

COALITION FOR THE HOMELESS, INC. AND AFFILIATES



coalition for the homeless

CONSOLIDATED FINANCIAL STATEMENTS (Together with Independent Auditors' Report)

YEAR ENDED JUNE, 30 2017

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

COALITION FOR THE HOMELESS, INC. AND AFFILIATES

**CONSOLIDATED FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Coalition for the Homeless, Inc. and Affiliates

We have audited the accompanying consolidated financial statements of Coalition for the Homeless, Inc. and Affiliates which comprise the consolidated statement of financial position as of June 30, 2017 and 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.

Management's Responsibility for the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coalition for the Homeless, Inc. and Affiliates as of June 30, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter - Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information (shown on pages 12-13) is presented for the purposes of additional analysis of the consolidated financial statements, rather than to present the financial position, change in net assets and cash flows of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole

Marks Paneth LLP

New York, NY
December 11, 2017

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2017**

ASSETS

Cash and cash equivalents (Notes 2D and 14)	\$ 400,107
Reserve fund (Note 6)	202,937
Contributions receivable, net (Notes 2E and 3)	656,388
Grants receivable (Notes 2F, 2H and 4)	1,291,812
Investment in limited partnerships (Note 9)	119,982
Prepaid expenses and other	211,599
Deferred rent receivable (Note 2L)	400,685
Property and equipment - net (Notes 2G and 5)	<u>15,816,326</u>

TOTAL ASSETS \$ 19,099,836

LIABILITIES

Accounts payable and accrued expenses	\$ 353,560
Accrued vacation	361,099
Refundable advances	4,180
Bank line of credit (Note 7)	950,000
Capital lease (Note 10)	<u>28,319</u>

TOTAL LIABILITIES 1,697,158

COMMITMENTS AND CONTINGENCIES (Note 12)

NET ASSETS (Note 2C)

Unrestricted:	
Invested in property and equipment	15,788,007
Operations	<u>1,112,840</u>
Total unrestricted	16,900,847
Temporarily restricted (Note 13)	<u>501,831</u>

TOTAL NET ASSETS 17,402,678

TOTAL LIABILITIES AND NET ASSETS \$ 19,099,836

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND OTHER REVENUE:			
Contributions (Note 2E)	\$ 4,522,564	\$ 1,114,396	\$ 5,636,960
Government support (Note 2H)	3,763,143	-	3,763,143
Special events (net of direct expenses of \$494,558)	498,155	-	498,155
Bequests	385,236	-	385,236
Rental Income (Note 8)	1,011,779	-	1,011,779
Other Income	391,208	-	391,208
Net assets released from restrictions (Note 13)	1,143,919	(1,143,919)	-
Total Public Support and Other Revenue	11,716,004	(29,523)	11,686,481
EXPENSES (Note 2I)			
Program Services:			
Advocacy	1,176,598	-	1,176,598
AIDS	2,484,113	-	2,484,113
Crisis intervention	2,726,872	-	2,726,872
Housing	411,701	-	411,701
Food services	1,120,403	-	1,120,403
Job training	692,235	-	692,235
Children's programs	1,112,111	-	1,112,111
Program Services	9,724,033	-	9,724,033
Supporting Services:			
Management and administration	950,166	-	950,166
Fundraising	1,130,178	-	1,130,178
Business rental	618,579	-	618,579
Supporting Services	2,698,923	-	2,698,923
Total Operating Expenses	12,422,956	-	12,422,956
CHANGE IN TOTAL NET ASSETS	(706,952)	(29,523)	(736,475)
Net Assets - Beginning of Year	17,607,799	531,354	18,139,153
NET ASSETS - END OF YEAR	\$ 16,900,847	\$ 501,831	\$ 17,402,678

