

**RIPPLE COMMUNITY INC.
and
RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)**

**Consolidated Financial Statements and
Independent Accountant's Review Report**

September 30, 2023

**RIPPLE COMMUNITY INC.
and
RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Boards of Directors
Ripple Community Inc. and
RCI Village Properties
1335 W. Linden Street
Allentown, PA 18102

We have reviewed the accompanying consolidated financial statements of Ripple Community Inc. and RCI Village Properties (Not-for-Profit Corporations), which comprise the consolidated statement of financial position as of September 30, 2023, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Ripple Community Inc. and RCI Village Properties and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed Ripple Community Inc. and RCI Village Properties' 2022 consolidated financial statements and in our conclusion dated February 10, 2023, stated that based on our review, we were not aware of any material modifications that should be made to the 2022 consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended September 30, 2022, for it to be consistent with the reviewed consolidated financial statements from which it has been derived.

Congbell, Rappold & Yasuta LLP

March 27, 2024

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2023
With Comparative Totals for September 30, 2022

	Ripple Community Inc.	RCI Village Properties	Eliminations	Total 2023	Total 2022
ASSETS					
Cash and Cash Equivalents	\$ 581,619	\$ 175,695	\$ -	\$ 757,314	\$ 707,838
Accounts Receivable	19,190	-	-	19,190	5,873
Pledges Receivable	-	-	-	-	10,413
Prepaid Expenses	3,237	2,469	-	5,706	2,270
Right of Use Asset (Note 5)	88,060	-	-	88,060	-
Property and Equipment (Net of Accumulated Depreciation) (Note 4)	5,395	640,650	-	646,045	3,330
TOTAL ASSETS	\$ 697,501	\$ 818,814	\$ -	\$ 1,516,315	\$ 729,724
LIABILITIES					
Accounts Payable	\$ 5,016	\$ 1,940	\$ -	\$ 6,956	\$ -
Accrued Payroll	42,537	-	-	42,537	25,778
Operating Lease Liability (Note 5)	98,065	-	-	98,065	-
Commitments (Note 7)	-	-	-	-	-
TOTAL LIABILITIES	145,618	1,940	-	147,558	25,778
NET ASSETS					
Without Donor Restrictions					
Undesignated	551,883	627,535	-	1,179,418	430,007
With Donor Restrictions (Note 6)	-	189,339	-	189,339	273,939
TOTAL NET ASSETS	551,883	816,874	-	1,368,757	703,946
TOTAL LIABILITIES AND NET ASSETS	\$ 697,501	\$ 818,814	\$ -	\$ 1,516,315	\$ 729,724

See independent accountant's review report and notes to consolidated financial statements.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
CONSOLIDATED STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

	Ripple Community Inc.	RCI Village Properties	Eliminations	Year Ended September 30,	
				2023	2022
Changes in Net Assets Without Donor Restrictions:					
<i>Revenues and Public Support:</i>					
Contributions and Grants	\$ 465,522	\$ -	\$ -	\$ 465,522	\$ 288,982
Contributed Nonfinancial Assets	-	540,000	-	540,000	-
Government Grants	21,955	-	-	21,955	20,200
Government Grants - ERC	30,993	-	-	30,993	-
Interest Income	5,159	-	-	5,159	76
Net Assets Released from Donor Restrictions	<u>159,013</u>	<u>100,650</u>	<u>-</u>	<u>259,663</u>	<u>128,127</u>
Total Revenues and Public Support	<u>682,642</u>	<u>640,650</u>	<u>-</u>	<u>1,323,292</u>	<u>437,385</u>
<i>Expenses:</i>					
Program Services	417,849	7,490	-	425,339	353,492
Supporting Services					
Management and General	71,127	148	-	71,275	52,558
Fundraising	<u>57,020</u>	<u>15,462</u>	<u>-</u>	<u>72,482</u>	<u>21,221</u>
Total Expenses	<u>545,996</u>	<u>23,100</u>	<u>-</u>	<u>569,096</u>	<u>427,271</u>
Changes in Net Assets Without Donor Restrictions	<u>136,646</u>	<u>617,550</u>	<u>-</u>	<u>754,196</u>	<u>10,114</u>
Changes in Net Assets With Donor Restrictions:					
Contributions and Grants	125,063	50,000	-	175,063	374,034
Net Assets Released from Donor Restrictions	<u>(159,013)</u>	<u>(100,650)</u>	<u>-</u>	<u>(259,663)</u>	<u>(128,127)</u>
Changes in Net Assets With Donor Restrictions	<u>(33,950)</u>	<u>(50,650)</u>	<u>-</u>	<u>(84,600)</u>	<u>245,907</u>
Increase in Net Assets	102,696	566,900	-	669,596	256,021
Cumulative Effect of Adopting ASU No. 2016-02	(4,785)	-	-	(4,785)	-
Net Assets, October 1	<u>453,972</u>	<u>249,974</u>	<u>-</u>	<u>703,946</u>	<u>447,925</u>
Net Assets, September 30	<u>\$ 551,883</u>	<u>\$ 816,874</u>	<u>\$ -</u>	<u>\$ 1,368,757</u>	<u>\$ 703,946</u>

