

THE JUBILEE ASSOCIATION OF MARYLAND, INC.
FINANCIAL STATEMENTS
JUNE 30, 2024

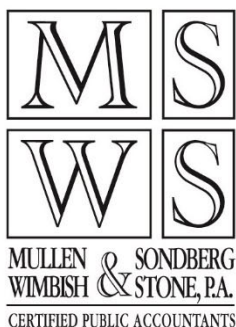


MULLEN SONDBERG WIMBISH & STONE, PA

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To Management and the Board of Directors of
The Jubilee Association of Maryland, Inc.
Kensington, Maryland

Opinion

We have audited the accompanying financial statements of The Jubilee Association of Maryland, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jubilee Association of Maryland, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Jubilee Association of Maryland, Inc. 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 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Jubilee Association of Maryland, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

To Management and the Board of Directors of
The Jubilee Association of Maryland, Inc.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

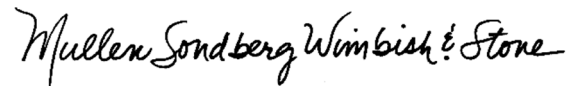
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Jubilee Association of Maryland, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Jubilee Association of Maryland, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

To Management and the Board of Directors of
The Jubilee Association of Maryland, Inc.

Report on Summarized Comparative Information

We have previously audited The Jubilee Association of Maryland, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland
November 4, 2024

The Jubilee Association of Maryland, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2024

ASSETS		2024	2023
CURRENT ASSETS			
Cash and cash equivalents	\$	6,487,664	\$ 7,723,005
Investments		2,615,699	2,423,367
Accounts receivable, funding agencies		6,582,889	4,342,238
Accounts receivable, other		29,120	61,041
Unconditional promises to give		192,789	187,345
Prepaid expenses		131,821	102,942
Total current assets		<u>16,039,982</u>	<u>14,839,938</u>
PROPERTY AND EQUIPMENT			
Net of accumulated depreciation		<u>4,471,004</u>	<u>3,982,172</u>
OTHER ASSETS			
Investments - operating reserve		8,482,860	6,654,344
Restricted deposits - reserve for replacements		49,866	46,611
Unconditional promises to give, net of allowance and discount		318,202	333,116
Deposits and escrows		<u>664,789</u>	<u>652,042</u>
Total other assets		<u>9,515,717</u>	<u>7,686,113</u>
Total assets	\$	<u><u>30,026,703</u></u>	<u><u>\$ 26,508,223</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	214,670	\$ 244,335
Deferred compensation		10,000	10,000
Accrued salaries and related liabilities		685,817	400,348
Accrued leave		1,422,525	1,076,464
Deferred revenue		225,000	26,680
Client escrow		224,134	188,070
Due to State of Maryland		-	165,671
Funds held for others		2,052	25,593
Mortgages payable		<u>26,421</u>	<u>25,380</u>
Total current liabilities		<u>2,810,619</u>	<u>2,162,541</u>
LONG-TERM LIABILITIES			
Deferred compensation		57,724	60,094
Mortgages payable, net of loan origination fees		106,564	133,063
Participation liability, net of discount		<u>43,399</u>	<u>103,478</u>
Total long-term liabilities		<u>207,687</u>	<u>296,635</u>
Total liabilities		<u>3,018,306</u>	<u>2,459,176</u>
NET ASSETS			
Without donor restrictions			
Undesignated		15,558,071	14,567,588
Board-designated		<u>9,689,139</u>	<u>7,733,997</u>
Total net assets without donor restrictions		<u>25,247,210</u>	<u>22,301,585</u>
With donor restrictions		<u>1,761,187</u>	<u>1,747,462</u>
Total net assets		<u>27,008,397</u>	<u>24,049,047</u>
Total liabilities and net assets	\$	<u><u>30,026,703</u></u>	<u><u>\$ 26,508,223</u></u>