COALITION FOR THE HOMELESS, INC AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	Program Services							Supporting Services				Total
	Advocacy	AIDS	Crisis Intervention	Housing	Food Services	Job Training	Children's Programs	Total Program Services	Management and Administration	Fundraising	Business Rental	
Salaries	\$ 633,363	\$ 709,476	\$ 1,071,996	\$ 229,116	\$ 365,382	\$ 405,639	\$ 584,178	\$ 3,999,150	\$ 478,160	\$ 359,842	\$ 89,852	\$ 4,927,004
Payroll taxes and other benefits (Note 10)	149,428	325,088	468,175	75,987	127,136	143,199	123,648	1,412,661	217,754	108,334	37,761	1,776,510
Total salaries and related expenses	782,791	1,034,564	1,540,171	305,103	492,518	548,838	707,826	5,411,811	695,914	468,176	127,613	6,703,514
Professional fees	241,423	44,205	50,267	6,992	22,100	15,605	80,290	460,882	107,663	105,543	11,658	685,746
Commercial insurance	5,111	56,625	6,852	2,409	(419)	3,113	17,762	91,453	3,473	12,358	684	107,968
Transportation	12,637	19,299	110	87	57,802	38	28,648	118,621	92	310	-	119,023
Supplies	8,537	4,896	10,300	3,829	41,680	3,804	62,700	135,746	6,100	51,746	650	194,242
Telephone	17,203	13,558	14,473	7,534	8,283	6,693	10,104	77,848	6,185	5,300	1,417	90,750
Bank charges and fees	2,966	5,455	7,704	2,159	3,294	3,535	2,745	27,858	3,733	58,057	795	90,443
Occupancy (Note 12)	39,108	37,601	52,988	14,631	24,077	24,458	51,020	243,883	14,765	13,213	84,529	356,390
Direct assistance to clients (Note 2N)	12,437	1,228,338	987,793	39,660	275	42,769	1,335	2,312,607	-	-	-	2,312,607
Advertising	448	126	379	139	754	10,655	3,027	15,528	154	674	-	16,356
Printing/duplication & list rental management	1,645	-	-	-	3,673	-	-	5,318	-	215,844	-	221,162
Conferences	17,472	1,635	1,623	488	1,505	5,318	4,208	32,249	1,715	2,172	521	36,657
Equipment maintenance	11,968	15,836	26,017	6,735	5,541	9,466	12,012	87,575	9,628	7,917	3,251	108,371
Food	85	-	-	-	431,626	-	56,210	487,921	-	-	-	487,921
Postage, shipping, and messenger	563	1,098	3,526	775	207	852	1,952	8,973	1,274	170,194	79	180,520
Dues and subscriptions	4,059	114	251	45	37	74	3,345	7,925	2,682	1,614	17	12,238
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	171	-	171
Real estate taxes	-	-	-	-	-	-	-	-	-	-	91,862	91,862
Bad debt (Note 2F)	153	-	-	-	-	-	-	153	71,775	-	-	71,928
Miscellaneous	7,043	9,814	13,469	3,667	8,603	6,068	6,930	55,594	7,885	4,630	3,849	71,958
Total other than personnel	382,858	1,438,600	1,175,752	89,150	609,038	132,448	342,288	4,170,134	237,124	649,743	199,312	5,256,313
Total expenses before depreciation and amortization	1,165,649	2,473,164	2,715,923	394,253	1,101,556	681,286	1,050,114	9,581,945	933,038	1,117,919	326,925	11,959,827
Depreciation and amortization (Note 5)	10,949	10,949	10,949	17,448	18,847	10,949	61,997	142,088	17,128	12,259	291,654	463,129
TOTAL EXPENSES	\$ 1,176,598	\$ 2,484,113	\$ 2,726,872	\$ 411,701	\$ 1,120,403	\$ 692,235	\$ 1,112,111	\$ 9,724,033	\$ 950,166	\$ 1,130,178	\$ 618,579	\$ 12,422,956

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (736,475)
Adjustments to reconcile change in net assets to net used in operating activities	
Depreciation and amortization	463,129
Bad debt	71,928
Changes in operating assets and liabilities	
Decrease (increase) in assets	
Contributions receivable	44,174
Grants receivable	(790,893)
Investment in limited partnerships	(93,639)
Prepaid expenses and other	(76,236)
Deferred rent receivable	144,498
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	54,729
Accrued vacation	361,099
Refundable advances	(23,181)
Net Cash Used In Operating Activities	<u>(580,867)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(128,350)</u>
Net Cash Used In Investing Activities	<u>(128,350)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payment of obligations under capital lease	(39,113)
Borrowings under line-of-credit agreement	1,500,000
Repayments on line of credit	<u>(550,000)</u>
Net Cash Provided by Financing Activities	<u>910,887</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	201,670
Cash and Cash Equivalents - Beginning of Year	<u>198,437</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 400,107</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Coalition for the Homeless, Inc. (the “Coalition”) is a not-for-profit entity that provides advocacy, housing and direct services to over 3,500 people each day. The Coalition is dedicated to the principle that affordable housing, sufficient food and the chance for a living wage job are fundamental rights in a civilized society. The Coalition’s operations are categorized under advocacy, AIDS, crisis intervention, housing, food services, job training and children’s programs. The Coalition is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code.

