DIGNITYMOVES
REIMAGINING SCALABLE SOLUTIONS TO HOMELESSNESS

November 6, 2023

Dear DignityMoves Supporters,

Since the inception of DignityMoves two years ago, our organization has been at the forefront of developing innovative solutions for homelessness, influenced by private-sector pragmatism and innovation. Our focus has been centered on ending unsheltered homelessness through a scalable and cost-effective interim supportive housing approach.

We initiated our journey with pilot projects in San Francisco and Santa Barbara and have now expanded our pipeline to 15 projects at various phases in development. The 2022-2023 fiscal year was significant in our growth. Our efforts in Santa Barbara were recognized with unanimous approval by the Santa Barbara County Board of Supervisors, leading to DignityNOW Santa Barbara, a bold initiative to create sufficient Interim Supportive Housing for everyone experiencing unsheltered homelessness across the County of Santa Barbara. Additionally, our co-sponsorship of the SB 634 legislation underscores our dedication to establishing interim housing as a pivotal strategy in addressing homelessness.

Our operational scale has grown, with our funding increasing from $5.7 million in the prior year to $32 million in the current year. We have provided housing to over 300 individuals, and our upcoming projects indicate the potential to serve as many as 22,000 people over the next five years.

Recognizing that the essential element of interim supportive housing is the care and programs people benefit from once they come to our communities, we launched our Excellence in Supportive Services program to share best practices and ensure everyone at DignityMoves benefits from a holistic approach. The recognition our work has received, including mentions in respected publications, speaks to the efficacy of our approach to housing.

Recognition from programs like the Starbucks Neighborhood Grants Program and Wells Fargo's philanthropic services emphasizes our community engagement and the tangible value DignityMoves offers.

As we move forward, our objectives are clear and centered on continued innovation and sustainable solutions to unsheltered homelessness. The support from our donors, partners, and advocates remains paramount. Our central mission continues to guide us: to address unsheltered homelessness and restore dignity one roof at a time.

Sincerely,

Elizabeth Funk
Founder and CEO
DignityMoves

HARRIS
CPAs

Financial Statements

DignityMoves and Subsidiaries
(a nonprofit organization)
Consolidated Financial Statements
Years Ended June 30, 2023 and 2022

Helping you succeed, financially and beyond.

Table of Contents

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
DignityMoves
San Francisco, California

Opinion

We have audited the accompanying consolidated financial statements of DignityMoves (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of DignityMoves as of June 30, 2023, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of DignityMoves 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 Statement

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

In preparing the consolidated financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DignityMoves' ability to continue as a going concern for one year after the date that the consolidated financial statement is issued.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the consolidated financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statement, 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 consolidated financial statement.
- 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 DignityMoves' 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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DignityMoves' 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 Summarized Comparative Information

We have previously audited DignityMoves' June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harris CPAs

Meridian, Idaho
November 7, 2023

DIGNITYMOVES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2023
With Comparative Totals as of June 30, 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 5,391,750	$ 10,099,710
Investments	104,350	0
Accounts receivable	58,700	119,970
Grants receivable	468,297	125,000
Prepaid expenses	13,942	3,587
Total Current Assets	6,037,039	10,348,267
Property and Equipment, net	4,248,780	0
Total Assets	$ 10,285,819	$ 10,348,267
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 1,903,065	$ 1,128,191
Accrued liabilities	79,127	41,932
Unearned revenue	0	8,331,971
Total Liabilities	1,982,192	9,502,094
Net Assets		
Without donor restriction	7,656,893	721,173
With donor restrictions	646,734	125,000
Total Net Assets	8,303,627	846,173
Total Liabilities and Net Assets	$ 10,285,819	$ 10,348,267

See notes to consolidated financial statements.

DIGNITYMOVES
CONSOLIDATED STATEMENTS OF ACTIVITY
For the Year Ended June 30, 2023
With Comparative Totals as of June 30, 2022

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues and Support				
Contributions	$ 5,116,296	$ 1,000,000	$ 6,116,296	$ 1,826,236
State grants	5,663	24,925,927	24,931,590	3,056,041
Foundation grants		200,000	200,000	250,000
Program service fees	962,779		962,779	410,390
Contributed nonfinancial assets	566,062		566,062	234,019
Investment income	19,317		19,317	2,291
	6,670,117	26,125,927	32,796,044	5,778,977
Net assets released from restrictions	25,604,193	(25,604,193)	0	0
Total Revenues and Support	32,274,310	521,734	32,796,044	5,778,977
Expenses				
Program Services – Innovative Housing				
Alameda	14,873,904		14,873,904	513,420
Rohnert Park	8,182,390		8,182,390	2,965,743
Other locations	1,269,901		1,269,901	1,105,420
Total Program Services	24,326,195	0	24,326,195	4,584,583
Supporting Services				
General and administrative	454,579		454,579	257,973
Fundraising	557,816		557,816	72,269
Total Supporting Services	1,012,395	0	1,012,395	330,242
Total Expenses	25,338,590	0	25,338,590	4,914,825
Change in Net Assets	6,935,720	521,734	7,457,454	864,152
Net Assets				
Beginning of Year	721,173	125,000	846,173	(17,979)
End of Year	$ 7,656,893	$ 646,734	$ 8,303,627	$ 846,173

See notes to consolidated financial statements.