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

The Jubilee Association of Maryland, Inc.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024
With Summarized Financial Information for the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	2024	2023
REVENUES, GAINS AND OTHER SUPPORT				
State of Maryland - program service fees	\$ 29,933,408	\$ -	\$ 29,933,408	\$ 26,477,756
Montgomery County - program service fees	2,156,758	-	2,156,758	2,118,799
Realized/unrealized gain on investments	741,882	-	741,882	344,562
Investment income, net	560,537	-	560,537	523,155
Contributions and grants	270,085	284,453	554,538	626,712
Consumer program fees	249,591	-	249,591	247,514
Other income	178,689	-	178,689	316,513
Gain (loss) on sale of equipment	13,511	-	13,511	(9,754)
	<u>34,104,461</u>	<u>284,453</u>	<u>34,388,914</u>	<u>30,645,257</u>
Net assets released from restrictions	<u>270,728</u>	<u>(270,728)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	34,375,189	13,725	34,388,914	30,645,257
EXPENSES				
Program services				
Supported Living	16,578,431	-	16,578,431	13,768,886
Residential	8,188,033	-	8,188,033	6,585,557
Personal supports	2,372,480	-	2,372,480	1,912,132
Other services	451,636	-	451,636	430,667
Total program services	<u>27,590,580</u>	<u>-</u>	<u>27,590,580</u>	<u>22,697,242</u>
Supporting services				
Management and general	3,434,817	-	3,434,817	2,833,596
Fundraising	404,167	-	404,167	306,561
Total supporting services	<u>3,838,984</u>	<u>-</u>	<u>3,838,984</u>	<u>3,140,157</u>
Total expenses	<u>31,429,564</u>	<u>-</u>	<u>31,429,564</u>	<u>25,837,399</u>
Change in net assets before other changes	2,945,625	13,725	2,959,350	4,807,858
OTHER CHANGES IN NET ASSETS				
Transfer from Jubilee Foundation, Inc.	-	-	-	175,254
Total other changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,254</u>
Change in net assets	2,945,625	13,725	2,959,350	4,983,112
NET ASSETS AT BEGINNING OF YEAR	<u>22,301,585</u>	<u>1,747,462</u>	<u>24,049,047</u>	<u>19,065,935</u>
NET ASSETS AT END OF YEAR	<u>\$ 25,247,210</u>	<u>\$ 1,761,187</u>	<u>\$ 27,008,397</u>	<u>\$ 24,049,047</u>

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

The Jubilee Association of Maryland, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024
With Summarized Financial Information for the Year Ended June 30, 2023

	Program Services					Supporting Services		Total	
	Residential	Personal Supports	Supported Living	Other Services	Total Program Services	Management and General	Fundraising	2024	2023
Salaries	\$ 6,157,907	\$ 1,880,957	\$ 13,265,786	\$ 365,585	\$ 21,670,235	\$ 1,824,588	\$ 216,866	\$ 23,711,689	\$ 19,649,974
Employee benefits	571,726	167,695	1,266,757	25,522	2,031,700	238,285	22,129	2,292,114	1,774,031
Payroll taxes	463,922	141,296	995,175	27,535	1,627,928	130,596	16,242	1,774,766	1,477,559
Total salaries and related expenses	7,193,555	2,189,948	15,527,718	418,642	25,329,863	2,193,469	255,237	27,778,569	22,901,564
Computer services	11,536	3,296	25,956	412	41,200	426,023	5,009	472,232	331,814
Professional fees	57,560	16,446	129,509	2,056	205,571	158,275	107,111	470,957	326,808
Depreciation	178,433	225	72,938	28	251,624	126,132	-	377,756	319,914
Staff training	79,422	24,014	171,429	4,480	279,345	22,213	2,596	304,154	268,398
Insurance	115,350	43,572	109,699	122	268,743	32,157	-	300,900	260,142
Travel	60,999	35,109	142,012	642	238,762	59,797	344	298,903	257,558
Program activities and supplies	64,311	15,620	141,717	22,149	243,797	7,934	267	251,998	115,582
Repairs and maintenance	82,205	22	19,580	347	102,154	98,693	-	200,847	169,770
Food and household supplies	127,933	625	51,652	3	180,213	2,214	-	182,427	146,431
Utilities	94,881	1,003	22,124	-	118,008	26,368	-	144,376	136,399
Telephone	26,906	1,216	17,026	12	45,160	79,280	-	124,440	124,834
Miscellaneous expenses	24,644	11,883	59,137	1,841	97,505	18,266	1,084	116,855	88,755
Small furniture and equipment	19,683	2,076	15,677	385	37,821	33,683	221	71,725	47,125
Client rent subsidy	-	23,763	42,956	-	66,719	-	-	66,719	63,433
Advertising and recruiting	3,627	1,036	8,161	130	12,954	22,655	22,501	58,110	60,804
Office supplies	1,773	497	4,170	62	6,502	35,455	1,006	42,963	38,182
Postage and printing	5,837	1,668	13,132	217	20,854	18,244	2,851	41,949	40,221
Dues and subscriptions	89	25	200	3	317	34,893	-	35,210	28,606
Interest	29,882	-	-	-	29,882	-	-	29,882	16,409
Rent	7,024	-	-	51	7,075	7,700	-	14,775	9,653
Bad debts	-	-	-	-	-	10,128	3,574	13,702	9,645
Contributions	-	-	-	-	-	11,050	-	11,050	8,974
Real estate taxes	1,185	339	2,667	42	4,233	4,233	-	8,466	9,043
Licensing expense	1,198	97	971	12	2,278	4,821	-	7,099	4,993
Bank and credit card fees	-	-	-	-	-	-	2,366	2,366	48,472
Board expenses	-	-	-	-	-	1,134	-	1,134	3,365
Purchase of service	-	-	-	-	-	-	-	-	505
Total expenses	<u>\$ 8,188,033</u>	<u>\$ 2,372,480</u>	<u>\$ 16,578,431</u>	<u>\$ 451,636</u>	<u>\$ 27,590,580</u>	<u>\$ 3,434,817</u>	<u>\$ 404,167</u>	<u>\$ 31,429,564</u>	<u>\$ 25,837,399</u>

