

# DEGAGE MINISTRIES AND DEGAGE HOLDINGS

## FINANCIAL STATEMENTS

For the years ended  
December 31, 2022 and 2021

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**INDEPENDENT AUDITOR'S REPORT**

August 17, 2023

To the Board of Directors  
Degage Ministries and Degage Holdings  
Grand Rapids, Michigan

**Opinion**

We have audited the accompanying combined financial statements of Degage Ministries and Degage Holdings, which comprise the combined statements of financial position as of December 31, 2022 and 2021 the related combined statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Degage Ministries and Degage Holdings as of December 31, 2022 and 2021, 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.

**Basis for Opinion**

We conducted our audits 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 Degage Ministries and Degage Holdings and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management 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; 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 Degage Ministries and Degage Holdings' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **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 Degage Ministries and Degage Holdings' 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 Degage Ministries and Degage Holdings' 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.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements of financial position and combining statements of activities are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Hungerford Nichols".

Certified Public Accountants  
Grand Rapids, Michigan

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## **FINANCIAL STATEMENTS**

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## COMBINED STATEMENTS OF FINANCIAL POSITION

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

December 31, 2022 and 2021

#### ASSETS

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,801,331	\$ 1,363,652
Cash restricted for property and equipment acquisitions	1,544,516	4,704,349
Grants receivable, net	96,655	98,094
Promises to give, net	299,327	754,117
Prepaid expenses	4,605	-
Notes receivable	5,408,875	5,408,875
Property and equipment, net	7,841,258	4,923,861
<b>Total Assets</b>	<b><u>\$ 16,996,567</u></b>	<b><u>\$ 17,252,948</u></b>

#### LIABILITIES AND NET ASSETS

<b>Liabilities</b>		
Accounts payable	\$ 76,222	\$ 157,457
Accrued expenses	70,906	29,505
Notes payable	7,650,000	8,350,000
<b>Total Liabilities</b>	<b>7,797,128</b>	<b>8,536,962</b>
<b>Net Assets</b>		
Without donor restrictions	3,567,417	4,157,086
With donor restrictions	5,632,022	4,558,900
<b>Total Net Assets</b>	<b>9,199,439</b>	<b>8,715,986</b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 16,996,567</u></b>	<b><u>\$ 17,252,948</u></b>



## COMBINED STATEMENTS OF ACTIVITIES

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenues</b>			
Contributions of cash and other financial assets	\$ 2,271,414	\$ 1,142,125	\$ 3,413,539
Contributions of nonfinancial assets	270,895	-	270,895
Government grants	158,577	-	158,577
Program revenue	120,277	-	120,277
Gross revenues from special events:			
Event revenue	161,596	-	161,596
Less: direct expenses	(60,335)	-	(60,335)
Net special event revenue	101,261	-	101,261
Interest income	13,011	-	13,011
Other income	108,898	-	108,898
Gain on disposals of property and equipment	11,975	-	11,975
Net assets released from restrictions	69,003	(69,003)	-
<b>Total Public Support and Revenues</b>	<b>3,125,311</b>	<b>1,073,122</b>	<b>4,198,433</b>
<b>Expenses</b>			
Dining Room	934,437	-	934,437
Life Enrichment Center	595,957	-	595,957
Open Door	774,100	-	774,100
Paul's Mom's Cookies	109,064	-	109,064
Workforce Development	161,044	-	161,044
Management and general	495,106	-	495,106
Fundraising expenses	645,271	-	645,271
<b>Total Expenses</b>	<b>3,714,980</b>	<b>-</b>	<b>3,714,980</b>
<b>Change in Net Assets</b>	<b>(589,669)</b>	<b>1,073,122</b>	<b>483,453</b>
<b>Net Assets - beginning of year</b>	<b>4,157,086</b>	<b>4,558,900</b>	<b>8,715,986</b>
<b>Net Assets - end of year</b>	<b>\$ 3,567,417</b>	<b>\$ 5,632,022</b>	<b>\$ 9,199,439</b>

## COMBINED STATEMENTS OF ACTIVITIES (Continued)

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Public Support and Revenues</b>			
Contributions of cash and other financial assets	\$ 2,083,704	\$ 1,814,056	\$ 3,897,760
Contributions of nonfinancial assets	141,627	-	141,627
Government grants	136,488	-	136,488
Program revenue	103,843	-	103,843
Gross revenues from special events:			
Event revenue	323,100	-	323,100
Less: direct expenses	(48,479)	-	(48,479)
Net special event revenue	274,621	-	274,621
Interest income	884	-	884
Other income	54,826	-	54,826
Net assets released from restrictions	174,852	(174,852)	-
<b>Total Public Support and Revenues</b>	<b>2,970,845</b>	<b>1,639,204</b>	<b>4,610,049</b>
<b>Expenses</b>			
Dining Room	410,666	-	410,666
Life Enrichment Center	310,764	-	310,764
Open Door	269,055	-	269,055
Pauls' Moms' Cookies	181,398	-	181,398
Workforce Development	158,899	-	158,899
Management and general	941,036	-	941,036
Fundraising expenses	424,147	-	424,147
<b>Total Expenses</b>	<b>2,695,965</b>	<b>-</b>	<b>2,695,965</b>
<b>Change in Net Assets</b>	<b>274,880</b>	<b>1,639,204</b>	<b>1,914,084</b>
<b>Net Assets - beginning of year</b>	<b>3,882,206</b>	<b>2,919,696</b>	<b>6,801,902</b>
<b>Net Assets - end of year</b>	<b>\$ 4,157,086</b>	<b>\$ 4,558,900</b>	<b>\$ 8,715,986</b>

## COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

For the year ended December 31, 2022

	Program Services					Supporting Services				Total
	Dining Room	Life Enrichment Center	Open Door	Paul's Mom's Cookies	Workforce Develop.	Program Subtotal	Mgmt & General	Fund-raising	Supporting Subtotal	
Salaries, wages and related expenses	\$ 531,144	\$ 332,904	\$ 444,813	\$ 55,400	\$ 92,000	\$ 1,456,261	\$ 234,410	\$ 293,730	\$ 528,140	\$ 1,984,401
Distributed in-kind contributions	89,432	55,895	67,075	5,590	5,590	223,582	24,955	22,358	47,313	270,895
Payroll taxes and benefits	52,724	38,251	47,505	1,551	2,778	142,810	50,398	46,263	96,661	239,471
Facilities expenses	93,348	58,342	70,013	5,834	5,834	233,371	23,337	23,337	46,674	280,045
Professional services	18,628	11,642	13,971	1,000	1,330	46,571	4,657	4,657	9,314	55,885
Depreciation and amortization	5,400	5,400	5,400	5,400	2,547	24,147	87,014	-	87,014	111,161
Direct program expenses	71,437	44,647	62,510	17,859	17,859	214,312	-	-	-	214,312
Promotion and publicity	2,730	2,730	2,730	2,730	2,730	13,650	2,735	65,540	68,275	81,925
Capital campaign expense	-	-	-	-	-	-	-	169,349	169,349	169,349
Supplies	24,618	15,385	18,463	3,077	3,077	64,620	4,617	4,617	9,234	73,854
Telephone and postage	8,232	5,145	6,174	1,031	-	20,582	2,058	2,058	4,116	24,698
Insurance expense	11,040	9,201	11,040	2,761	2,761	36,803	3,680	3,680	7,360	44,163
Travel	467	466	466	466	466	2,331	2,331	2,331	4,662	6,993
Thrift store	-	-	-	-	17,707	17,707	-	-	-	17,707
Meals and entertainment	-	-	-	-	-	-	-	431	431	431
Education and training	5,049	4,207	5,049	1,267	1,267	16,839	1,683	1,683	3,366	20,205
Patron expense	4,240	2,650	3,180	1,328	1,329	12,727	-	-	-	12,727
Miscellaneous	15,948	9,092	15,711	3,770	3,769	48,290	126,731	5,237	131,968	180,258
<b>Total Expenses</b>	<b>\$ 934,437</b>	<b>\$ 595,957</b>	<b>\$ 774,100</b>	<b>\$ 109,064</b>	<b>\$ 161,044</b>	<b>\$ 2,574,603</b>	<b>\$ 568,606</b>	<b>\$ 645,271</b>	<b>\$ 1,213,877</b>	<b>\$ 3,788,480</b>

## COMBINED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

For the year ended December 31, 2021

	Program Services					Supporting Services				Total
	Dining Room	Life Enrichment Center	Open Door	Paul's Mom's Cookies	Workforce Develop.	Program Subtotal	Management and General	Fundraising	Supporting Subtotal	Total
Salaries, wages and related expenses	\$ 133,344	\$ 212,574	\$ 187,130	\$ 56,939	\$ 33,981	\$ 623,968	\$ 502,641	\$ 179,946	\$ 682,587	\$ 1,306,555
Distributed in-kind contributions	56,051	21,019	21,019	21,019	21,019	140,127	-	-	-	140,127
Payroll taxes and benefits	7,061	12,674	11,520	4,041	3,959	39,255	87,330	45,182	132,512	171,767
Facilities expenses	57,710	23,895	2,783	28,852	2,795	116,035	19,436	19,436	38,872	154,907
Professional services	9,796	9,796	9,796	9,796	9,796	48,980	53,897	20,450	74,347	123,327
Depreciation and amortization	1,081	1,081	1,081	1,081	1,081	5,405	102,731	-	102,731	108,136
Direct program expenses	55,210	18,510	2,647	19,015	9,288	104,670	-	12,525	12,525	117,195
Promotion and publicity	-	-	1,345	8,768	8,768	18,881	15,043	36,251	51,294	70,175
Capital campaign expense	-	-	-	-	-	-	-	22,088	22,088	22,088
Supplies	2,427	2,427	2,427	2,427	2,427	12,135	12,136	12,138	24,274	36,409
Telephone and postage	1,230	1,230	1,230	1,230	1,230	6,150	6,151	6,153	12,304	18,454
Insurance expense	741	741	741	741	741	3,705	3,705	3,704	7,409	11,114
Travel	30	-	-	153	-	183	1,515	198	1,713	1,896
Thrift Store	-	-	-	-	14,174	14,174	-	-	-	14,174
Meals and entertainment	-	-	-	-	-	-	419	58	477	477
Education and training	1,290	1,290	1,290	1,290	1,290	6,450	5,073	451	5,524	11,974
Patron expense	37,089	1,544	22,063	22,063	44,367	127,126	16,544	1,032	17,576	144,702
Miscellaneous	47,606	3,983	3,983	3,983	3,983	63,538	114,415	64,535	178,950	242,488
<b>Total Expenses</b>	<b>\$ 410,666</b>	<b>\$ 310,764</b>	<b>\$ 269,055</b>	<b>\$ 181,398</b>	<b>\$ 158,899</b>	<b>\$ 1,330,782</b>	<b>\$ 941,036</b>	<b>\$ 424,147</b>	<b>\$ 1,365,183</b>	<b>\$ 2,695,965</b>