The accompanying consolidated financial statements include (“the Coalition”) and the following entities:

Bridge Homes, Inc. (“BHI”) is a not-for-profit entity engaged in the preparation of nutritious meals distributed by the Coalition’s mobile feeding program to homeless individuals in the boroughs of Manhattan and the Bronx. BHI is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. The Coalition is the sole member of BHI.

Bridge Building Management Company (“BBMC”) was formed pursuant to the Private-Housing Finance law and the Not-for-Profit Corporation Law, both of the State of New York, which operates a 15-unit rental housing project for homeless persons and persons of low income. The Coalition is the sole corporate member of BBMC.

West Seventy Seventh, Inc. (“WSS”) was formed pursuant to the Private-Housing Finance law and the Not-for-Profit Corporation Law, both of the State of New York, which was created to develop and renovate the 166, 168 and 170 West 77th Street properties as low-income housing. The Coalition is the sole corporate member of WSS.

BHI, BBMC and WSS are collectively referred to as the “Affiliates”. The Coalition and the Affiliates are collectively referred to as the “Agency”.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting and Use of Estimates*** - The Agency’s consolidated financial statements have been prepared using the accrual basis of accounting. The Agency adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.
- B. ***Basis of Consolidation*** - The Coalition consolidates the activities of BHI, BBMC and WSS since it is the sole member. Upon consolidation, all significant intercompany transactions have been eliminated.
- C. ***Net Assets*** – The Agency’s resources are classified and reported based on the existence or absence of donor imposed restrictions as follows:
- Unrestricted* – Include expendable resources not subject to donor imposed restrictions
- Temporarily restricted* – Include resources subject to donor imposed stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets released from restrictions.
- Permanently restricted* – Include resources subject to donor imposed stipulations, requiring that the principal be maintained in perpetuity.
- D. ***Cash and Cash Equivalent*** - Cash equivalents include all highly liquid instruments purchased with original maturities of 90 days or less.
- E. ***Contributions*** - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- F. **Allowance for Uncollectible Receivables** – The Agency determines whether an allowance for uncollectible receivables should be provided for grants receivable and contributions receivable. Such estimate is based on management’s assessment of the aged basis of its receivables, current economic conditions, credit worthiness of its donors, historical experience, and collections subsequent to year end. As of June 30, 2017 the Agency determined that no allowance was necessary for accounts receivable.
- G. **Property and Equipment** - Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Donated assets are valued at market at the time of donation. The Agency capitalizes property and equipment with a cost of \$1,000 and a useful life greater than one year. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the lease term or the useful life of the asset, whichever is less.
- H. **Government Grants** - Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, the Agency establishes refundable advances from governmental sources.
- I. **Functional Expenses** - The cost of providing the various program and supporting services has been summarized on a functional basis in the accompanying consolidated statement of functional expenses. Accordingly certain costs have been allocated among the program and supporting services benefited.
- J. **Donated Food** - Donated services are recognized in the consolidated financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the year ended June 30, 2017, donated services amounted to \$44,820.
- K. **Deferred Rent Receivable** - Deferred rent receivable is recorded for the difference between the rental income based on the operating leases and the straight-line basis. Rental income is recorded based on operating leases and revenue is recognized on the straight-line basis over the terms of the leases.
- L. **Rent Expense** - The Coalition leases office space and equipment at various locations. Rent is recorded on the straight-line basis over the term of the lease. Deferred rent liability is recorded when material.
- M. **Special Events** - The direct cost of special events includes expenses for the benefit of the donor. For example, meals and facilities rental are considered to be direct cost of special events.
- N. **Direct assistance to clients** - Direct assistance to clients are the core expenditure for the clients served at the Agency and consists of rent, food, transportation, furniture and other expenses. The funds to cover such assistance are primarily from government grants and general operating funds.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable, including multi-year commitments, were discounted to net present value using a discount rate of 1.66%. Contributions receivable consists of the following as of June 30, 2017.