See independent accountant's review report and notes to consolidated financial statements.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

	Program Services	Management and General	Fundraising	Year Ended September 30,	
				2023	2022
Salaries	\$ 240,577	\$ 42,994	\$ 48,795	\$ 332,366	\$ 250,867
Payroll Taxes	20,079	3,588	4,072	27,739	23,098
Employee Benefits	12,415	2,299	166	14,880	7,830
Total Salaries and Related Benefits	273,071	48,881	53,033	374,985	281,795
Advertising and Promotions	3,534	-	-	3,534	365
Dues and Subscriptions	2,006	1,914	738	4,658	3,416
Information Technology	707	2,974	477	4,158	4,512
Occupancy Costs -					-
Rent	43,500	-	-	43,500	37,730
Insurance	6,885	-	-	6,885	2,633
Repairs and Maintenance	1,292	-	-	1,292	4,322
Utilities	3,825	-	-	3,825	207
Property Management	1,361	-	-	1,361	-
Directors and Officers Insurance	-	1,610	-	1,610	1,544
Workers' Compensation Insurance	2,364	422	479	3,265	3,212
Professional Fees	9,826	13,115	16,775	39,716	34,362
Program Expenses	76,890	255	-	77,145	49,768
Operations, Supplies, and Postage	78	1,522	980	2,580	2,933
Depreciation	-	582	-	582	472
Total	\$ 425,339	\$ 71,275	\$ 72,482	\$ 569,096	\$ 427,271

See independent accountant's review report and notes to consolidated financial statements.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

	Ripple Community Inc.	RCI Village Properties	Eliminations	Year Ended September 30,	
				2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Changes in Net Assets	\$ 102,696	\$ 566,900	\$ -	\$ 669,596	\$ 256,021
Adjustment to Reconcile Changes in Net Assets to					
Net Cash Provided by Operating Activities					
Depreciation Expense	582	-	-	582	472
Lease Amortization	5,220	-	-	5,220	-
Contributed Stock Donation	-	-	-	-	(21,362)
Contributed Nonfinancial Assets	-	(540,000)	-	(540,000)	-
(Increase) Decrease in Accounts Receivable	(13,317)	-	-	(13,317)	294
(Increase) Decrease in Pledges Receivable	10,413	-	-	10,413	(10,413)
Increase in Prepaid Expenses	(967)	(2,469)	-	(3,436)	(356)
Increase (Decrease) in Accounts Payable	5,016	1,940	-	6,956	(6,926)
Increase in Accrued Payroll	16,759	-	-	16,759	5,384
Net Cash Provided by Operating Activities	<u>126,402</u>	<u>26,371</u>	<u>-</u>	<u>152,773</u>	<u>223,114</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Sale of Investments	-	-	-	-	21,362
Purchase of Property and Equipment	(2,647)	(100,650)	-	(103,297)	-
Net Cash Provided (Used) by Investing Activities	<u>(2,647)</u>	<u>(100,650)</u>	<u>-</u>	<u>(103,297)</u>	<u>21,362</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	123,755	(74,279)	-	49,476	244,476
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>457,864</u>	<u>249,974</u>	<u>-</u>	<u>707,838</u>	<u>463,362</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>\$ 581,619</u>	<u>\$ 175,695</u>	<u>\$ -</u>	<u>\$ 757,314</u>	<u>\$ 707,838</u>
<i>Non-Cash Financing Activities:</i>					
Donated Stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,362</u>

