ASALH Financial Statements Analysis 2008-2010

2008 Audit. According to the December 31, 2008 ASALH (the Association) financial statement audit, the Association had $2.4 million in total assets, which primarily consisted of $652,000 in cash, $417,000 in investments, and $1.2 million in fixed assets, net of accumulated depreciation. Total liabilities were $730,000, which primarily consisted of total debt $654,000 (current debt $32,000 and long-term debt $622,000). Net assets were $1.7 million ($809,000 unrestricted, $849,000 temporarily restricted).

The $417,000 investments primarily consisted of mutual funds $386,000 and mortgage-backed securities $29,000. The $1.2 million fixed assets primarily consisted of land $472,000, building $492,000, and building improvement $273,000. There was about $20,000 in accumulated depreciation.

According to Note 6 – Fixed Assets of the 2008 ASALH financial statement audit, "In December 28, 2006 the Association purchased land and building in Washington DC for $472,482 and $491,767, respectively. In addition, the Association started renovating the building for a total cost of $272,786 as of December 31, 2008. The land, building and building improvements were not in-use as of December 31, 2008, and no depreciation expense was recorded on the building and building improvements as of December 31, 2008."

According to Note 7 – Long-Term Debt the 2008 ASALH financial statement audit, "Note payable to M&T Bank, bearing interest at 6.95% per annum, with monthly payments of $6,380, including principal and interest. Matures December 2022; secured by first deed of trust on real estate at 636 Q Street, NW, Washington, DC. $ 654,075."

According to "Note 8- Temporarily Restricted Net Assets As of December 31, 2008 temporarily restricted net assets amounted to $848,715 for the following purposes: Woodson House Fund $ 26,408, Essay Contest 2,000, Wachovia Grant 820,307."

ASALH had $1.1 million in total operating revenues and 1.2 million in total operating expenses. Operating expenses exceeded revenue by $91,000. The organization also had nonoperating losses of $187,000 which was the result of unrealized loss on investment of $248,000 and interest income of $60,000. Total net assets decreased by $278,000 in 2008.

2009 Audit. According to the December 31, 2009 ASALH financial statement audit, the Association had $2.0 million in total assets, which primarily consisted of $534,000 in cash, $203,000 in investments, and $1.2 million in fixed assets, net of accumulated depreciation. Total liabilities were $679,000, which primarily consisted of total debt $623,000 (current debt $35,000 and long-term debt $588,000). Net assets were $1.3 million ($933,000 unrestricted, $415,000 temporarily restricted).

ASALH had $867,000 in total operating revenues and 1.1 million in total operating expenses. Operating expenses exceeded revenue by $267,000. The organization also had nonoperating losses of $42,000 which was the result of unrealized loss on investment of $50,000 and interest income of $8,000. Total net assets decreased by $309,000 in 2009.

As of December 31, 2009 investments, which are held long term, consist of Mutual Funds in the amount of $203,263.

According to "Note 8- Temporarily Restricted Net Assets As of December 31, 2009 temporarily restricted net assets amounted to $415,183 for the following purposes: Woodson House Fund $ 26,408, Essay Contest 891, Kellogg Grant 31,838, Wachovia Grant 356,046."

2010 Audit. According to the December 31, 2010 ASALH financial statement audit, the Association on had $531,000 in total assets, which primarily consisted of $511,000 in cash. Total liabilities were $54,000, which primarily consisted of accrued liabilities $47,000. Net assets were $478,000 ($255,000 unrestricted, $223,000 temporarily restricted).

ASALH had $745,000 in total operating revenues and 927,000 in total operating expenses. Operating expenses exceeded revenue by $182,000. In 2010, the Association had a loss on the sale of property of $694,000. Total net assets decreased by $871,000 in 2010.

According to "Note 6 – Long-Term Debt ASALH obtained a mortgage to purchase a building in the amount of $712,000 on December 28, 2006." "On April 14, 2010 ASALH sold the property for $575,000. The funds received at settlement were used to pay down the mortgage payable. The remaining mortgage balance and closing costs, totaling $70,241, were paid from other ASALH resources."

According to "Note 7 - Temporarily Restricted Net Assets As of December 31, 2010 temporarily restricted net assets amounted to $222,580 for the following purposes: Woodson House Fund $ 26,408, Essay Contest 891, Kellogg Grant 31,838, Wachovia Grant 163,443."

In summary, in December 2006 ASALH purchased land for $472,000 and a building for $492,000. ASALH also entered into an agreement to renovate the building for $272,786. As of 12/31/2008, the building was not in use and no depreciation expense was recorded. See table below. In 2008 and 2009, there were total operating losses of $358,000 and nonoperating losses of $228,000 from investments. In 2010, there were operating losses of $182,000 and loss on the sale of the Q Street property of $694,000.

YEAR	TOTAL ASSETS	Operating Expenses in Excess of Revenue	Non-Operating Losses	Loss on the Sale of Property*
2008	$2.4 million	($91,000)	($187,000)	
2009	$2.0 million	($267,000)	($42,000)	
2010	$531,000	($182,000)		($694,000)
2020	$809,531			