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

The Jubilee Association of Maryland, Inc.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,959,350	\$ 4,983,112
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debt expense	13,702	9,645
Depreciation	377,756	319,914
(Gain) loss on disposal of equipment	(13,511)	9,754
Amortization of premium for debt issuance costs	-	836
Change in equity participation liability, net of discount	23,800	8,443
Unrealized/realized gain on investments	(741,882)	(344,562)
Noncash asset contributions from the Jubilee Foundation, Inc.	-	(160,147)
(Increase) decrease in operating assets:		
Accounts receivable, funding agencies	(2,240,651)	2,043,639
Accounts receivable, other	18,219	(61,828)
Prepaid expenses	(28,879)	(59,636)
Deposits and escrows	(16,002)	(271,094)
Unconditional promises to give	9,470	347,141
Increase (decrease) in operating liabilities:		
Accounts payable	(29,665)	77,223
Deferred compensation	(2,370)	(19,941)
Deferred revenue	198,320	(23,111)
Accrued salaries and related liabilities	285,469	79,340
Accrued leave	346,061	196,876
Client escrow	36,064	43,022
Funds held for others	(23,541)	13,174
Due to State of Maryland	(165,671)	(9,000,707)
Net cash provided by (used in) operating activities	<u>1,006,039</u>	<u>(1,808,907)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(891,077)	(809,775)
Proceeds from sale of property and equipment	38,000	-
Purchase of investments and reinvested income	(1,314,160)	(1,723,682)
Proceeds from sale of investments	35,194	30,317
Net cash used in investing activities	<u>(2,132,043)</u>	<u>(2,503,140)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash paid on equity participation liability	(83,879)	-
Principal payments on mortgages	(25,458)	(48,561)
Net cash used in financing activities	(109,337)	(48,561)
Net change in cash and cash equivalents	<u>(1,235,341)</u>	<u>(4,360,608)</u>
Cash and cash equivalents at beginning of year	<u>7,723,005</u>	<u>12,083,613</u>
Cash and cash equivalents at end of year	<u>\$ 6,487,664</u>	<u>\$ 7,723,005</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 29,882</u>	<u>\$ 16,409</u>

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

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

Nature and Organization

The Jubilee Association of Maryland, Inc. (the Association) was formed to provide community-based residential services for individuals with developmental disabilities. The majority of the Association's funding is provided by the State of Maryland Department of Health and Montgomery County.

Basis of Accounting

The Association prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Classification of Net Assets

The financial statement presentation follows the recommendations of *ASC 958-205, "Not-for-Profit Entities: Presentation of Financial Statements"*. Under *ASC 958-205*, the Association 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 Association. These net assets may be used at the discretion of the Association's Management and Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some other donor restrictions are temporary in nature: those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Basis of Presentation

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont.)

Revenue Recognition – Contributions and Grants

Contributions are reported as revenue in the year received and/or when the unconditional promises are made. The Association reports gifts of cash and other assets as support with donor restrictions if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions, including donor-restricted conditional contributions, whose restrictions (and conditions, if applicable) are met in the same year are reported as support without donor restrictions.

Promises to give with a measurable performance or other barrier and a right of return are considered conditional promises to give and are not recognized until the conditions on which they depend have been met. There were no conditional promises to give for the years ended June 30, 2024 and 2023.

Unconditional promises to give are recognized in the period the promise is made. Promises to give are carried at original amount promised less an estimate made for doubtful promises, based on a review of all outstanding promises on a monthly basis. The Association uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises to give. The allowance for uncollectible unconditional promises to give totaled \$60,500 and \$61,526 as of June 30, 2024 and 2023, respectively. Promises to give are written off when deemed uncollectible. Recoveries of promises to give previously written off are recorded when received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Grants are reported as revenue based on the terms and conditions of each specific grant agreement with the grantor. Grants that are earned based on the expenditure of specific expenses are recorded as revenue when the expenses are incurred and the Association has an unconditional right to the grant funds. Unexpended grant awards under these arrangements are classified as deferred revenue in the statement of financial position until they are earned. Grants that are received with grantor restrictions or stipulations regarding the use of the grant funds are classified as grants with donor restrictions. When a donor restriction expires, that is, when the restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted grants whose restrictions are met in the same year are reported as support without donor restrictions.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont.)