See independent accountant's review report and notes to consolidated financial statements.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

1. Nature of Activities

Ripple Community Inc. is a not-for-profit corporation incorporated under the laws of the Commonwealth of Pennsylvania to nurture community and connection in Allentown. The mission of the Organization is to cultivate connections across social boundaries to foster a sense of community among their neighbors who have traditionally been marginalized.

Ripple Community Inc.'s Board of Directors assists in the direction and control of the operations of RCI Village Properties. The Organization provides staff and other support services to both organizations. RCI Village Properties' general purpose is to support and benefit the mission and programs of Ripple Community Inc., which includes assisting people who are on the margins of society in Allentown, Pennsylvania, restore critical relationships, build community, and address their material and relational needs.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements have been prepared to focus on Ripple Community Inc. ("RCI") and RCI Village Properties ("RCIVP"), collectively, (the "Organization") as a whole since Ripple Community, Inc. has an economic interest in RCI Village Properties. All interorganizational balances and transactions have been eliminated.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, and other liabilities.

Net Asset Classifications

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Directors.

Net Assets With Donor Restrictions - Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

2. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions of cash and other assets, including pledges, are considered to be available for use without donor restrictions unless specifically restricted by the donor and are recognized as revenues in the period the pledge is made. Contributions to be given in future periods are discounted at an appropriate discount rate. Gifts of cash and other non-capital assets are reported as net assets with donor restrictions if the gifts are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statement of Activities as net assets released from restrictions.

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are reflected as contributions without donor restrictions in the accompanying consolidated financial statements at their estimated values at the date of receipt provided by comparing prices of similar materials from retail stores and vendors. A portion of the Organizations' functions are conducted by volunteers. The value of the contributed time is not reflected in the consolidated financial statements since the volunteers' time does not meet the criteria necessary for recognition. During the year ended September 30, 2023, the Organizations received land and a building with an appraised value of \$540,000.

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, cash is defined as cash on hand, and checking and savings accounts at financial institutions. Investments with an original maturity of three months or less are considered cash and cash equivalents for these purposes.

Accounts Receivable

Accounts receivable consist of amounts due from one source under a reimbursable agreement for the salary of one of the Organizations' staff members. Management evaluates accounts for collectability and writes off items deemed uncollectible. An allowance for uncollectible accounts is determined based on an analysis of individual accounts and the overall receivable balance. Balances greater than ninety (90) days are considered delinquent. There was no allowance for doubtful collections as of September 30, 2023 and 2022.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

2. Summary of Significant Accounting Policies (Continued)

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of their net realizable value. The discounts on those amounts are computed using a discount rate applicable to the year in which the pledge is made. Subsequent amortization of the discount is included in contribution revenue. All of the Organization's pledges receivable are current and full collection is expected. As such, management has not booked a discount or allowance for outstanding pledges at September 30, 2023 and 2022.

Prepaid Expenses

Prepaid expenses consist of amounts paid on insurance policies which cover future periods.

Property and Equipment

Property and equipment is stated at cost or donated value. Depreciation is computed by use of the straight-line method based on estimated useful lives. Acquisitions in excess of \$1,000 are capitalized. The cost of maintenance and repairs is charged to operations as incurred.