## COMBINED STATEMENTS OF CASH FLOWS

**DEGAGE MINISTRIES AND DEGAGE HOLDINGS**  
For the years ended December 31, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 483,453	\$ 1,914,084
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation and amortization	111,161	108,136
Contributions restricted for long-term purposes	(1,142,125)	(1,814,056)
Gain on disposals of property and equipment	(11,975)	-
Changes in operating assets and liabilities which provided (used) cash:		
Grants receivable	1,439	(77,182)
Promises to give	165,290	109,626
Prepaid expenses	(4,605)	4,282
Accounts payable	(81,235)	37,845
Accrued expenses	41,401	11,064
	(437,196)	293,799
<b>Net Cash Provided by (Used for) Operating Activities</b>		
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property and equipment	11,975	-
Purchase of property and equipment	(3,028,558)	(2,360,397)
	(3,016,583)	(2,360,397)
<b>Net Cash Used for Investing Activities</b>		
<b>Cash Flows from Financing Activities</b>		
Proceeds from contributions restricted for property and equipment	1,431,625	1,472,731
Increases in notes receivable	-	(5,408,875)
Proceeds from long term debt	-	8,350,000
Repayment of long term debt	(700,000)	-
	731,625	4,413,856
<b>Net Cash Provided by Financing Activities</b>		
<b>Net Change in Cash and Cash Equivalents and Restricted Cash and Cash Equivalents</b>	(2,722,154)	2,347,258
<b>Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, beginning of year</b>	6,068,001	3,720,743
<b>Cash and Cash Equivalents and Restricted Cash and Cash Equivalents, end of year</b>	<b>\$ 3,345,847</b>	<b>\$ 6,068,001</b>
<b>Supplemental disclosure of cash flow information</b>		
Cash and cash equivalents	\$ 1,801,331	\$ 1,363,652
Cash restricted for property and equipment acquisitions	1,544,516	4,704,349
	\$ 3,345,847	\$ 6,068,001
Total cash and cash equivalents and restricted cash and cash equivalents		
Cash paid during the year for interest	\$ 19,234	\$ -

## NOTES TO COMBINED FINANCIAL STATEMENTS

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DEGAGE MINISTRIES AND DEGAGE HOLDINGS  
For the years ended December 31, 2022 and 2021

### *Note A – Nature of Activities and Summary of Significant Accounting Policies*

#### **Nature of Activities**

The accompanying financial statements present the financial position, results of operations and cash flows of Degage Ministries and Degage Holdings (the “Organization”). The Organization was organized in Michigan as a not-for-profit corporation in 1967. The work of the Organization is to transform lives and restore hope to homeless and low-income individuals. With an emphasis on relationship-building and dignified services, responsive programming is offered that meets the immediate and long-term needs of the 400-500 individuals who come to Degage Ministries daily to receive assistance.

Main services of the Organization include low-cost and free meals, overnight shelter and case management for women in crisis, support groups, hygiene facilities such as showers and lockers, a mail and message center, free legal advice, haircuts, outings, and skill-building volunteer opportunities. The Organization also assists patrons find housing, obtain legal identification, secure employment, obtain treatment for medical needs, find transportation, and more.

Degage Holdings was organized in Michigan as a non-for-profit corporation set up as a supporting organization for Degage Ministries. Degage Holdings is being used to help the Organization administer the New Market Tax Credit opportunity that was closed on during the year ended December 31, 2021.

#### **Basis of Combination**

The accompanying combined financial statements present the financial position, results of operations and cash flows of Degage Ministries (the “Organization”), which includes Degage Ministries and Degage Holdings. Degage Holdings is organized solely for the support of Degage Ministries. All significant transactions and balances between the organizations have been eliminated in the consolidation.

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting, recording revenue when earned rather than when received, and recording expenses when incurred rather than when paid.

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Significant estimates include the valuation of contributed nonfinancial assets and the functional allocation of expenses between program and supporting services. Management believes that any such future changes in estimated values would not be material to the accompanying financial statements.

## NOTES TO FINANCIAL STATEMENTS

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DEGAGE MINISTRIES AND DEGAGE HOLDINGS  
For the years ended December 31, 2022 and 2021

### *Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)*

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of demand deposits in banks and cash on hand. For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. The Organization maintains cash balances in checking and savings accounts. The checking and savings accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. From time to time during the year, the Organization may have cash in a bank checking or savings account in excess of the federally insured limit.