DIGNITYMOVES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022

	Program Services - Innovative Housing			Supporting Services			
	Alameda	Rohnert Park	Other Locations	Management & General	Fundraising	2023 Total	2022 Total
Cost of construction	$ 14,537,226	$ 8,088,356	$ 386,859	$ 0	$ 0	$ 23,012,441	$ 4,124,007
Salaries and benefits	313,578	77,569	680,934	191,906	308,247	1,572,234	532,157
Professional fees	6,208		80,682	192,917	215,779	495,586	176,049
Subscriptions			645	21,022	560	22,227	3,299
Travel	9,489	8,375	26,818	15,784	24,041	84,507	9,005
Other expenses	7,403	8,090	97,520	30,725	7,857	151,595	70,308
Total Expenses	$ 14,873,904	$ 8,182,390	$ 1,273,458	$ 452,354	$ 556,484	$ 25,338,590	$ 4,914,825

See notes to consolidated financial statements.

DIGNITYMOVES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ 7,457,454	$ 864,152
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,878	0
Unrealized gain	(4,350)	0
Donation of stock	(100,000)	0
Changes in operating assets and liabilities:		
Accounts receivable	61,270	(119,970)
Grants receivable	(343,297)	(125,000)
Prepaid expenses	(10,355)	(3,587)
Unearned revenue	(8,331,971)	8,331,971
Accounts payable	774,874	1,081,594
Accrued expenses	37,195	26,613
Net Cash Provided (Used) by Operating Activities	(4,57,302)	10,055,773
Cash Flows From Investing Activities		
Construction in progress	(4,236,211)	0
Purchase of property and equipment	(14,447)	0
Net Cash Provided (Used) by Investing Activities	(4,250,658)	0
Net Change in Cash and Cash Equivalents	(4,707,960)	10,055,773
Cash and Cash Equivalents - Beginning of Year	10,099,710	43,937
Cash and Cash Equivalents - End of Year	$ 5,391,750	$ 10,099,710

See notes to consolidated financial statements.

Note A – Summary of Significant Accounting Policies

Nature of Organization

DignityMoves, (the Organization), is a California nonprofit corporation, established by a group of concerned business leaders who are all members of Young Presidents Organization (YPO). Frustrated with the state of unsheltered homelessness in their communities, the Organization pooled their collective expertise and resources to take a fresh look at the situation, and find innovative solutions to end unsheltered homelessness. The primary focus is expanding the availability of "Interim Supportive Housing" which differs from traditional "shelters" because everyone gets the dignity of their own private space–with a door that locks. The organization's focus is scale, with rapid and cost-effective approaches. In each community the Organization partners with exceptional services agencies who help clients make positive steps forward: connecting them with mental and behavioral healthcare, employment and housing specialists, and a myriad of other critical resources.

As of June 30, 2023, the Organization facilitated the construction of innovative housing communities within multiple locations throughout California. In the previous fiscal year, the Organization successfully opened their first community 33 Gough (70 units) in San Francisco. In this fiscal year, the Organization successfully opened locations within Downtown Santa Barbara (34 units) in August 2022, Labath Landing (60 units) in Rohnert Park in October 2022 and Dignity Village Alameda (47 units) in May 2023. Additionally, two additional locations started construction and are anticipated to be open in 2024 within the County of Santa Barbara: Hope Village (94 units) and La Posada (80 units).

The Organization has two wholly owned subsidiaries: DignityMoves Hope Village, LLC and DignityMoves La Posada, LLC. Both subsidiaries are single member limited liability companies (SMLCC), with Dignity Moves being the sole member, and are treated as disregarded entities for tax purposes.

Principles of Consolidation

The accompanying financial statements present the consolidation of the financial statements of DignityMoves and it's supporting subsidiaries, DignityMoves Hope Village, LLC and DignityMoves La Posada, LLC, which are under common control. Inter-entity accounts and transactions are eliminated in consolidation.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Note A – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The Organization reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

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

Cash and Cash Equivalents

Cash includes cash on hand as well as checking accounts with financial institutions. The Organization considers all short-term investments purchased with maturity of three months or less to be cash equivalents.