Allocation of Expenses by Function

As reported in the Consolidated Statement of Functional Expenses, expenses of the Organization have been allocated to the following functional reporting classifications:

Program Services - Program service expenses include costs incurred for activities that ultimately result in the delivery of services that fulfill the Organization's charitable purposes.

Management and General - Management and general expenses include costs incurred for the overall direction of the Organization, general record keeping, business management, budgeting, general board activities, and related purposes.

Fundraising - Fundraising expenses include costs incurred for activities that ultimately result in inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. Fundraising activities include publicizing and conducting fundraising campaigns, maintaining donor mailing lists, conducting special fundraising events, and conducting other activities involved with soliciting contributions from individuals, foundations, governments, and others.

The Organization's methods for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting service are based on estimates made for time spent by key personnel between functions, space occupied by function, consumption of supplies and postage by function, and other objective bases.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

Both entities are not-for-profit corporations organized under the laws of the Commonwealth of Pennsylvania and are exempt from the federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

The accounting standard 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 benefits 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 the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). 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% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or liabilities recorded for the fiscal years ended September 30, 2023 and 2022.

Both entities file Form 990 with the United States Internal Revenue Service and PA BCO-10 with the Commonwealth of Pennsylvania. The Organizations are generally no longer subject to examination by either taxing authority for years before 2020.

Employee Retention Credit

The CARES Act extended the Employee Retention Credit (“ERC”) through September 30, 2021. The ERC is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages paid by an employer after March 12, 2020, and before January 1, 2021.

For purposes of the ERC, qualified wages were capped at \$10,000 per employee, per year. For 2021, the ERC amount was increased to 70% of qualified wages paid to an employee, with qualified wages capped at \$10,000 per employee, per quarter.

The Organizations determined they were eligible for the ERC for the period of April 1, 2021 through June 30, 2021 based on having a 20% or more decline in gross receipts compared to the same quarter in 2019. The Organizations computed the credits to total \$30,993, which is included in Government Grants – ERC on the Consolidated Statement of Activities for the year ended September 30, 2023.

Adoption of New Accounting Standard

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability across entities by recognizing the right-of-use assets and lease liabilities for all long-term leases, including operating leases, on the consolidated statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. On May 20, 2020, the FASB voted to defer the effective date of ASC 842 to annual periods beginning after December 31, 2021.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

2. Summary of Significant Accounting Policies (Continued)

Adoption of New Accounting Standard (Continued)

The Organizations adopted ASU 2016-02, *Leases (Topic 842)*, on October 1, 2022, and elected to utilize the effective date method approach to apply the transition provisions. This allows entities to report the cumulative effect of the adoption of the standard on the date of adoption while continuing to apply the legacy guidance in *ASC 840*, including disclosure requirements, in comparative periods presented in the year of adoption.

Pursuant to practical expedients, the Organizations elected not to reassess: (i) whether expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct costs for any existing leases. The Organizations elected to apply the short-term lease measurement and recognition exemption to its leases where applicable.

Upon adoption of the new lease standard, the Organizations recognized \$129,277 of right-of-use assets, \$134,062 of long-term lease liabilities, and \$4,785 of cumulative effect adjustments on its net assets without donor restrictions.

Subsequent Events

Subsequent events have been evaluated through March 27, 2024, the date on which the consolidated financial statements were available to be issued, and has determined that there were no material subsequent events that require recognition or disclosure.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Consolidated Statement of Financial Position, consist of the following:

	September 30,	
	2023	2022
Cash and Cash Equivalents	\$ 757,314	\$ 707,838
Accounts Receivable	19,190	5,873
Pledges Receivable	-	10,413
Net Assets With Donor Restrictions	(189,339)	(273,939)
	\$ 587,165	\$ 450,185

The Organizations are supported mainly by contributions. The Organizations believe that contributions along with the assets held at September 30, 2023, are sufficient to enable the Organizations to operate for the upcoming year.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

4. Property and Equipment

Property and equipment consist of the following:

	Estimated Useful Life	September 30, 2023			2022
		RCI	RCIVP	Total	
Land		\$ -	\$ 42,000	\$ 42,000	\$ -
Building	40	-	498,000	498,000	-
Leasehold Improvements	15	4,473	-	4,473	4,473
Furniture	5	2,647	-	2,647	-
Construction in Progress		-	100,650	100,650	-
Less: Accumulated Depreciation		(1,725)	-	(1,725)	(1,143)
		<u>\$ 5,395</u>	<u>\$ 640,650</u>	<u>\$ 646,045</u>	<u>\$ 3,330</u>

Depreciation charged to expense was \$582 and \$472 for the years ended September 30, 2023 and 2022.

RCIVP received land and a building through a contribution of nonfinancial assets during the year ended September 30, 2023. During the year ended September 30, 2023, RCIVP entered into a contract to begin renovations of the building. At September 30, 2023, the building had not yet been placed in service.

5. Leases

The Organizations entered into a lease for office space under a long-term lease agreement at 1335 W. Linden Street, Allentown, Pennsylvania; this lease is an operating lease which expires October 31, 2026.

Subsequent to the lease commencement date, the Organizations reassess lease classification when there is a contract modification that is accounted for as a separate contract, a change in the lease term, or a change in the assessment of whether the lessee is reasonably certain to exercise an option to purchase the underlying asset or terminate the lease.

Lease-related assets and liabilities recorded on the Statement of Financial Position at September 30, 2023 were as follows:

Assets:	
Right of Use Assets	<u>\$ 88,060</u>
Liabilities:	
Operating Lease Liability	<u>\$ 98,065</u>

The total lease cost under the operating lease for the year ended September 30, 2023 was \$43,500, including common area maintenance charges.

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

5. Leases (Continued)

Future minimum lease payments for operating leases as of September 30, 2023 are as follows:

	Operating
Years ending September 30,	
2024	\$ 47,370
2025	48,240
2026	4,020
Total Future Minimum Lease Payments	99,630
Less: Amount Representing Interest	(1,565)
Long-term Lease Obligations	\$ 98,065

Other information related to the Organizations' leases as of September 30, 2023:

	Operating
Weighted-Average Remaining Lease Term	
Operating Leases	25 months
Weighted-Average Discount Rate	
Operating Leases	1.575%

Disclosures Related to the Period Prior to the Adoption of the New Lease Standard:

Total lease expense under the operating leases for the year ended September 30, 2022 was \$37,730.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions which are temporary in nature consist of the following as of September 30:

	September 30,	
	2023	2022
<u>Ripple Community Inc.:</u>		
Adopt-an-Apartment	\$ -	\$ 2,400
Racial Equity	-	4,000
RCI Village	-	13,500
Community Services Coordinator	-	14,050
	-	33,950
<u>RCI Village Properties:</u>		
Capital Projects	189,339	239,989
	\$ 189,339	\$ 273,939

RIPPLE COMMUNITY INC. and RCI VILLAGE PROPERTIES
(Not-for-Profit Corporations)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023

6. Net Assets With Donor Restrictions (Continued)

The following schedule summarizes net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors during the year ended September 30:

	September 30,	
	2023	2022
<u>Ripple Community Inc.:</u>		
Adopt-an-Apartment	\$ 15,550	\$ 4,500
Racial Equity	4,000	-
Community Building Center	39,658	-
RCI Village	85,755	87,898
Community Services Coordinator	14,050	35,729
	159,013	128,127
<u>RCI Village Properties:</u>		
Capital Projects	100,650	-
	\$ 259,663	\$ 128,127

7. Commitments

The Organizations entered into a professional services contract with an engineering firm on May 8, 2023 for schematic design and development of the Organizations' building. Remaining commitments to the engineering firm as of September 30, 2023 were \$119,418.

8. Summarized Totals for Year Ended September 30, 2022

The consolidated financial statements include certain prior year summarized comparative information in total, but not by function or net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the consolidated financial statements for the year ended September 30, 2022, from which the information was derived.