#### **Cash Restricted for Property and Equipment Acquisitions**

Cash restricted to purchase property and equipment has been restricted by donors and is not available for operating purposes.

#### **Grants Receivable**

Grants receivable consist of available grants awarded to the Organization. The Organization expects to utilize these grants upon receipt and anticipate collection in one year or less. Conditional grants are not included as support until the conditions are met. Conditional grants received for the year ended December 31, 2022 are disclosed in Note G.

#### **Promises to Give**

The promises to give are payable over a donor-specified period and have been discounted to a present value using a risk-free interest rate applicable for the periods in which the pledge was received. The Organization evaluates promises to give for collectability based upon historical loss experience and current economic conditions. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to promises to give. The allowance for uncollectible accounts was \$24,294 and \$45,000 as of December 31, 2022 and 2021, respectively.

#### **Notes Receivable**

The Organization entered into a long-term notes receivable at the time it closed on the New Market Tax Credit transaction. The notes receivable is long term in nature as it will not begin to be repaid until the end of seven years which is the length of the New Market Tax Credit period of holding. The entire balance is expected to be paid back by 2050, with payments beginning in 2029.

## NOTES TO FINANCIAL STATEMENTS

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DEGAGE MINISTRIES AND DEGAGE HOLDINGS  
For the years ended December 31, 2022 and 2021

### *Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)*

#### **Property and Equipment**

Property and equipment are stated at cost, or in the case of donated property, at estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from 3 to 39 years. The Organization follows a capitalization policy of \$1,000 in determining assets to be depreciated. Donations of property and equipment are recorded as support at estimated fair value at the time received. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

A facility owned by the Organization is a historical landmark. As such, this facility is subject to certain requirements and restrictions for any maintenance or improvements made to the exterior of the building.

#### **Net Assets**

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### **Revenue Recognition**

The Organization reports revenues from programs which are recognized at the time the service is provided. Revenue received for programs ahead of the time the service is provided are reported as deferred revenue in the statement of financial position.



## NOTES TO FINANCIAL STATEMENTS

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DEGAGE MINISTRIES AND DEGAGE HOLDINGS  
For the years ended December 31, 2022 and 2021

### *Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)*

#### **Revenue Recognition (Continued)**

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed restrictions that are fulfilled in the same period they are received are recorded as net assets without restrictions.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, such as gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how these long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Contributions of donated noncash assets are recorded at their fair values in the period received.

A portion of the Organization's revenue is derived from cost-reimbursable governmental and private contracts and grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

#### **Contributions of Nonfinancial Assets**

The Organization recognized in-kind contributions that create or enhance nonfinancial assets or require specialized skills and would typically be purchased had they not been provided by donation. These contributions assist the programs and supportive services of the Organization and are recorded at their fair market value as contributions and expenses in the statement of activities in the period the service is provided.

In addition, many other volunteers have contributed significant time to the Organization without compensation. These contributions, although clearly substantial, are not recognized as contributions in the consolidated financial statements since the recognition criteria were not met.

See Note K for more detailed information on the donated services and goods received.

#### **Advertising**

The Organization expenses advertising costs as incurred. Advertising costs for the years ended December 31, 2022 and 2021 were \$26,549 and \$15,043, respectively.

## NOTES TO FINANCIAL STATEMENTS

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**DEGAGE MINISTRIES AND DEGAGE HOLDINGS**  
For the years ended December 31, 2022 and 2021

### ***Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)***

#### **Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2) for Degage Ministries and Section 509(a)(3) for Degage Holdings.

The Organization evaluates tax positions taken on its federal Exempt Organization Business Income Tax Returns in accordance with accounting principles generally accepted in the United States of America, which require that tax positions taken be more-likely-than-not to be sustained. Management believes that the Organization has no significant unrecognized tax benefits under that criteria. Penalties and interest, if any, assessed by income taxing authorities are included in operating expenses. The Organization's federal Exempt Organization Business Income Tax Returns are generally subject to examination by taxing authorities for three years after they were filed.

#### **Functional Expense Allocation**

The cost of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services. Such allocations are determined by management on an equitable basis.

For shared expenses that benefit all staff, a square footage allocation is generally used. This would include facilities, supplies, depreciation, telephone, and postage. All direct employee expenses are allocated in a time and effort method. The remaining expenses directly relate to their specific function and are assigned to services accordingly.

#### **Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through August 17, 2023, which is the date the financial statements were available to be issued.

#### **Reclassifications**

Certain amounts in the prior-year financial statements have been reclassified to conform to the presentation in the current-year financial statements.

## NOTES TO FINANCIAL STATEMENTS

DEGAGE MINISTRIES AND DEGAGE HOLDINGS  
For the years ended December 31, 2022 and 2021

### **Note A – Nature of Activities and Summary of Significant Accounting Policies (Continued)**

#### **New Accounting Standards**

During 2022, the Organization adopted Accounting Standards Update (ASU) No. 2020-07: *Presentation and Disclosures by Non-for-Profit Entities for Contributed Nonfinancial Assets*. As a result of the adoption of this ASU, the Organization increased transparency in its reporting of contributed nonfinancial assets. The standard was adopted retrospectively, and the adoption did not have an impact on the Organization's net assets. See Note K for further detail.