Due within one year	\$ 607,000
Due in one to five years	<u>50,000</u>
Total	657,000
Less: discount	<u>(612)</u>
	<u>\$ 656,388</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 – GRANTS RECEIVABLE

Grants receivable consists of the following as of June 30, 2017:

New York City Human Resources Administration	\$ 443,108
New York City Department of Homeless Services	685,819
Consortium for Workers Education	27,538
Office of Temporary and Disability Assistance	119,522
NYC Department of Youth and Community Development	9,962
Department of Health	<u>5,863</u>
	<u>\$ 1,291,812</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2017:

		<u>Estimated Useful Lives</u>
Land	\$ 7,966,789	
Buildings and improvements	10,459,217	40 Years
Leasehold improvements	1,062,472	10 Years
Equipment	1,536,092	3-10 Years
Vehicles	112,709	3-10 Years
Furniture and fixtures	<u>359,460</u>	7-10 Years
	21,496,739	
Less: accumulated depreciation and amortization	<u>(5,680,414)</u>	
	<u>\$ 15,816,326</u>	

For the year ended June 30, 2017, depreciation and amortization expenses amounted to \$463,129.

NOTE 6 – RESERVE FUND

The partnership agreement between West Seventy Seventh, Inc., the general partner of Coalition Housing Limited Partnership, of which Coalition is the "Sponsor", provides for the establishment of a social services reserve, the purpose of which is to be available to provide supportive social services for the tenants. The reserve is funded from the Sponsor's developer fees and is being held by the New York City Housing Development Corporation.

NOTE 7 – BANK LINE OF CREDIT

The Coalition has a \$1.5 million unsecured, revolving line of credit with a bank, of which \$950,000 was outstanding as of June 30, 2017. Interest on any outstanding balance is payable at 30-day LIBOR plus 3.00%, which was 4.21% as of June 30, 2017. The line of credit expires on November 20, 2017.

NOTE 8 – RENTAL INCOME

The Coalition leases a portion of its building to two tenants: CVS, Inc. (CVS) and Hamilton-Madison House, Inc. (HMH). The CVS lease is a non-cancelable operating lease agreement, which expires July 31, 2019 with the option for a five-year extension at \$1,182,696 per annum. The HMH lease is a non-cancelable lease agreement that expires June 30, 2019. The future minimum lease payments to be received by the Coalition for the following years are:

	<u>CVS</u>	<u>HMH</u>	<u>Total</u>
2018	\$ 983,265	\$ 202,023	\$ 1,185,288
2019	1,013,146	202,023	1,215,169
2020	<u>84,636</u>	<u>-</u>	<u>84,636</u>
	<u>\$ 2,081,047</u>	<u>\$ 404,046</u>	<u>\$ 2,485,093</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – RENTAL INCOME (Continued)

For the year ended June 30, 2017, rental income included in the accompanying consolidated statement of activities from the leases amounted to approximately \$1,012,000.

NOTE 9 – INVESTMENT IN LIMITED PARTNERSHIPS

- A. The Coalition is an agent and sole member of BBMC which entered into an operating agreement with Bridge Coalition Limited Partnership (“BCLP”) to operate a 15-unit rental housing project for homeless persons and persons of low income. The agreement was financed by New York City Department of Housing Preservation and Development (“HPD”) and New York State Division of Housing and Community Renewal (“DHCR”). BCLP has one general partner, BBMC (“BBMC G.P.”). BBMC G.P. has a 1% interest in BCLP. As of June 30, 2017, BBMC G.P.’s investment in BCLP amounted to \$94,812, which is included in the accompanying consolidated financial statements.
- B. The Coalition is an agent and sole member of WSS which entered into an agreement with the Coalition Houses Limited Partnership (“CHLP”) to develop and renovate the 166, 168 and 170 West 77th Street properties as low-income housing. The agreement was financed by HPD. CHLP has one general partner, WSS (“WSS G.P.”). WSS G.P. has a .01% interest in CHLP. As of June 30, 2017, WSS G.P.’s investment in CHLP amounted to \$25,170, which is included in the accompanying consolidated financial statements.