Revenue Recognition – Program Service and Consumer Program Fees

The Association offers several levels of services for individuals with developmental disabilities. These services are funded primarily by the Developmental Disabilities Administration of the State of Maryland Department of Health (DDA). Program service fees for DDA programs are reported at the amount that reflects the consideration to which the Association expects to be entitled to in exchange for providing services. Changes in the valuation of the consideration to which the Association expects to be entitled to in exchange for providing services are recognized in the period in which the changes are determined. Program service fees are recognized at the point in time at which performance obligations are satisfied. The point in time at which performance obligations are satisfied is based on the provision of services on a daily or quarter-hour basis, as prescribed by DDA program regulations. Revenue is recorded based on daily or quarter hour reimbursement rates established and approved by DDA.

Program service fees recognized for DDA programs are as follows:

<u>Service Type:</u>	<u>Measurement Period for Performance Obligations</u>	<u>Revenue Recognized June 30, 2024</u>	<u>Revenue Recognized June 30, 2023</u>
Supported living	Daily and Quarter-Hour	\$ 19,111,070	\$ 16,794,910
Residential	Daily and Quarter-Hour	8,250,488	7,494,477
Personal supports	Quarter-Hour	2,415,008	2,094,042
Housing supports	Hourly	154,066	89,914
Nursing supports	Hourly	2,776	4,413
		<u>\$ 29,933,408</u>	<u>\$ 26,477,756</u>

The Association also receives a supplement from Montgomery County to support all DDA programs which is paid monthly.

The Association collects consumer program fees for room and board and contribution to care from individuals in the Association's residential services program. Consumer program fee revenue is recognized at the point in time at which performance obligations are satisfied. The point in time at which performance obligations are satisfied is based on the provision of services on a monthly basis. The monthly reimbursement rate is determined for each individual based on rates established and approved by DDA.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont.)

Revenue Recognition – Program Service and Consumer Program Fees (Cont.)

Program service fees from consumers were as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Room and board fees	\$ 157,125	\$ 154,125
Residential consumer fees	62,730	59,222
Private pay fees	<u>29,736</u>	<u>34,167</u>
	<u>\$ 249,591</u>	<u>\$ 247,514</u>

Contributions – Nonfinancial Assets

Contributed services are recognized at fair value if the services (a) create or enhance long-lived assets or (b) require specialized skill, are performed by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements included in donations are offset by like amounts included in expenses or additions to property and equipment. There were no amounts recorded for contributed services or tangible assets for the years ending June 30, 2024 and 2023.

The Association's general practice is to utilize donated items to support the Association's overall purpose. These contributions of tangible assets were utilized in the Association's programs in the provision of services for individuals with developmental disabilities and were valued based on the comparable sales. The donated materials were used towards software for operations and household/personal items for clients. Donated items had no donor restrictions for the years ended June 30, 2024 and 2023.

Use of 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 contingencies at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purpose of the statement of cash flows, except for funds held by investment managers, the Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont.)

Investments

Investments consist of money market and mutual funds that are held by an investment broker and are presented in the financial statements at quoted fair values. Interest and dividends income is reflected net of fees as investment income, net on the statement of activities. The net realized and unrealized appreciation (depreciation) in market value of investments is reflected in the statement of activities.

Property and Equipment

Property and equipment acquisitions over \$1,000 are capitalized and carried at cost. Depreciation is expensed over the estimated useful lives of the assets using the straight-line method. Gifts of long-lived assets such as land, buildings or equipment are recorded at their fair values and reported as support without donor restrictions, unless explicit donor stipulations specify how the donated assets must be used.

Leases

The Association recognizes a right of use (ROU) asset and lease liability on the statement of financial position for all leases with a term of longer than 12 months. Leases are classified as financing or operating. Financing leases are expensed through interest and amortization expense and operating leases are expensed through lease expense on the statement of activities.

During the years ending June 30, 2024 and 2023, the Association did not have any leases with a term of longer than 12 months that required recognition as a ROU asset or lease liability. Certain leases may include one or more options to renew, with renewal terms that can be extended beyond the original lease term at management's discretion. Renewal periods are included in the expected lease term if they are reasonably certain of being exercised by management. There are no leases that contain any material residual value guarantees, material restrictions or covenants.

Long-term leases (leases with terms greater than 12 months) are recorded as liabilities at the present value of the minimum lease payments not yet paid. Rates are determined and estimated based on various incremental borrowing risk-free rates when the rate implicit in the lease is not readily determinable.

Short-term leases (leases with an initial term of 12 months or less or leases that are cancelable by the lessee and lessor without significant penalties) are not capitalized but expensed on a straight-line basis over the lease term.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont.)

Allocation of Functional Expenses

Accounting principles generally accepted in the United States of America require all non-profit organizations to present their expenses on a functional basis, separating program services from management and general and fundraising expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation and occupancy, which are allocated based on asset usage, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort. Other functional expenses are either charged directly to program services as incurred or allocated based on usage.

Accounts Receivable and Allowance

Accounts receivable consists of program fees and grants due from funding agencies and consumers. Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Association uses the allowance method to account for uncollectible accounts receivable and an adjustment to a valuation allowance based on management's assessment of the current status of individual accounts, historical levels of credit losses and current economic conditions that may affect ability to pay, and credit worthiness of the State of Maryland. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. As of June 30, 2024 and 2023, no allowance for credit losses has been established as management has deemed all accounts to be considered fully collectible.