The Organization also adopted Accounting Standards Update (ASU) No. 2016-06: *Leases (Topic 842)*, as amended. This guidance is intended to improve financial reporting of lease transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions in this guidance include additional disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. Because operating leases were immaterial to net assets, the Organization did not recognize right-of-use assets and lease liabilities as of January 1, 2022. The leases will continue to be reported in accordance with the historical accounting treatment under ASC 840 until it expires.

#### **Note B – Liquidity and Availability**

The following represents the Organization's financial assets at December 31, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Financial assets:		
Cash and cash equivalents	\$ 3,345,847	\$ 6,068,001
Grants receivable, net	96,655	98,094
Promises to give, net	299,327	754,117
Notes receivable	5,408,875	5,408,875
Total financial assets	9,150,704	12,329,087
Less amounts not available to be used within one year:		
Promises to give collectible in greater than one year, net	9,040	38,333
Notes receivable	5,408,875	5,408,875
Cash within Degage Ministries for capital campaign	916,995	-
Cash restricted for property and equipment acquisitions	1,544,516	4,704,349
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,188,273</u>	<u>\$ 2,177,530</u>

Certain donor-restricted net assets are available for general expenditures within one year of the applicable year-end because the restrictions on the net assets are expected to be met by conducting the normal activities related to programs of the Organization in the coming year. Accordingly, the related resources have been included in the financial assets available to meet general expenditures within one year.

## NOTES TO FINANCIAL STATEMENTS

**DEGAGE MINISTRIES AND DEGAGE HOLDINGS**  
For the years ended December 31, 2022 and 2021

### **Note C – Pledges Receivable**

The balance of unconditional promises to give is expected to be collected as follows:

	<b>2022</b>	<b>2021</b>
Amounts due in:		
Less than one year	\$ 290,287	\$ 715,784
One to five years	33,334	83,333
Total unconditional promises to give	323,621	799,117
Less allowance for uncollectible pledges	(24,294)	(45,000)
Total unconditional promises to give, net	<u>\$ 299,327</u>	<u>\$ 754,117</u>

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate. When the donor makes an initial unconditional promise to give, a fair value calculation is completed and is only recognized when material. There were no material discounts recognized as of December 31, 2022 and 2021.

### **Note D – Property and Equipment**

Property and equipment at December 31, 2022 and 2021 consisted of the categories below. All construction in progress is related to the capital campaign building project outstanding as of year end, see Note F.

	<b>2022</b>	<b>2021</b>	<b>Estimated Useful Life - Years</b>
Land	\$ 68,333	\$ 68,333	
Building and improvements	2,899,709	2,899,709	15 - 40
Equipment	138,686	138,686	5 - 10
Vehicles	66,779	45,652	5
Furniture and fixtures	145,451	145,451	3 - 7
Computers and office equipment	65,916	65,916	5 - 10
Construction in progress	5,824,159	2,835,626	
	9,209,033	6,199,373	
Accumulated depreciation	<u>(1,367,775)</u>	<u>(1,275,512)</u>	
Property and equipment, net	<u>\$ 7,841,258</u>	<u>\$ 4,923,861</u>	

## NOTES TO FINANCIAL STATEMENTS

DEGAGE MINISTRIES AND DEGAGE HOLDINGS  
For the years ended December 31, 2022 and 2021

### **Note E – Net Assets With Donor Restrictions**

Net asset with donor restrictions as of December 31, 2022 and 2021 are available for the following purposes:

	<b>2022</b>	<b>2021</b>
Capital campaign	\$ 5,631,989	\$ 4,558,867
Purchase of fixed assets	33	33
Total Net Assets with Donor Restrictions	<u>\$ 5,632,022</u>	<u>\$ 4,558,900</u>

Net assets released from donor-imposed restrictions:

	<b>2022</b>	<b>2021</b>
Capital campaign	\$ 69,003	\$ 170,159
Purchase of fixed assets	-	4,463
General expenses	-	230
Total Net Assets Released from Donor Restrictions	<u>\$ 69,003</u>	<u>\$ 174,852</u>

### **Note F - Capital Campaign**

In January of 2017, the Organization acquired an additional building that is adjacent to its current location of operations. The Organization intends to renovate the facilities to combine, expand, and improve current operations. Renovation of these facilities began in fall of 2020 and expected to be complete by the spring of 2023.

To fund the renovation costs, the Organization has raised support of \$7,016,399 through its Capital Campaign. Some of these contributions have been released from restrictions as a result of expenditures meeting the purpose of the donor restrictions. The Organization intended to raise around \$6,700,000 of the estimated renovation costs before beginning major construction. Total renovation costs are estimated to be \$9,000,000. Cash and promises to give raised through the Capital Campaign are restricted to renovation expenses and to cover payment of the lines of credit. Fundraising expenses for 2022 and 2021 include amounts paid to consultants to help raise funds.

### **Note G – Commitments and Contingencies**

In 2018, the Organization initiated a capital campaign to finance building renovations that are estimated to cost \$9,000,000. The campaign is expected to wrap up in 2023. A full capital campaign is underway to collect additional donations toward the project. There were net assets with donor restrictions of \$5,662,995 and \$4,558,867 as of December 31, 2022 and 2021, respectively, to use toward these costs.

