

THE MAGDALEN HOUSE

Financial Statements
(With Independent Auditor's Report Thereon)

December 31, 2023 and 2022

THE MAGDALEN HOUSE
Table of Contents
December 31, 2023 and 2022

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8

Independent Auditor's Report

To the Board of Directors of
The Magdalen House:

Opinion

We have audited the accompanying financial statements of The Magdalen House (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 Magdalen House (the Organization) as of December 31, 2023 and 2022, and the changes in their net assets and 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 (GAAS). 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 Organization 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 audit 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Organization's ability to continue as a going concern for one year after the date that the financial statements are 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 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 statements.

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 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 Organization'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 Organization'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.

STILL BURTON LLP

Still Burton LLP

Farmers Branch, Texas
September 19, 2024

THE MAGDALEN HOUSE
 Statements of Financial Position
 December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 754,710	\$ 434,280
Pledges receivable, net	55,500	22,451
Promotional items on hand	6,478	6,478
Prepaid expenses	61,435	38,026
Investment in bingo unit	65,451	65,451
Fixed assets, net	<u>3,135,146</u>	<u>3,805,069</u>
 Total assets	 <u>\$ 4,078,720</u>	 <u>\$ 4,371,755</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ <u>78,688</u>	\$ <u>145,377</u>
 Net Assets:		
Without donor restrictions	3,116,792	3,654,879
With donor restrictions	<u>883,240</u>	<u>571,499</u>
Total net assets	<u>4,000,032</u>	<u>4,226,378</u>
 Total liabilities and net assets	 <u>\$ 4,078,720</u>	 <u>\$ 4,371,755</u>

See accompanying notes and independent auditor's report.

THE MAGDALEN HOUSE
Statements of Activities and Changes in Net Assets

	<u>Year Ended December 31, 2023</u>			<u>Year Ended December 31, 2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:						
Contributions and grants	\$ 637,208	\$ 726,723	\$ 1,363,931	\$ 223,370	\$ 1,258,500	\$ 1,481,870
Special events, net of direct costs	281,195	-	281,195	176,423	-	176,423
Gifts in-kind: special events auction	42,799	-	42,799	39,804	-	39,804
Gifts in-kind: fundraising auction	8,582	-	8,582	8,212	-	8,212
Gifts in-kind: materials and services	451,653	-	451,653	466,076	-	466,076
Gifts in-kind: property, less impairment	-	-	-	550,000	-	550,000
Investment earnings	65,224	-	65,224	59,592	-	59,592
Other income	116,769	-	116,769	11,136	-	11,136
	<u>1,603,430</u>	<u>726,723</u>	<u>2,330,153</u>	<u>1,534,613</u>	<u>1,258,500</u>	<u>2,793,113</u>
Net Assets Released-						
Purpose Restrictions:	414,982	(414,982)	-	705,437	(705,437)	-
Total support and revenue	<u>2,018,412</u>	<u>311,741</u>	<u>2,330,153</u>	<u>2,240,050</u>	<u>553,063</u>	<u>2,793,113</u>
Expenses:						
Program services	1,917,159	-	1,917,159	1,648,896	-	1,648,896
<u>Supporting services:</u>						
General and administrative	262,716	-	262,716	239,594	-	239,594
Fundraising	322,349	-	322,349	348,628	-	348,628
Expansion	54,275	-	54,275	97,430	-	97,430
Total supporting services	<u>639,340</u>	<u>-</u>	<u>639,340</u>	<u>685,652</u>	<u>-</u>	<u>685,652</u>
Total expenses	<u>2,556,499</u>	<u>-</u>	<u>2,556,499</u>	<u>2,334,548</u>	<u>-</u>	<u>2,334,548</u>
Change in net assets	(538,087)	311,741	(226,346)	(94,498)	553,063	458,565
Net assets at beginning of year	<u>3,654,879</u>	<u>571,499</u>	<u>4,226,378</u>	<u>3,749,377</u>	<u>18,436</u>	<u>3,767,813</u>
Net assets at end of year	<u>\$ 3,116,792</u>	<u>\$ 883,240</u>	<u>\$ 4,000,032</u>	<u>\$ 3,654,879</u>	<u>\$ 571,499</u>	<u>\$ 4,226,378</u>

See accompanying notes and independent auditor's report.