Advertising

The Association expenses advertising costs as incurred. Advertising expenses were \$35,837 and \$38,162 for the years ended June 30, 2024 and 2023, respectively.

Debt Issuance Costs

Debt issuance costs subject to amortization include loan refinancing costs. These costs are being amortized over the length of the term of the mortgage and are included in mortgages payable.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Association's ongoing program services. Nonoperating activities are limited to resources from other activities considered to be of a more unusual or nonrecurring nature. Nonoperating activities for the year ending June 30, 2023 consist of transfer of assets from Jubilee Foundation Inc. related to the dissolution of the Foundation (See Note 16).

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont.)

Income Tax Status

The Association is exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. It is exempt from paying federal income tax on any income except unrelated business income. No provision has been made for income taxes, as the Association has had no significant unrelated business income.

Income Tax Position

The Association follows the guidance of *ASC 740-10, "Accounting for Uncertainty in Income Taxes"* which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions 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 Association's financial statements.

The Association analyzes tax positions taken, including those related to the requirements set forth in IRC Sec. 501(c)(3) to qualify as a tax exempt organization, activities performed by volunteers and Board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland State statute. The Association does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Association's financial position or changes in net assets as a result of analyzing its tax positions.

New Accounting Pronouncement

On July 1, 2023, the Association adopted *ASU 2016-13, "Financial Instruments – Credit Losses"* (Topic 326). This amends the impairment model to utilize an expected loss methodology in place of the currently used incurred loss methodology, which will result in more timely recognition of losses. The adoption of this standard was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Reclassifications

Certain reclassifications of prior year balances were made to conform to current year presentation.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 2 - Concentration of Cash Balances

On June 30, 2024 and 2023, and at various times during the fiscal years then ended, the Association maintained cash balances in excess of the federally insured limit. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization also established an Insured Cash Sweep (ICS) account for their bank accounts. Daily, the ICS sweeps money from the Organization's accounts into Demand Deposit Accounts spread to Federally Insured banking institutions across the United States with no single account being greater than \$250,000. This ensures that the Organization's banking funds remain eligible for full FDIC insurance. These ICS/deposit funds are always accessible for the Organization's use.

Note 3 - Availability and Liquidity

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

Financial assets at year end:	2024	2023
Cash and cash equivalents	\$ 6,487,664	\$ 7,723,005
Investments	2,615,699	2,423,367
Accounts receivable, funding agencies	6,582,889	4,342,238
Accounts receivable, other	29,120	61,041
Unconditional promises to give	510,991	520,461
Total financial assets	<u>16,226,363</u>	<u>15,070,112</u>
Less: amounts not available to be used within one year:		
Unconditional promises to give, net - long term	318,202	333,116
Net assets with donor restrictions	896,840	877,001
Board-designated funds	1,206,279	1,079,653
Total amounts not available to be used within one year	<u>2,421,321</u>	<u>2,289,770</u>
Financial assets available to meet general expenditures over next twelve months	<u>\$ 13,805,042</u>	<u>\$ 12,780,342</u>

The Association's goal is to establish at least three months of average recurring operating costs in available liquidity (approximately \$7,860,000). Monthly average recurring costs are calculated by dividing total operating expenses for the year by twelve months.

In addition to the financial assets available to meet general expenditures over the next twelve months listed above, the Association also has a \$1,500,000 line of credit available (See Note 9) and a Board-designated reserve fund available (upon Board committee approval, see Note 18) to meet cash flow needs (if needed).

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 4 - Fair Value Measurement

ASC 820, "Fair Value Measurements and Disclosures," 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) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under *FASB ASC 820* are described as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs that are unobservable and supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Money Market Funds

A money market fund is valued at original cost, which equals fair value, it is a mutual fund that invests solely in cash and cash equivalent securities, which are also called money market instruments. These vehicles are very liquid short-term investments with high credit quality.

Mutual Funds

A mutual fund is valued at the daily closing price as reported by the fund. Mutual funds held by the Association are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Association are deemed to be actively traded.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 4 - Fair Value Measurement (Cont.)

Unconditional Promises to Give

Unconditional promises to give are valued at the present value of estimated future cash flows using a discount rate of 4.33% and 4.13% based on the five year Daily Treasury Yield Curve Rate as of June 30, 2024, and 2023, respectively.