## NOTES TO FINANCIAL STATEMENTS

DEGAGE MINISTRIES AND DEGAGE HOLDINGS  
For the years ended December 31, 2022 and 2021

### **Note G – Commitments and Contingencies (Continued)**

As of December 31, 2020, the Organization had two conditional grants receivable of \$800,000 from two major donors to be used towards building renovation expenses. The grant for \$300,000 was conditioned upon receiving 75% of the capital campaign goal. The grant for \$500,000 was conditioned upon the timeline of completed construction and complying with various other terms and conditions of the grant agreement. The conditional grants will be considered unconditional when the grant requirements are met. As of December 31, 2022, the \$300,000 grant was received in full and \$450,000 of the \$500,000 balance was received. The condition was met to recognize the remaining \$50,000 as a receivable as of December 31, 2022.

As of December 31, 2022, the Organization had an additional conditional grant of \$500,000 from a major donor to be used towards building renovation expenses. The grant is conditioned upon verification that the first \$250,000 disbursement is expended in full and in accordance with the terms of the grant agreement. As of December 31, 2022, \$250,000 was received, leaving a total conditional balance of \$250,000.

### **Note H – Related Parties**

During 2022 and 2021, the Organization's line of credits and majority cash accounts were held by a local bank whose senior commercial lender is a member of the board of directors to the Organization. However, this member excuses himself from any deliberations on the lines of credit and the cash accounts.

The following related party transactions occurred between the Organization and its board members:

	<b>2022</b>	<b>2021</b>
Nature of service:		
Construction labor and materials	\$ 108,031	\$ 1,970
Food items	50,501	-
Professional/marketing fees	9,435	17,250
Total related party transactions	<u>\$ 167,967</u>	<u>\$ 19,220</u>

In addition, the Organization received monetary donations from related parties totaling \$192,110 and \$75,259 for the years ended December 31, 2022 and 2021, respectively.

### **Note I – Notes Payable**

During 2021, the Organization entered into a \$1,000,000 loan from Macatawa Bank. Interest payments are to be made monthly beginning November 25, 2021 at the prime rate. The loan was to be repaid in one payment of all outstanding principal and unpaid accrued interest at its maturity on October 25, 2024. However, the Organization paid \$700,000 of the balance during the year. The prime rate was 7.5% and 3.25% on December 31, 2022 and December 31, 2021, respectively.

## NOTES TO FINANCIAL STATEMENTS

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS For the years ended December 31, 2022 and 2021

#### **Note I – Notes Payable (Continued)**

During 2021, Degage Holdings entered into a \$7,350,000 loan agreement with MCC 401 CDE LLC (a Michigan limited liability company). The loan proceeds are to be used to fund the renovation and expansion of the building. Payments on the remaining balances are expected to begin in 2029, including interest at the rate of 1.00%. Interest only payments are required between now and 2029 and those payments are approximately \$70,000 per year. Due to the payments being made to Degage Ministries out of Degage Holdings, these payments have been eliminated on the combining financial statements.

Principal payments are due as follows:

December 31, 2023	\$	-
2024		300,000
2025		-
2026		-
2027		-
Thereafter		<u>7,350,000</u>
<b>Total</b>	<b>\$</b>	<b><u>7,650,000</u></b>

#### **Note J – Line of Credit**

During 2021, the Organization entered into a \$3,250,000 line of credit with Macatawa Bank to fund construction of their building. The line of credit matures on March 30, 2023. Outstanding borrowings bear interest at the prime rate which was 7.5% on December 31, 2022. There were no outstanding borrowings on the line of credit as of December 31, 2022 and 2021.

#### **Note K – Contributed Nonfinancial Assets**

Contributed nonfinancial assets recognized within the statement of activities as of December 31, 2022 and 2021 included:

<b>Category</b>	<b>2022</b>	<b>2021</b>
Clothing	\$ 16,627	\$ 23,908
Food	189,012	26,811
Household goods	22,266	12,294
Services	30,926	33,058
Miscellaneous	12,064	45,557
	<u>\$ 270,895</u>	<u>\$ 141,627</u>

## NOTES TO FINANCIAL STATEMENTS

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS For the years ended December 31, 2022 and 2021

#### *Note K – Contributed Nonfinancial Assets (Continued)*

<b>Category</b>	<b>2022 Revenue Recognized</b>	<b>Utilization in Programs/Activities</b>	<b>Donor Restrictions</b>	<b>Valuation Techniques and Inputs</b>
Clothing	\$16,627	Open Door Women's Center - thrift store	No associated donor restrictions.	In valuing clothing, the Organization estimated the fair value on the basis of estimates from wholesale values that would be received for selling similar used products in the United States. Donor provided values were used when given.
Food	\$189,012	Community Center meal services	No associated donor restrictions.	In valuing food, the Organization estimated the fair value on the basis of estimates from wholesale values that would be received for selling similar products in the United States. Donor provided values were used when given.
Household goods	\$22,266	Open Door Women's Center, Advancement Center, Health and Wellness Center, and general building needs	No associated donor restrictions.	In valuing household goods, the Organization estimated the fair value on the basis of estimates from wholesale values that would be received for selling similar products in the United States. Donor provided values were used when given.
Services	\$30,926	Financial consulting and mechanical contractors were used by general administration. Legal services were provided to patrons of the ministry through the Advancement Center.	No associated donor restrictions.	Contributed services from attorneys are valued at the estimated fair value based on current rates for similar legal services. Contributed services from other licensed professionals were valued in the same manner.