Concentration of Credit and Income Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of financial institution balances. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to $250,000. At June 30, 2023 and 2022, the Organization's uninsured balances totaled $3,293,274 and $9,824,263, respectively.

As of June 30, 2023,the Organization had two state grants that comprised 70% of revenue. As of June 30, 2022, the Organization had one state grant that comprised 54% of total revenue.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Note A – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are reported at their net realizable amount on the balance sheet. Accounts are written off when found to be uncollectible by the Organization. Historically, all of the Organization's accounts receivable have been collectable. Primarily all of the Organization's receivables are due to the timing between contributions pledged or grants awarded, and the date the funds were received.

Fair Value

The Organization uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

Construction in Progress

Construction in progress consists of modular units and ground lease improvements. Construction in progress are stated at cost and include all direct material and indirect cost of construction incurred during the development period. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use. At June 30, 2023, the Organization has recorded within construction in progress $2,970,316 for the construction costs of modular units and $1,265,895 for ground lease improvements.

Property and Equipment

Property and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. All equipment with a fair market value in excess of $1,500 and a useful life of more than one year is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Grant Revenues and Receivables

All grants, except for expenditure reimbursement grants, are recognized as income when the grantor agency agrees to provide the funds to the Organization. Expenditure reimbursement grants are recognized as income when the related expenditures are made.

Note A – Summary of Significant Accounting Policies (Continued)

Unearned Revenue

The Organization reports earnings from program service fees by the proportional performance method of accounting. In accordance with ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), contract liabilities are recognized when program service fees have been received, but the performance obligations related to the received consideration have yet to be satisfied. As is common within the industry, contract liabilities are referred to as unearned revenue. Management has determined there were no circumstances that would require contract assets to be recorded on the statements of financial position at June 30, 2022.

Upon receipt of a prepayment for services to be performed, the Organization recognizes a liability in the amount of the prepayment for its unsatisfied performance obligations to be completed at a future date. At June 30, 2022, the Organization has recorded a liability of $8,331,971, respectively. As of June 30, 2023, upon satisfaction of the performance obligation, the Organization recognized the entirety of the liability as revenue. As of June 30, 2023, the Organization recognized $8,270,361 as state grant revenue and $61,610 as program service fee revenue within the Statement of Activity.

Contributions and Donor Imposed Restrictions

Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as revenue or support with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, 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 restriction.

The Organization recognizes grants and contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Contributed Nonfinancial Assets

The Organization records in-kind goods based on the fair value as described in generally accepted accounting principles. The Organization recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

Note A – Summary of Significant Accounting Policies (Continued)

Program Service Fee Revenue

The Organization earns fees for the management of the development of the communities. These fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. These transactions typically have a single performance obligation that is generally satisfied over time as work progresses because a continuous transfer of control to the customer. Typically revenue is recognized over time using an input measure to measure progress. The Organization generally uses the cost-to-cost measure of progress method because it best depicts the transfer of control to the customer which occurs as the Organization incurs costs on its contracts.

The Organization also earns fees for providing consultation services. These fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. Revenue is recognized upon the transfer of control of services to a customer in an amount that reflects the consideration the Organization expects to receive in exchange for the services. Transfer of control can also occur over time for services as the recipient receives the benefit over contract terms. As of June 30, 2023 and 2022, the Organization earned $962,779 and $410,390 in program service fee revenue, respectively.

Advertising

The Organization expenses advertising as costs are incurred. Advertising expenses totaled $0 and $308 for the periods ended June 30, 2023 and 2022, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation, employee benefits, payroll related taxes, and certain office expenses, which are allocated on the basis of estimates of time and effort, and utilities. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The DignityMoves is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Note A – Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

The subsidiaries, DignityMoves Hopes Village, LLC and DignityMoves La Posada, LLC, are limited liability companies, thus no income tax expense has been recorded in the financial statements. Taxable income of the subsidiaries are passed through to the Organization.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of that position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal 2023. The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2017.

Comparative data

The financial statements include certain 2022 summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the 2022 financial statements from which the summarized information as derived.

Reclassifications

Certain amounts at June 30, 2022 have been reclassified to conform to the current year presentation. These reclassifications had no effect on net assets for the year ended June 30, 2022.

Subsequent Events

DignityMoves currently has 15 projects in the pipeline in various stages of planning, pre-development and construction. Some of these locations include Grover Beach, Thousand Oaks, San Jose, Modesto, San Luis Obispo, Watsonville, and San Bernardino. The Organization has evaluated subsequent events through November 7, 2023, which is the date the financial statements were available to be issued.