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of:

		June 30, 2024			
		Level 1	Level 2	Level 3	Total
Assets					
Investments					
Cash and money market funds	\$	55,601	\$ -	\$ -	\$ 55,601
Mutual funds:					
Fixed income funds		3,753,887	-	-	3,753,887
Growth funds		2,813,095	-	-	2,813,095
International funds		2,504,172	-	-	2,504,172
Other funds		1,002,059	-	-	1,002,059
Value funds		969,745	-	-	969,745
Total mutual funds		11,042,958	-	-	11,042,958
Total investments		11,098,559	-	-	11,098,559
Unconditional promises to give, net of allowance and discount		-	-	510,991	510,991
Total assets	\$	11,098,559	\$ -	\$ 510,991	\$ 11,609,550

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 4 - Fair Value Measurement (Cont.)

The table below presents the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of:

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash and money market funds	\$ 576,637	\$ -	\$ -	\$ 576,637
Mutual funds:				
Fixed income funds	2,393,189	-	-	2,393,189
Growth funds	2,784,064	-	-	2,784,064
International funds	2,079,764	-	-	2,079,764
Other funds	782,677	-	-	782,677
Value funds	461,380	-	-	461,380
Total mutual funds	8,501,074	-	-	8,501,074
Total investments	9,077,711	-	-	9,077,711
Unconditional promises to give, net of allowance and discount	-	-	520,461	520,461
Total assets	\$ 9,077,711	\$ -	\$ 520,461	\$ 9,598,172

The following table includes a roll forward of the amounts for the year ended June 30, 2024, for financial instruments classified within Level 3. The classification of a financial instrument within Level 3 is based upon the significance of the unobservable inputs to the overall fair value measure. Fair value measurements using Level 3 inputs are as follows at June 30:

Unconditional Promises to Give	2024	2023
Beginning balance	\$ 520,461	\$ 867,602
Contributions	249,106	192,055
Write-offs	(8,600)	(4,000)
Collections	(250,767)	(522,456)
Change in allowance for uncollectible pledges	1,026	(3,440)
Change in present value discount	(235)	(9,300)
	<u>\$ 510,991</u>	<u>\$ 520,461</u>

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 5 - Unconditional Promises to Give

Unconditional promises to give consist of the following at June 30:

	2024	2023
Pledges receivable in less than one year	\$ 192,789	\$ 187,345
Pledges receivable due in one to five years	412,208	427,918
Total pledges receivable	604,997	615,263
Less: discounts to net present value	(33,506)	(33,276)
Less: allowance for doubtful accounts	(60,500)	(61,526)
	<u>\$ 510,991</u>	<u>\$ 520,461</u>

The Association elected to follow *FASB ASC 825* to account for changes in fair value for unconditional promises to give. Unconditional promises to give are reflected at present value of estimated future cash flows using a discount rate of 4.33% and 4.13% based on the five year Daily Treasury Yield Curve Rate as of June 30, 2024, and 2023, respectively.

Note 6 - Property and Equipment

Property and equipment consisted of the following at June 30:

	Estimated Life	2024	2023
Land	-	\$ 1,262,222	\$ 1,262,222
Buildings	25 years	2,887,733	2,887,733
Building and leasehold improvements	5 - 37 years	3,508,732	3,173,374
Building improvements in progress	-	148,461	112,466
Vehicles	5 years	1,146,740	1,076,431
Furniture and equipment	3 - 15 years	482,411	459,840
		9,436,299	8,972,066
Less: accumulated depreciation		<u>(4,965,295)</u>	<u>(4,989,894)</u>
		<u>\$ 4,471,004</u>	<u>\$ 3,982,172</u>

Depreciation expense for the years ended June 30, 2024 and 2023 amounted to \$377,756 and \$319,914, respectively.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 7 - Mortgages Payable

Mortgages payable consisted of the following at June 30:

Property Mortgaged	Lender	Date	Term	Face Amount	Monthly Payment	Interest Rate	2024	2023
Snowdrop	AmeriNat*	Jun-99	30 yrs	\$ 192,600	\$ 892	3.75%	\$ 48,142	\$ 56,885
Landgreen	AmeriNat*	Aug-99	30 yrs	\$ 176,874	\$ 1,027	4.50%	49,506	57,840
Camellia	AmeriNat*	Jun-98	30 yrs	\$ 174,000	\$ 970	4.00%	35,337	43,718
				Total			132,985	158,443
				Less: current maturities			(26,421)	(25,380)
				Total mortgages payable long term			<u>\$ 106,564</u>	<u>\$ 133,063</u>

* Properties have equity participation assessments with MCPA rates.

In November 2012, the Association refinanced four mortgages. Total costs associated with the refinancing amounted to \$20,018. The loan origination fees are amortized over the life of the mortgages (10 years) using the straight line method. Amortization expense for the years ended June 30, 2024 and 2023 amounted to \$-0- and \$836, respectively, and is included in interest expense.

Interest expense for the years ended June 30, 2024 and 2023 was \$29,882 and \$16,409, respectively.