## NOTES TO FINANCIAL STATEMENTS

DEGAGE MINISTRIES AND DEGAGE HOLDINGS  
For the years ended December 31, 2022 and 2021

### Note K – Contributed Nonfinancial Assets (Continued)

Category	2022 Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Miscellaneous	\$12,064	Special events, general overall program usage	No associated donor restrictions.	Miscellaneous donations, most commonly in the form of goods donated for special events, were valued by the Organization by estimating the fair value of the products on the basis of estimates from wholesale values that would be received for selling similar products in the United States. Donor provided values were used when given.

Donated services consist of the following for the years ended December 31, 2022 and 2021:

	2022	2021
Nursing and counseling services	\$ -	\$ 400
Accounting services	-	2,907
Legal services	-	3,997
Hairstylist services	-	1,770
Maintenance	368	7,984
Shipping services	5,058	-
Professional services	25,500	16,000
Total contributed services	<u>\$ 30,926</u>	<u>\$ 33,058</u>

### Note L – Subsequent Events

Subsequent year end, in an effort to start its Bridge to Home program, the Organization purchased a house at a sales price of \$202,000, on February 22, 2023. This new program seeks to provide temporary housing for homeless individuals searching for a long-term housing solution.

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## SUPPLEMENTARY INFORMATION

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## COMBINING STATEMENTS OF FINANCIAL POSITION

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

December 31, 2022

	Degage Ministries	Degage Holdings	Eliminations	Total
<b>Assets</b>				
Cash	\$ 1,801,331	\$ -	\$ -	\$ 1,801,331
Cash restricted for property and equipment acquisitions	-	1,544,516	-	1,544,516
Grants receivable, net	96,655	-	-	96,655
Promises to give, net	299,327	-	-	299,327
Investments	2,260,929	-	(2,260,929)	-
Prepaid expenses	4,605	-	-	4,605
Notes receivable	5,408,875	-	-	5,408,875
Property and equipment, net	48,521	7,792,737	-	7,841,258
<b>Total Assets</b>	<b>\$ 9,920,243</b>	<b>\$ 9,337,253</b>	<b>\$ (2,260,929)</b>	<b>\$16,996,567</b>
<b>Liabilities and Net Assets</b>				
Accounts payable	\$ 76,222	\$ -	\$ -	\$ 76,222
Accrued expenses	52,531	18,375	-	70,906
Notes payable	300,000	7,350,000	-	7,650,000
<b>Total Liabilities</b>	<b>428,753</b>	<b>7,368,375</b>	<b>-</b>	<b>7,797,128</b>
<b>Net Assets</b>				
Without donor restrictions	3,859,468	1,968,878	(2,260,929)	3,567,417
With donor restrictions	5,632,022	-	-	5,632,022
<b>Total Net Assets</b>	<b>9,491,490</b>	<b>1,968,878</b>	<b>(2,260,929)</b>	<b>9,199,439</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 9,920,243</b>	<b>\$ 9,337,253</b>	<b>\$ (2,260,929)</b>	<b>\$16,996,567</b>

## COMBINING STATEMENTS OF FINANCIAL POSITION

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

December 31, 2021

	Degage Ministries	Degage Holdings	Eliminations	Total
<b>Assets</b>				
Cash	\$ 1,363,652	\$ -	\$ -	\$ 1,363,652
Cash restricted for property and equipment acquisitions	-	4,704,349	-	4,704,349
Grants receivable, net	98,094	-	-	98,094
Promises to give, net	754,117	-	-	754,117
Investments	2,260,929	-	(2,260,929)	-
Notes receivable	5,408,875	-	-	5,408,875
Property and equipment, net	135,979	4,787,882	-	4,923,861
<b>Total Assets</b>	<b>\$10,021,646</b>	<b>\$ 9,492,231</b>	<b>\$ (2,260,929)</b>	<b>\$ 17,252,948</b>
<b>Liabilities and Net Assets</b>				
Accounts payable	\$ 157,457	\$ -	\$ -	\$ 157,457
Accrued expenses	29,505	-	-	29,505
Notes payable	1,000,000	7,350,000	-	8,350,000
<b>Total Liabilities</b>	<b>1,186,962</b>	<b>7,350,000</b>	<b>-</b>	<b>8,536,962</b>
<b>Net Assets</b>				
Without donor restrictions	4,275,784	2,142,231	(2,260,929)	4,157,086
With donor restrictions	4,558,900	-	-	4,558,900
<b>Total Net Assets</b>	<b>8,834,684</b>	<b>2,142,231</b>	<b>(2,260,929)</b>	<b>8,715,986</b>
<b>Total Liabilities and Net Assets</b>	<b>\$10,021,646</b>	<b>\$ 9,492,231</b>	<b>\$ (2,260,929)</b>	<b>\$ 17,252,948</b>