THE MAGDALEN HOUSE
Statement of Functional Expenses
Year Ended December 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Supporting Services				Total 2023	Total 2022
	Program	General and Administrative	Fundraising	Expansion		
Employee compensation	\$ 1,051,992	\$ 96,453	\$ 277,589	\$ 12,311	\$ 1,438,345	\$ 1,241,244
In-kind: food, services, raffle	451,356	-	-	-	451,356	466,904
Facilities and equipment	215,840	17,449	20,327	5,523	259,139	234,844
Contract services	85,003	110,546	400	-	195,949	161,167
Special events	-	-	184,455	-	184,455	240,716
Fees	-	9,654	8,391	30,468	48,513	-
Taxes	23,297	10,536	991	5,973	40,797	54,285
Programming events	37,453	106	-	-	37,559	19,925
Office	9,790	17,357	4,758	-	31,905	45,243
Advertising and promotion	22,064	-	5,516	-	27,580	52,000
Program operations	20,172	56	-	-	20,228	-
Fundraising	192	559	4,377	-	5,128	58,936
	<u>1,917,159</u>	<u>262,716</u>	<u>506,804</u>	<u>54,275</u>	<u>2,740,954</u>	<u>2,575,264</u>
Less: Direct costs of special events	-	-	(184,455)	-	(184,455)	(240,716)
TOTAL EXPENSES 2023	<u>\$ 1,917,159</u>	<u>\$ 262,716</u>	<u>\$ 322,349</u>	<u>\$ 54,275</u>	<u>\$ 2,556,499</u>	
TOTAL EXPENSES 2022	<u>\$ 1,648,896</u>	<u>\$ 239,594</u>	<u>\$ 348,628</u>	<u>\$ 97,430</u>		<u>\$ 2,334,548</u>

See accompanying notes and independent auditor's report.

THE MAGDALEN HOUSE
Statement of Functional Expenses
Year Ended December 31, 2022

	<u>Supporting Services</u>				Total 2022
	Program	General and Administrative	Fundraising	Expansion	
Employee compensation	\$ 877,438	\$ 87,535	\$ 237,030	\$ 39,241	\$ 1,241,244
In-kind: food, services, raffle	466,549	-	-	355	466,904
Special events	-	-	240,716	-	240,716
Contract services	55,585	96,527	9,025	30	161,167
Depreciation and amortization	93,263	14,603	15,547	-	123,413
Facilities and equipment	84,208	13,185	8,128	5,910	111,431
Fundraising: venue, food, entertainment	-	288	58,597	51	58,936
Taxes	21,238	12,502	904	19,641	54,285
Advertising and promotion	16,000	-	4,000	32,000	52,000
Office	14,833	14,898	15,310	202	45,243
Supplies	19,782	56	87	-	19,925
	<u>1,648,896</u>	<u>239,594</u>	<u>589,344</u>	<u>97,430</u>	<u>2,575,264</u>
Less: Direct costs of special events	-	-	(240,716)	-	(240,716)
TOTAL EXPENSES 2022	<u>\$ 1,648,896</u>	<u>\$ 239,594</u>	<u>\$ 348,628</u>	<u>\$ 97,430</u>	<u>\$ 2,334,548</u>

See accompanying notes and independent auditor's report.

THE MAGDALEN HOUSE
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities:		
Change in net assets	\$ (226,346)	\$ 458,565
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	124,588	123,413
Non-cash donation of land	-	(550,000)
Unrealized gains for long-term investment in bingo unit	(48,562)	(58,131)
Loss on disposal of asset	-	8,675
(Increase) decrease in:		
Pledges receivable	(33,049)	(6,408)
Prepaid expenses	(23,409)	(11,611)
Increase (decrease) in:		
Accounts payable and accrued expenses	(66,689)	36,736
Net cash (used in) provided by operating activities	(273,467)	1,239
Cash Flows from Investing Activities:		
Purchase of property and equipment	(4,665)	(38,811)
Sales proceeds from sale of fixed assets	550,000	-
Distributions received from bingo unit	48,562	58,131
Net cash provided by investing activities	593,897	19,320
Net change in cash and cash equivalents	320,430	20,559
Cash and cash equivalents at beginning of year	434,280	413,721
Cash and cash equivalents at end of year	\$ 754,710	\$ 434,280
Supplemental Disclosure:		
Non-cash fixed asset donation, net	\$ -	\$ 550,000
Cash paid for unrelated business income taxes	\$ 22,329	\$ 23,394
Cash paid for interest	\$ -	\$ 145

