	In-kind	Total
Foundations	\$ 454,386	\$ -	\$ 454,386
Church community	40,011	50,600	90,611
Corporation/other organizations	115,562	75,838	191,400
United Way	67,244	-	67,244
Individuals	370,990	-	370,990
Total contributions	\$ 1,048,193	\$ 126,438	\$ 1,174,631

For the year ended December 31, 2011, \$98,271 was received from members of the Board of Directors and staff.

Miriam's Kitchen, Inc.  
Notes to the Financial Statements (Continued)

**Note 4**

**Related-Party Transactions**

Western Presbyterian Church provides the following forms of direct financial support to the Organization: the free use of space to house the Organization's operations, certain accounting services, and the use of the church's vehicles. Included in the December 31, 2012 and 2011 accounts receivable are \$19,068 and \$155,080, respectively, due from the Church for reimbursements for certain expenses.

In both 2012 and 2011, the Church made annual in-kind contributions of \$49,400 and \$50,600 respectively.

In July of 2009, the Organization began making payments to Western Presbyterian Church to defray costs associated with the Organization's use of additional space for its case management program. The payment is \$80,000 per year, but the amount would drop to \$60,000 per year if the Kitchen had cancelled its expanded use of the premises. The agreement, which expired in April 2012, has been extended to June 21, 2015 with rights to extend for three successive additional periods of one year each. Under the terms of the extended agreement, the Organization will pay Western Presbyterian Church \$81,600 per annum. The usage fee shall increase 2% annually on the anniversary of the execution of the agreement. If certain additional space becomes available, the Organization has a right of first refusal for use of that space. If the right is exercised, an additional \$5,000 will be included in the annual usage fee. In the event the Organization exercises its right to cancel the Expanded Use, the annual usage payment shall be reduced to \$61,200.

Western Presbyterian Church contributed \$4,000 in cash to the Kitchen in both 2012 and 2011.

**Note 5**

**Restricted Net Assets**

Temporarily restricted net assets consist of funds received for general use in a future year, as shown below:

	2012	2011
Pledges receivable	\$ 198,458	\$ 288,538
Help the Homeless Walkathon*	-	133,753
<b>Total</b>	<b>\$ 198,458</b>	<b>\$ 422,291</b>

\*Included in accounts receivable

**Note 6**

**403(b) Plan**

In July 2000, the Board of Directors authorized the establishment of a defined contribution 403(b) Plan. The Plan name is the Western Presbyterian Church 403(b) Retirement Plan, and all permanent employees who work over 20 hours a week are eligible to make elective deferrals and to receive employer contributions equal to 6% of their salaries. The 2012 and 2011 employer contributions were \$59,521 and \$54,283, respectively.

**Note 7**

**Unconditional Promises to Give**

Individuals have pledged the following amounts, either directly or through America Charities (AC) and the Combined Federal Campaign (CFC) as of the year ended December 31, 2012:

	Direct pledges	AC and CFC	Total
To be paid in 2013-2014	\$ 66,544	\$ 131,914	\$ 198,458

Individuals have pledged the following amounts as of the year ended December 31, 2011:

	Direct pledges	AC and CFC	Total
To be paid in 2012-2014	\$ 173,986	\$ 114,552	\$ 288,538

Management believes that 100% of all direct pledges are collectible. The AC and CFC amounts are based upon pledges received and determined in the year indicated. Due to the low rates of return currently available on investments, no discount has been recorded on the above pledges.

Miriam's Kitchen, Inc.  
Notes to the Financial Statements (Continued)

**Note 8**

**Fair Value Measurements**

**Fair Value of Financial Instruments**

The following table represents the historical cost basis and estimated fair values of financial instruments at December 31:

	2012		2011	
	Cost basis	Fair value	Cost basis	Fair value
Vanguard Funds	\$ 1,877,724	\$ 1,938,029	\$ 2,075,931	\$ 2,081,223
Total	\$ 1,877,724	\$ 1,938,029	\$ 2,075,931	\$ 2,081,223

The fair values of the financial statements shown in the preceding table represent management's best estimates of the amounts that would be received to sell those assets in an orderly transaction between market participants as of the dates shown. Those fair value measurements maximize the use of observable units.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents – the net carrying amounts, at face value, approximate fair value because of the short maturity of these instruments.

Investments – Fair values for securities are measured using prices provided by its investment managers and its custodian bank multiplied by the quantity held. Both the investment managers and the custodian bank use a variety of pricing sources to determine market valuations. Each designate specific pricing services or indexes for each sector of the market based upon the provider's expertise. The securities portfolio is highly liquid, which allows for a high percentage of the portfolio to be priced through pricing services.

**Fair Value Hierarchy**

The Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, effective January 1, 2008, for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows.

*Level 1 – Quoted prices in active markets for identical assets or liabilities.*

*Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.*

*Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities.*

Miriam's Kitchen, Inc.  
Notes to the Financial Statements (Continued)

The following tables present the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2012 and 2011:

	December 31, 2012 Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets				
Investments:				
Vanguard:				
Treasury money market fund	\$ 1,239,747	\$ 1,239,747	\$ -	\$ -
Bond index funds	219,065	219,065	-	-
Growth index fund	118,120	118,120	-	-
Inflation protection security	46,076	46,076	-	-
Small cap index fund	79,476	79,476	-	-
Total international stock	72,620	72,620	-	-
Value index fund	118,254	118,254	-	-
Loomis Sayles global fund	44,671	44,671	-	-
Total	\$ 1,938,029	\$ 1,938,029	\$ -	\$ -

	December 31, 2011 Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets				
Investments:				
Vanguard:				
Treasury money market fund	\$ 1,449,263	\$ 1,449,263	\$ -	\$ -
Bond index funds	205,911	205,911	-	-
Growth index fund	100,944	100,944	-	-
Inflation protection security	43,153	43,153	-	-
Small cap index fund	67,215	67,215	-	-
Total international stock	61,434	61,434	-	-
Value index fund	102,673	102,673	-	-
Loomis Sayles global fund	41,437	41,437	-	-
Stock funds	9,193	9,193	-	-
Total	\$ 2,081,223	\$ 2,081,223	\$ -	\$ -

**Note 9**

**Accounting for Uncertain Tax Positions**

The Organization has adopted the accounting standards regarding "Accounting for Uncertain Tax Positions." This standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the Organization's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. The adoption of this standard had no material effect on the Organization's financial position, results of operations, or cash flow. The tax years of 2009 to 2011 remain subject to examination by the taxing authorities.

The Organization includes penalties and interest assessed by income taxing authorities in administration expenses. The Organization did not recognize expenses for interest or penalties in 2012 or 2011.

Miriam's Kitchen, Inc.  
Notes to the Financial Statements (Continued)

**Note 10**

**Prior Year Restatement**

In 2011, management determined that the value of the in kind contribution recorded for 2010 for use of space should have been \$50,600 and not the \$130,600 as originally reported. The Organization began paying for a portion of the space in 2009, thus reducing the contributed portion. In 2010 the Organization paid \$80,000 toward the use of its space.

The change does not affect net assets; it reduces the reported in kind contributions and the corresponding expense for occupancy by \$80,000 each.

**Note 11**

**Change in Year-End**

In 2013, the Organization will change its year-end from a calendar year to a fiscal year ending September 30.

**Note 12**

**Line of Credit**

On June 12, 2012, the Organization entered into a line of credit agreement with PNC Bank which allows the Organization to draw a maximum of \$100,000 at a rate of 5.5%. The term of the loan is one year from the commencement date or a later date as designated by the bank. The Organization did not draw on the line of credit. In June 2013, the Organization extended the line for an additional year.