## COMBINING STATEMENTS OF ACTIVITIES

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

For the year ended December 31, 2022

	Degage Ministries		Degage Holdings		Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
<b>Public Support and Revenue</b>						
Contributions of cash and other financial assets	\$ 2,246,414	\$ 1,142,125	\$ 25,000	\$ -	\$ -	\$ 3,413,539
Contributions of nonfinancial assets	270,895	-	-	-	-	270,895
Government grants	158,577	-	-	-	-	158,577
Program revenue	120,277	-	-	-	-	120,277
Gross revenues from special events:						
Event revenue	161,596	-	-	-	-	161,596
Less: direct expenses	(60,335)	-	-	-	-	(60,335)
Net special events revenue	101,261					101,261
Interest income	74,874	-	11,637	-	(73,500)	13,011
Other income	108,898	-	-	-	-	108,898
Gain on disposals of property and equipment	11,975	-	-	-	-	11,975
Net assets released from restrictions	69,003	(69,003)	-	-	-	-
<b>Total Public Support and Revenue</b>	<b>3,162,174</b>	<b>1,073,122</b>	<b>36,637</b>	<b>-</b>	<b>(73,500)</b>	<b>4,198,433</b>
<b>Expenses</b>						
Dining Room	934,437	-	-	-	-	934,437
Life Enrichment Center	595,957	-	-	-	-	595,957
Open Door	774,100	-	-	-	-	774,100
Paul's Mom's Cookies	109,064	-	-	-	-	109,064
Workforce Development	161,044	-	-	-	-	161,044
Management and general	358,616	-	209,990	-	(73,500)	495,106
Fundraising expenses	645,271	-	-	-	-	645,271
<b>Total Expenses</b>	<b>3,578,490</b>	<b>-</b>	<b>209,990</b>	<b>-</b>	<b>(73,500)</b>	<b>3,714,980</b>
<b>Change in Net Assets</b>	<b>(416,316)</b>	<b>1,073,122</b>	<b>(173,353)</b>	<b>-</b>	<b>-</b>	<b>483,453</b>
<b>Net Assets - beginning of year</b>	<b>4,275,784</b>	<b>4,558,900</b>	<b>2,142,231</b>	<b>-</b>	<b>(2,260,929)</b>	<b>8,715,986</b>
<b>Net Assets - end of year</b>	<b>\$ 3,859,468</b>	<b>\$ 5,632,022</b>	<b>\$ 1,968,878</b>	<b>\$ -</b>	<b>\$ (2,260,929)</b>	<b>\$ 9,199,439</b>

## COMBINING STATEMENTS OF ACTIVITIES

### DEGAGE MINISTRIES AND DEGAGE HOLDINGS

For the year ended December 31, 2021

	Degage Ministries		Degage Holdings		Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
<b>Public Support and Revenue</b>						
Contributions of cash and other financial assets	\$ 2,083,704	\$ 1,814,056	\$ -	\$ -	\$ -	\$ 3,897,760
Contributions of nonfinancial assets	141,627	-	-	-	-	141,627
Government grants	136,488	-	-	-	-	136,488
Program revenue	103,843	-	-	-	-	103,843
Gross revenues from special events:						
Event revenue	323,100	-	-	-	-	323,100
Less: direct expenses	(48,479)	-	-	-	-	(48,479)
Net special events revenue	274,621	-	-	-	-	274,621
Interest income	13,542	-	-	-	(12,658)	884
Other income	54,826	-	2,260,929	-	(2,260,929)	54,826
Net assets released from restrictions	174,852	(174,852)	-	-	-	-
<b>Total Public Support and Revenue</b>	<b>2,983,503</b>	<b>1,639,204</b>	<b>2,260,929</b>	<b>-</b>	<b>(2,273,587)</b>	<b>4,610,049</b>
<b>Expenses</b>						
Dining Room	410,666	-	-	-	-	410,666
Life Enrichment Center	310,764	-	-	-	-	310,764
Open Door	269,055	-	-	-	-	269,055
Paul's Mom's Cookies	181,398	-	-	-	-	181,398
Workforce Development	158,899	-	-	-	-	158,899
Management and general	834,996	-	118,698	-	(12,658)	941,036
Fundraising expenses	424,147	-	-	-	-	424,147
<b>Total Expenses</b>	<b>2,589,925</b>	<b>-</b>	<b>118,698</b>	<b>-</b>	<b>(12,658)</b>	<b>2,695,965</b>
<b>Change in Net Assets</b>	<b>393,578</b>	<b>1,639,204</b>	<b>2,142,231</b>	<b>-</b>	<b>(2,260,929)</b>	<b>1,914,084</b>
<b>Net Assets - beginning of year</b>	<b>3,882,206</b>	<b>2,919,696</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,801,902</b>
<b>Net Assets - end of year</b>	<b>\$ 4,275,784</b>	<b>\$ 4,558,900</b>	<b>\$ 2,142,231</b>	<b>\$ -</b>	<b>\$ (2,260,929)</b>	<b>\$ 8,715,986</b>