See accompanying notes and independent auditor's report.

THE MAGDALEN HOUSE
Notes to Financial Statements
December 31, 2023 and 2022

NOTE 1: ORGANIZATION AND NATURE OF BUSINESS

The Magdalen House (the “Organization”) is a Texas 501 (c) (3) nonprofit corporation formed in 1987. The Organization operates in Dallas, Texas to help individuals achieve sobriety and sustain recovery from alcoholism at no cost and based on the 12-step model of recovery. This is implemented by means of the First Step, Next Step, Community, and Outreach programs, which are funded primarily from contributions.

The First Step program is a residential 14-day, non-medical detox offered at no cost to individuals of all backgrounds who want to withdraw from alcohol in a safe environment. Next Step is a three-phase nonresidential recovery program offered at no cost, which lasts approximately 3 months, and provides structure and education on foundational tools to any alcoholic individuals seeking to sustain and grow in their recovery. The Community program provides recovery meetings conducted by volunteers to both those in recovery and their families and friends. A significant aspect of both of these programs involves reaching out to individuals who may need these services so that they do not go unserved. The Outreach program consists of efforts by the Organization to create a stronger community response by collaborating with local and national agencies to provide reciprocal services which complement each other.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP), consistently applied.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in recording depreciation, the collectability of pledges receivable, and the functional allocation of expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Cash equivalents consist of money market accounts with financial institutions and with a brokerage company.

Pledges Receivable

Pledges receivable are included in the statement of financial position, net of allowance for doubtful accounts. The Organization periodically assesses the collectability of outstanding receivables and determines the allowance for estimated losses based on factors such as historical collection experience, age of the receivable, and current credit worthiness of the donor. The Organization writes off receivables when they are deemed uncollectible by management.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment

Property and equipment are stated at historical cost. Expenditures which substantially improve or extend the useful life of property are capitalized if such costs exceed \$1,000 and have a useful life of over a year. Routine maintenance and repair costs are expensed as incurred. Depreciation is calculated using the straight-line method over the established useful lives of the individual assets: buildings and improvements 10-39 years and furniture and equipment 3-5 years.

Long-Lived Assets

Long-lived assets held and used by the Organization are reviewed for impairment whenever events or changes in circumstances indicate that their net book value may not be recoverable. When such factors and circumstances exist, the Organization compares the projected undiscounted future cash flows associated with the related asset or group of assets over their estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of the assets and is recorded in the period in which the determination was made.

During the year ended December 31, 2022, property valued at \$775,000 was donated to the Organization. Impairment loss of \$225,000 was recorded for the year ending December 31, 2022, based on the subsequent sale of the property in April 2023 for less than the original donated value. This is included in the statement of activities for the year ended December 31, 2022 as gifts in-kind: property, less impairment. The net proceeds of the sale of the property are restricted by the donor for expansion of a new men's program.

Investment in Bingo Unit

The Organization has a passive interest in a bingo unit whose net earnings are split among several local nonprofits. It is measured at net asset value per share as a practical expedient to fair value. There are no unfunded commitments related to it, and the Organization's interest may be redeemed at any time upon transfer to the other nonprofits.

Fair Value Measurements

The carrying amounts for cash equivalents, pledges receivable and accrued expenses approximate fair value due to the short-term nature of those instruments.

Net Asset Classification

The Organization classifies its net assets into two categories as follows:

Without Donor Restrictions – Net assets which are not subject to donor-imposed stipulations. These may be used for any purpose or designated for specific purposes by action of the Board of Directors.