NOTE 10 – CAPITAL LEASE

In February 2015, the Coalition entered into a three-year lease agreements with Leaf Capital for the acquisition of certain equipment with interest at 1.838%. The Coalition has the option to purchase the leased equipment at the end of the lease period at fair value. The lease expires in February 2018.

The future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2017, were as follows.

2018	\$ 28,372
Less amount representing interest	<u>(53)</u>
	<u>\$ 28,319</u>

NOTE 11 – PENSION PLAN

The Agency has a 403(b) Thrift Plan covering all eligible full-time employees. The Agency is required by the plan to match employee contributions in accordance with the pension plan agreements. Each plan year the Agency will make an employer base contribution on the employee’s behalf based on their years of service and a percentage of their compensation for that plan year, provided they are employed with the Agency on the last day of the plan year. Pension expense for the year ended June 30, 2017 amounted to \$276,243.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

- A. Pursuant to the Agency’s contractual relationships with certain governmental funding sources, outside governmental agencies have the right to examine the books and records of the Agency involving transactions relating to these contracts. The accompanying financial statements make no provision for possible disallowances.
- B. The Coalition leases 66 scattered site apartments throughout the five boroughs for clients of the program. These leases are between \$800 and \$1,800 depending on the size of the apartment and are directly funded by the New York City Human Resources Administration, a government agency. The leases are one to two years and are non-cancelable. The Coalition also signed 10-year leases in March 2008 for two campsites within Harriman State Park which expire December 31, 2017 which are used for summer sleep-away camp. The two leases are for \$9,173 and \$3,610 annually. In addition, the Coalition has a five-year lease for office space in Albany which expired August 31, 2016 in the amount of \$13,944 a year.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – COMMITMENTS AND CONTINGENCIES (Continued)

Future minimum rental payments under non-cancelable operating leases with terms in excess of one year are as follows:

2018	\$ 980,884
2019	<u>1,010,827</u>
	<u>\$ 1,991,711</u>

Rent expense for the year ended June 30, 2017 amounted to \$1,169,633.

- C. The Agency believes it has no uncertain tax positions as of June 30, 2017 in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 13 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following as of June 30, 2017:

Crisis intervention	\$ 491,831
Time restricted	<u>10,000</u>
	<u>\$ 501,831</u>

Net assets were released from restrictions by incurring expenses or the passage of time thus satisfying the restricted purposes for the year ended June 30, 2017 as follows:

Children’s services	\$ 392,683
Food services	88,873
Crisis intervention	600,263
Job training	56,100
Housing	<u>6,000</u>
	<u>\$ 1,143,919</u>

NOTE 14 – CONCENTRATION OF CREDIT RISK

Cash that potentially subjects the Agency to a concentration of credit risk includes cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits (\$250,000 per depositor). As of June 30, 2017, there was approximately \$305,000 of cash held by banks that exceeded FDIC limits.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated, for potential accrual or disclosure, events subsequent to the date of the consolidated statement of financial position through December 11, 2017, the date the consolidated financial statements were available to be issued.

**COALITION FOR THE HOMELESS, INC.
AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2017**

	Coalition for the Homeless, Inc.	Bridge Homes, Inc.	West Seventy Seventh, Inc.	Bridge Building Management Company	Consolidating Eliminations	Consolidated Total
ASSETS						
Cash and cash equivalents	\$ 396,433	\$ 3,574	\$ -	\$ 100	\$ -	\$ 400,107
Reserve fund	202,937	-	-	-	-	202,937
Contribution receivable	656,388	-	-	-	-	656,388
Grants receivable	1,291,812	-	-	-	-	1,291,812
Investment in limited partnerships	420,374	-	-	-	(300,392)	119,982
Prepaid expenses and other	210,441	1,158	-	-	-	211,599
Deferred rent receivable	400,685	-	-	-	-	400,685
Property and equipment - net	15,816,326	-	-	-	-	15,816,326
TOTAL ASSETS	\$ 19,395,396	\$ 4,732	\$ -	\$ 100	\$ (300,392)	\$ 19,099,836
LIABILITIES						
Accounts payable and accrued expenses	\$ 324,646	\$ 20,013	\$ -	\$ 8,901	\$ -	\$ 353,560
Accrued vacation	347,470	13,629	-	-	-	361,099
Refundable advances	4,180	-	-	-	-	4,180
Bank line of credit	950,000	-	-	-	-	950,000
Capital lease	28,319	-	-	-	-	28,319
Due to affiliate	-	277,136	19,481	3,775	(300,392)	-
TOTAL LIABILITIES	1,654,615	310,778	19,481	12,676	(300,392)	1,697,158
NET ASSETS						
Unrestricted	17,238,950	(306,046)	(19,481)	(12,576)	-	16,900,847
Temporarily restricted	501,831	-	-	-	-	501,831
TOTAL NET ASSETS	17,740,781	(306,046)	(19,481)	(12,576)	-	17,402,678
TOTAL LIABILITIES AND NET ASSETS	\$ 19,395,396	\$ 4,732	\$ -	\$ 100	\$ (300,392)	\$ 19,099,836