Future maturities of mortgages payable are as follows:

<u>Years Ended June 30</u>	
2025	\$ 26,421
2026	27,534
2027	28,679
2028	28,173
2029	20,385
Thereafter	1,793
	<u>\$ 132,985</u>

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 8 - Equity Participation Agreement with Maryland Community Development Administration

The Association has entered into certain participation mortgage loans with the Maryland Department of Housing and Community Development (DHCD) under the Group Home Financing Program. These loans totaled \$132,985 and \$158,443, as of June 30, 2024 and 2023, respectively. These arrangements entitle DHCD to 50% of the appreciation, as defined in the agreement, upon sale, refinancing, or transfer of the related property; upon ceasing use of the related property for its stated purpose; or default or maturity of the related note. At June 30, 2024 and 2023, the Association has recorded a participation liability of \$119,250 and \$206,935, respectively, and net a related mortgage loan discount of \$75,851 and \$103,457, respectively, in connection with these arrangements.

The Association accounts for the liability in accordance with the *ASC 470-30* which requires recording a participation liability and an offsetting loan discount, upon execution of the agreement, equal to the present value of the estimated participation liability at maturity. The loan discount is amortized as interest expense over the term of the loan. The estimated participation is calculated using the appraised values of the properties.

Note 9 - Line of Credit

The Association obtained a \$1,500,000 line of credit, secured by general assets of the Association. The line of credit bears interest at 0.25% below U.S. prime rate as published in the Wall Street Journal. The published interest rate as of June 30, 2024 was 8.5%. Accrued interest is payable monthly and outstanding principle is due in full at maturity on May 30, 2025. There were no amounts outstanding on the line of credit at June 30, 2024 and 2023.

Among other restrictions, the loan and line of credit agreement list a financial covenant, which must be maintained by the Association. This covenant requires the Association to maintain a cash flow coverage ratio of 1.25 times debt service. The cash flow coverage ratio equates to the change in net assets plus depreciation, amortization, and interest, to the sum of the required principal payments based on the prior year's current maturities and interest.

Note 10 - Accrued Leave

The Association grants four weeks of paid vacation leave per year to each employee. Employees are permitted to carry over a maximum of four weeks from one fiscal year to the next. The liability for compensated absences at June 30, 2024 and 2023 was \$1,283,452 and \$920,000, respectively.

The Association grants 12 weeks of sabbatical (extended) leave to full time staff who have been employed with the Association for ten consecutive years. The liability for extended leave at June 30, 2024 and 2023 was \$139,073 and \$156,464, respectively.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 11 - Significant Funding Source

The Association recognizes the majority of its revenue from the State of Maryland Department of Health during the years ended June 30, 2024 and 2023. The Association is highly dependent on the State of Maryland Department of Health to continue its operations.

Note 12 - Contingencies

The Association receives a substantial portion of its revenue from government grants and contracts, all of which are subject to audit by the government. Until such audits have been completed and final settlement reached, there exists a contingent liability to refund any amounts received in excess of allowable costs. The Association is of the opinion that no significant liability will result from audit adjustments, if any.

Note 13 - Retirement Plans

The Association has a 403(b) retirement plan through Mennonite Retirement Trust. The Association matches employee contributions up to 5% of gross wages for staff who work at least 20 hours per week and have completed one year of service. Participants vest in employer contributions at a rate of 20% per year of service, becoming fully vested after five years of service. For the years ended June 30, 2024 and 2023, the Association's contributions to the plans were \$413,349 and \$289,873, respectively.

The Association has entered into an agreement with the Former Executive Director to establish a non-qualified deferred compensation plan. Effective January 1, 1990 and for each calendar year in which the Director was employed by the Association, the Association contributed \$1,327 toward the purchase of an annuity policy which enables the Association to provide certain benefits to the Director. The Association is the beneficiary of the policy. During the fiscal year ending June 30, 2017, the Director had remained continuously employed by the Association, attained age 65, and became entitled to receive \$10,000 from the Association annually during the next 15 years. At years end June 30, 2024 and 2023, the present value of the remaining payments due to the Director was \$67,724 and \$70,094, respectively.

Note 14 - Self-Insured Health Plan

The Association entered into a self-insured health plan for their employees on April 1, 2013. The Association contracts with a provider to procure medical care and the provider invoices the Association for claims filed. The self-insured plan has secondary coverage to cover cost over \$25,000 per individual per plan year, and also an aggregate limit on all costs, which is approximately 125% of expected costs. The self-insured premiums expensed by the Association for the years ended June 30, 2024 and 2023 were \$294,596 and \$303,492, respectively. The medical claims expensed by the Association for the years ended June 30, 2024 and 2023 were \$918,865 and \$731,891, respectively.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 15 - Operating Leases

The Association leases various residential homes under operating lease agreements, all of which are month-to-month leases.

Rental expense of the Association and client subsidy rent for the years ended June 30, 2024 and 2023 was \$81,494 and \$73,086, respectively.