With Donor Restrictions – (1) Net assets which are subject to donor-imposed purpose restrictions or which expire by the passage of time. (2) Net assets subject to donor-imposed stipulations that the corpus be maintained permanently. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. These are often referred to as endowments. The Organization records donor restricted contributions received and expended in the same year as being without donor restrictions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenue Recognition

Contributions and Grants

Contributions and grants are received from individuals, groups, and foundations. Contributions are recognized when the donor makes an unconditional promise to give (pledge) to the Organization. Grants are recognized when notice is received. Contributions that are restricted by the donor, for either purpose or time, are reported as increases in net assets without donor restrictions if the restrictions are satisfied in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Special Events

Special event income (exchange portion) represents the portion of ticket prices for the Organization's annual fundraising gala and tennis tournament for which attendees receive direct benefits, such as food and entertainment, as well as auction and raffle ticket sales. Performance obligations are generally met throughout the entire event. Payments consist of fixed fees and are due in advance. Revenue is recognized upon completion of the event. There were no unsatisfied performance obligations as of and for the years ended December 31, 2023 or 2022.

Donated Assets, Materials and Services

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated services are recognized as contributions if the services a) create or enhance non-financial assets, or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donated materials consist of food, raffle items for auction and other items used in the operations of the Organization's mission.

Investment Earnings

Investment earnings are from the investment in a bingo unit and are recorded as received.

Functional Allocation of Expenses

The costs of program and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Many costs are identified with a specific program or supporting function when incurred and are reported accordingly. Certain costs are attributed to more than one program or supporting function and, therefore, require allocation among the functions benefited on a reasonable and consistent basis. As such, conference, contract service, employee compensation, insurance, travel, and other expenses are allocated based on estimates of time and effort, and depreciation and occupancy expenses are allocated based on estimates of usage.

THE MAGDALEN HOUSE
Notes to Financial Statements - Continued
December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Tax

The Organization has been determined by the Internal Revenue Service to be a 501(c)(3) charitable organization exempt from federal income taxes. The Organization has been classified as an organization that is not a private foundation under IRC Section 509(a)(2), and as such, contributions to the Organization qualify for deductions as charitable contributions. During the years ended December 31, 2023 and 2022, the Organization had net unrelated business income of approximately \$49,000 and \$58,000, respectively, derived from its investment in a bingo unit, which resulted in taxes of approximately \$10,000 and \$12,000, respectively.

Management has concluded that any tax positions which would not meet the more-likely-than-not criterion of financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740-10, **Accounting for Income Taxes**, would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded or accrued. Federal and state tax returns of the Organization are generally open to examination by the relevant taxing authorities for a period of three years from the date on which the returns are filed.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and pledges receivable. At times, the Organization had cash on deposit with financial institutions and brokerages that exceeded federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash.

The Organization monitors the credit worthiness of each pledge receivable account and records an allowance for estimated bad debts based on accounts that are determined to be uncollectible. At December 31, 2023 and 2022, the allowance for doubtful accounts was \$20,000 for each year end.

Accounting Pronouncements

In September 2020, the FASB issued *ASU 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations through enhancements to presentation and disclosure. ASU 2020-07 was issued to address certain stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by not-for-profits, as well as the amount of those contributions used in an entity's programs and other activities. The Organization has implemented this ASU for the year ended December 31, 2022 without a material impact to the financial statements.

THE MAGDALEN HOUSE
Notes to Financial Statements - Continued
December 31, 2023 and 2022

NOTE 3: LIQUIDITY AND AVAILABILITY

The financial assets of the Organization available within one year of the balance sheet date for general expenditures are as follows as of December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 754,710	\$ 434,280
Pledges receivable, net (current)	55,500	22,451
Financial assets available at year end	810,210	456,731
Less unavailable within one year:		
Restricted for programs	<u>(883,240)</u>	<u>(571,499)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ (73,030)</u>	<u>\$ (114,768)</u>

The Organization's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they come due. Actual performance is reported and monitored monthly in comparison to the budgets. Adjustments are made to plan as needed to ensure adequate liquidity. Additionally, the Organization has an unused line of credit with a bank for \$300,000 (Note 6).