Note B – Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial assets available within one year		
Cash and cash equivalents	$	5,391,750
Accounts and grants receivable		526,997
Investments		104,350
Total financial assets available within one year		6,023,097
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions		(646,734)
Total financial assets available within one year after restriction	$	5,376,363

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, at June 30, 2023, all net assets with donor restrictions are available for payment of any major expenditures incurred, except for accounts and grants receivable which are available when the receivable is collected, which is expected within the next year, and the expenditure is incurred.

Note C – Fair Value Measurements

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
Level 2	Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value instrument.

Note C – Fair Value Measurements (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Organization's investments are actively traded and measured on a daily basis using Level 1 inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value measured on a recurring basis as of June 30, 2023:

		Fair Value Measurements Using		
	Total	**Level 1**	**Level 2**	**Level 3**
Mutual funds	$ 104,350	$ 104,350	$ 0	$ 0

As of June 30, 2022, no investments were held by the Organization.

Note D – Investments

Investments as of June 30, 2023 are summarized as follows:

	2023	**2022**
Cost	$ 100,000	$ 0
Unrealized gain (loss)	4,350	0
	$ 104,350	$ 0

Note D – Investments (Continued)

Investment income consists of the following for the years ended June 30:

	2023	2022
Interest and dividends	$ 14,967	$ 2,291
Unrealized gain (loss)	4,350	0
	$ 19,317	$ 2,291

Note E – Property and Equipment

Property and equipment consisted of the following at December 31:

	2023	2022
Furniture, fixtures and equipment	$ 14,447	$ 0
Construction in progress	4,236,211	0
	4,250,658	0
Less accumulated depreciation	(1,878)	0
Property and equipment, net	$ 4,248,780	$ 0

For the years ended June 30, 2023 and 2022, depreciation expense was $1,878 and $0, respectively.

Note F – Unearned Revenue

In December 2021, the Organization was awarded a grant from the State of California for the construction of an innovative housing community within Rohnert Park. The Organization received $11,400,000 from the State to cover capital costs and program service fee. Due to the right of return clause, as specified within the grant, the Organization is required to account for the grant as conditional.

Note F – Unearned Revenue (Continued)

Unearned revenue is comprised of both unearned administrative fees and future capital construction costs. Recognition of revenue is determined by the amount of cost incurred in support of the construction of the innovative housing community and the satisfaction of performance obligation terms of the program service fee. At June 30, 2022, $8,331,971 of the state grant was recognized as unearned revenue, respectively. As of June 30, 2023 and 2022, the Organization recognized $8,270,360 and $2,729,639 as state grant revenue and $61,611 and $338,390 as program service fee revenue, respectively.

Note G – Net Assets

All net assets with donor restrictions are restricted for the purpose of use within the program for which the grants or donations were received. The detail of the Organization's net asset categories at June 30 is as follows:

	2023	2022
Net assets without donor restrictions:		
Net invested in property and equipment	$ 4,248,780	$ 0
Undesignated surplus	3,408,113	721,173
Total without donor restrictions	7,656,893	721,173
Net assets with donor restrictions:		
Non-government grants with time restrictions	0	125,000
Non-government grants with purpose restrictions	646,734	0
Total net assets	$ 8,303,627	$ 846,173

Note H – Retirement Plan

The Organization has a 401(k) Plan ("Plan") to provide retirement and incidental benefits for its employees. Employees may contribute up to 100% of their compensation, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Plan provides for discretionary contributions as determined by the board of directors. No discretionary contributions were made in 2023 and 2022.

Note I – Contributed Nonfinancial Assets

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statement of activities included:

	2023	2022
Furniture	$ 79,256	$ 65,918
Services	486,806	168,101
Total in-kind donations	$ 566,062	$ 234,019

DignityMoves recognized contributed nonfinancial assets within revenue, including contributed furniture and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed furniture was used in domestic community development and services to community shelters. DignityMoves estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

Contributed services recognized comprise professional services from attorneys advising DignityMoves on various administrative legal matters, construction labor, project management and architectural design services. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

Note J – Related Party Transactions

During the years ended June 30, 2023 and 2022, the Organization received contributions totaling $67,584 and $70,100 from related parties, respectively.

Note K – Ground Lease

DignityMoves entered into two land lease agreement with the County of Santa Barbara. The agreement related the La Posada project commenced on June 23, 2023 and is expected to expire on June 23, 2028. The agreement related to the Hope Village project commenced on February 28, 2023 and is expected to expire on February 28, 2028. An extension beyond five years would be subject to approval by the County of Santa Barbara. The County is providing both of these leases as contributed nonfinancial assets, which will be recognized within the years that the usage of the land is provided.