See independent auditor's report

**COALITION FOR THE HOMELESS, INC.
AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	Coalition for the Homeless, Inc.			Bridge Homes, Inc.	West Seventy Seventh, Inc.	Bridge Building Management Company	Consolidation Eliminations	Consolidated Total		
	Unrestricted	Temporarily Restricted	Total					Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND OTHER REVENUE:										
Contributions	\$ 4,522,564	\$ 1,114,396	\$ 5,636,960	\$ -	\$ -	\$ -	\$ -	\$ 4,522,564	\$ 1,114,396	\$ 5,636,960
Government support	3,763,143	-	3,763,143	-	-	-	-	3,763,143	-	3,763,143
Special events (net of direct expenses of \$494,558)	498,155	-	498,155	-	-	-	-	498,155	-	498,155
Bequests	385,236	-	385,236	-	-	-	-	385,236	-	385,236
Rental Income	1,011,779	-	1,011,779	-	-	-	-	1,011,779	-	1,011,779
Other Income	391,208	-	391,208	632,014	-	-	(632,014)	391,208	-	391,208
Net assets released from restrictions	1,143,919	(1,143,919)	-	-	-	-	-	1,143,919	(1,143,919)	-
Total Public Support and Other Revenue	11,716,004	(29,523)	11,686,481	632,014	-	-	(632,014)	11,716,004	(29,523)	11,686,481
EXPENSES										
Program Services:										
Advocacy	1,176,598	-	1,176,598	-	-	-	-	1,176,598	-	1,176,598
AIDS	2,484,113	-	2,484,113	-	-	-	-	2,484,113	-	2,484,113
Crisis intervention	2,726,872	-	2,726,872	-	-	-	-	2,726,872	-	2,726,872
Housing	411,701	-	411,701	-	-	-	-	411,701	-	411,701
Food services	1,075,128	-	1,075,128	677,289	-	-	(632,014)	1,120,403	-	1,120,403
Job training	692,235	-	692,235	-	-	-	-	692,235	-	692,235
Children's programs	1,112,111	-	1,112,111	-	-	-	-	1,112,111	-	1,112,111
Program Services	9,678,758	-	9,678,758	677,289	-	-	(632,014)	9,724,033	-	9,724,033
Supporting Services:										
Management and administration	950,166	-	950,166	-	-	-	-	950,166	-	950,166
Fundraising	1,130,178	-	1,130,178	-	-	-	-	1,130,178	-	1,130,178
Business rental	618,579	-	618,579	-	-	-	-	618,579	-	618,579
Supporting Services	2,698,923	-	2,698,923	-	-	-	-	2,698,923	-	2,698,923
Total Operating Expenses	12,377,681	-	12,377,681	677,289	-	-	(632,014)	12,422,956	-	12,422,956
CHANGE IN TOTAL NET ASSETS	(661,677)	(29,523)	(691,200)	(45,275)	-	-	-	(706,952)	(29,523)	(736,475)
Net Assets - Beginning of Year	17,900,627	531,354	18,431,981	(260,771)	(19,481)	(12,576)	-	17,607,799	531,354	18,139,153
NET ASSETS - END OF YEAR	\$ 17,238,950	\$ 501,831	\$ 17,740,781	\$ (306,046)	\$ (19,481)	\$ (12,576)	\$ -	\$ 16,900,847	\$ 501,831	\$ 17,402,678