Note 16 - Related Party Transactions

Jubilee Foundation, Inc. was formed to support The Jubilee Association of Maryland, Inc. by, but not limited to, soliciting contributions, publicizing the work of the Association, granting funds to the Association, and acquiring and owning property for the benefit of the Association. Contributions provided by the Foundation to the Association for the years ended June 30, 2024 and 2023 amounted to \$-0- and \$175,254, respectively.

On January 18, 2022, the Board of Directors of the Foundation approved a motion to dissolve the Foundation and transfer all of the Foundation's assets to the Association. Foundation's assets in the amount of \$2,886,127 were transferred to the Association during the fiscal year ended June 30, 2022. The remaining assets in the amount of \$175,254 were transferred from the Foundation to the Association at fair market value during the fiscal year ending June 30, 2023.

Below is a summary of contributions received by the Association from the Foundation for the years ended June 30:

	2024	2023
Noncash donations of promises to give - depreciable property	\$ -	\$ 160,147
Cash donations	-	15,107
Total contributions from the Foundation	<u>\$ -</u>	<u>\$ 175,254</u>

Note 17 - Board-Designated Net Assets Without Donor Restrictions

The Board of Directors has designated funds for the following purposes as of June 30:

	2024	2023
Operating reserve	\$ 8,482,860	\$ 6,654,344
Funds functioning as endowment	978,334	851,708
Health insurance reserve	173,000	173,000
Long-term capital reserves	54,945	54,945
	<u>\$ 9,689,139</u>	<u>\$ 7,733,997</u>

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 18 - Net Assets With Donor Restrictions

The following summarizes net assets with donor restrictions as of June 30:

	2024	2023
Employee Recognition fund	\$ 763,000	\$ 729,353
Unconditional promises to give	514,347	520,461
State of Maryland capital grants*	350,000	350,000
Kline client social and spiritual fund	89,938	102,958
Spiritual grant	25,000	25,000
Bethlehem House activities	11,250	11,250
Dental fund	4,546	4,346
Julian Pendelton memorial	1,606	1,606
Parkside pizza parties fund	1,000	-
Linda Hanna fund	500	-
Model housing program	-	2,488
	<u>\$ 1,761,187</u>	<u>\$ 1,747,462</u>

*State of Maryland capital grants relate to funding received for the acquisition and renovation of the Montgomery Avenue building. If the property is not used for the purpose disclosed in the grant agreements, or if the property is sold or transferred to an unapproved party, the Association is required to return a portion of the grant proceeds to the State of Maryland.

Note 19 - Endowment Funds

The Association has established an endowment fund, which is comprised of both board designated funds functioning as endowment and the donor restricted employee recognition fund. Management follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of Maryland. As a result, the Association classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Association, and (7) the Association's investment policies. Although funds without donor restrictions functioning as endowment are not subject to donor restrictions, decisions to spend their principal require the approval of the Board of Directors.

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 19 - Endowment Funds (Cont.)

Investment Return Objectives, Risk Parameters and Strategies: The Association has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. In order to maintain the purchasing power of the endowment and the income flow, the long-term annualized rate of return objective is to equal or exceed inflation plus 3%.

Spending Policy: The Association has a spending policy where all endowment earnings are to be used to underwrite the benefits. The donor restricted portion is only based on the original contributed amount established by the donor. All endowment earnings are not restricted by the donor and are deemed board designated and used as approved by the Board of Directors.

Endowment net assets consist of the following for the years ended June 30:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 978,335	\$ 763,000	\$ 1,741,335
Total endowed net assets	\$ 978,335	\$ 763,000	\$ 1,741,335
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 851,708	\$ 729,353	\$ 1,581,061
Total endowed net assets	\$ 851,708	\$ 729,353	\$ 1,581,061

The Jubilee Association of Maryland, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2024

Note 19 - Endowment Funds (Cont.)

Changes in endowment net assets are as follows for the years ended June 30:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 851,708	\$ 729,353	\$ 1,581,061
Contributions	-	33,647	33,647
Investment income, net of fees	81,576	-	81,576
Net appreciation	86,928	-	86,928
Amounts appropriated for expenditure	(41,877)	-	(41,877)
Endowment net assets, end of year	<u>\$ 978,335</u>	<u>\$ 763,000</u>	<u>\$ 1,741,335</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of the year	\$ 742,043	\$ 729,353	\$ 1,471,396
Investment income, net of fees	44,653	-	44,653
Net appreciation	75,146	-	75,146
Amounts appropriated for expenditure	(10,134)	-	(10,134)
Endowment net assets, end of year	<u>\$ 851,708</u>	<u>\$ 729,353</u>	<u>\$ 1,581,061</u>

Note 20 - Subsequent Events

The Association has evaluated the impact of significant subsequent events. Except as noted below, there have been no subsequent events through November 4, 2024, the date the financial statements were available to be issued, that require recognition or disclosure.

On August 22, 2024, the Association signed a purchase and sales agreement for the Kensington Parkway property, valued at \$4,300,000.

On August 30, 2024, the Association purchased the Concord Street property, valued at \$1,725,000.