NOTE 4: PLEDGES RECEIVABLE

Pledges receivable consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Expected to be collected in:		
Less than one year	\$ 75,500	\$ 42,451
Allowance for doubtful accounts	<u>(20,000)</u>	<u>(20,000)</u>
	<u>\$ 55,500</u>	<u>\$ 22,451</u>

For the years ended December 31, 2023 and 2022, respectively, all pledges receivable are current; therefore, no discount is recorded.

THE MAGDALEN HOUSE
Notes to Financial Statements - Continued
December 31, 2023 and 2022

NOTE 5: FIXED ASSETS

Fixed assets consisted of the following:

	<u>2023</u>	<u>2022</u>
Building and improvements	\$ 2,997,443	\$ 3,212,443
Furniture and equipment	260,120	255,822
Land improvements	79,854	79,854
Land	132,000	462,000
	<u>3,469,417</u>	<u>4,010,119</u>
Less accumulated depreciation	(334,271)	(205,050)
	<u>\$ 3,135,146</u>	<u>\$ 3,805,069</u>

Depreciation expense was approximately \$125,000 and \$123,000 for the years ended December 31, 2023 and 2022, respectively.

NOTE 6: LINE OF CREDIT

The Organization has a revolving line of credit from a bank of \$300,000 which matures in October 2025. Interest is at prime (8.5% at December 31, 2023) and is payable monthly. This line is secured by certain real estate. There was no outstanding balance at December 31, 2023 or 2022.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Expansion-men's program	\$ 807,258	\$ 557,517
First Step/Community	75,982	13,982
	<u>\$ 883,240</u>	<u>\$ 571,499</u>

NOTE 8: CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized the following contributed nonfinancial assets during the years ended December 31:

	<u>2023</u>	<u>2022</u>	<u>Purpose</u>
Food	\$ 240,125	\$ 259,739	First Step
Overnight and facilitator services	211,528	206,337	First Step
Property, net of impairment	-	550,000	Men's program
Auction/raffle items	51,381	48,016	Fundraising
Total	<u>\$ 503,034</u>	<u>\$ 1,064,092</u>	

THE MAGDALEN HOUSE
Notes to Financial Statements - Continued
December 31, 2023 and 2022

NOTE 8: CONTRIBUTED NONFINANCIAL ASSETS-CONTINUED

Additionally, during the years ended December 31, 2023 and 2022, respectively, the Organization benefited from about 12,100 and 11,400 hours' worth of services from various volunteers who transported and sorted donated food, planned the fundraising events, and provided other assistance throughout the year. The value of their services has not been recognized in the accompanying financial statements because such services do not meet the criteria for recognition.

NOTE 9: SPECIAL EVENTS

The Organization conducted special fund-raising events as follows:

		Year Ended December 31,					
		2023			2022		
		Receipts	Direct Costs	Net Proceeds	Receipts	Direct Costs	Net Proceeds
Gala event	\$	460,667	\$ 166,467	\$ 294,200	\$ 398,989	\$ 217,996	\$ 180,993
Tennis event		47,783	17,989	29,794	57,954	22,720	35,234
		\$ 508,450	\$ 184,456	\$ 323,994	\$ 456,943	\$ 240,716	\$ 216,227

NOTE 10: RELATED PARTIES

Related party contributions for the years ended December 31, 2023 and 2022 included approximately \$179,000 and \$117,000, respectively, from board members and management, including relevant family members and associated entities.

NOTE 11: CONCENTRATIONS

The Organization maintains cash in bank accounts which, at times, may exceed federally insured limits. Cash is placed in established financial institutions to minimize any associated risk.

At December 31, 2022, approximately 59% of the Organization's receivables were due from one donor. At December 31, 2023, approximately 73% of the Organization's receivables were due from three donors.

At December 31, 2022, approximately 20% of the Organization's revenue was due from one donor. At December 31, 2023, there was no such concentration of revenue.

NOTE 12: SUBSEQUENT EVENTS

Subsequent events have been evaluated for potential recognition or disclosure through September 19, 2024, which is the date the financial statements were available to be issued.