

**COALITION FOR THE HOMELESS, INC.
AND AFFILIATES**



coalition for the homeless

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)
YEARS ENDED JUNE 30, 2021 AND 2020**

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

COALITION FOR THE HOMELESS, INC. AND AFFILIATES

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

YEARS ENDED JUNE 30, 2021 AND 2020

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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 (collectively, the "Agency"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 from 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 agency'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, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements of Coalition for the Homeless, Inc. and Affiliates as a whole. The consolidating information (shown on pages 18-20) is presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities 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 audits 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.



New York, NY
December 14, 2021

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents (Notes 2D and 18)	\$ 4,987,965	\$ 2,770,508
Reserve fund (Note 9)	<u>930,269</u>	<u>901,921</u>
Total cash, cash equivalents and restricted cash	5,918,234	3,672,429
Investments (Notes 2N, 2O, 4, 5 and 17)	10,962,784	6,616,866
Contributions receivable (Notes 2E, 2F and 6)	1,105,503	1,385,413
Grants receivable (Notes 2E, 2F and 7)	2,019,684	1,134,309
Prepaid expenses and other	639,048	370,439
Property and equipment, net (Notes 2G and 8)	<u>17,066,716</u>	<u>17,235,993</u>
TOTAL ASSETS	<u>\$ 37,711,969</u>	<u>\$ 30,415,449</u>
LIABILITIES		
Accounts payable and accrued expenses (Note 11)	\$ 1,037,670	\$ 745,381
Accrued vacation	409,111	395,233
Refundable advances (Note 2E)	74,507	97,003
PPP loans (Note 15E)	2,766,450	1,205,865
Loans payable (Note 11)	2,729,036	2,729,036
Capital lease (Note 13)	<u>-</u>	<u>26,179</u>
TOTAL LIABILITIES	<u>7,016,774</u>	<u>5,198,697</u>
COMMITMENTS AND CONTINGENCIES (Note 15)		
NET ASSETS (Note 2C)		
Net assets without donor restrictions:		
Invested in property and equipment	15,255,317	15,221,537
Board designated (Note 17)	10,962,784	6,616,866
Operations	<u>2,444,617</u>	<u>1,022,180</u>
Total controlling interest	28,662,718	22,860,583
Noncontrolling interest	<u>(669,469)</u>	<u>(449,875)</u>
Total net assets without donor restrictions	27,993,249	22,410,708
Net assets with donor restrictions (Note 16)	<u>2,701,946</u>	<u>2,806,044</u>
TOTAL NET ASSETS	<u>30,695,195</u>	<u>25,216,752</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 37,711,969</u>	<u>\$ 30,415,449</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUE:						
Contributions (Note 2E)	\$ 8,240,757	\$ 4,082,266	\$ 12,323,023	\$ 6,330,662	\$ 4,809,637	\$ 11,140,299
Government support (Note 2E)	4,546,050	-	4,546,050	4,087,874	-	4,087,874
Special events (net of direct expenses of \$479,648 and \$231,719) (Note 2L)	1,266,105	-	1,266,105	383,221	-	383,221
In-kind donations (Note 2L)	819,540	-	819,540	546,035	-	546,035
Bequests (Note 2E)	793,148	-	793,148	1,031,903	-	1,031,903
Rental income (Notes 2J and 12)	1,939,207	-	1,939,207	1,998,944	-	1,998,944
Other income (Note 4)	764,460	-	764,460	229,941	-	229,941
Net assets released from restrictions (Note 16)	4,186,364	(4,186,364)	-	3,222,356	(3,222,356)	-
Total Public Support and Other Revenue	22,555,631	(104,098)	22,451,533	17,830,936	1,587,281	19,418,217
EXPENSES (Note 2H)						
Program Services:						
Advocacy	1,543,955	-	1,543,955	1,777,924	-	1,777,924
AIDS	2,642,178	-	2,642,178	2,447,656	-	2,447,656
Crisis intervention	3,462,798	-	3,462,798	2,686,945	-	2,686,945
Housing	1,071,287	-	1,071,287	942,302	-	942,302
Food services	2,168,490	-	2,168,490	1,369,271	-	1,369,271
Job training	717,662	-	717,662	684,918	-	684,918
Emergency mail	112,725	-	112,725	115,126	-	115,126
Emergency goods	1,125,542	-	1,125,542	839,791	-	839,791
Children's programs	935,681	-	935,681	1,025,079	-	1,025,079
Program Services	13,780,318	-	13,780,318	11,889,012	-	11,889,012
Supporting Services:						
Management and administration	1,384,990	-	1,384,990	1,253,979	-	1,253,979
Fundraising	1,114,410	-	1,114,410	1,160,624	-	1,160,624
Business rental	693,372	-	693,372	683,162	-	683,162
Supporting Services	3,192,772	-	3,192,772	3,097,765	-	3,097,765
Total Operating Expenses	16,973,090	-	16,973,090	14,986,777	-	14,986,777
CHANGE IN NET ASSETS	5,582,541	(104,098)	5,478,443	2,844,159	1,587,281	4,431,440
Net assets - beginning of year	22,410,708	2,806,044	25,216,752	19,566,549	1,218,763	20,785,312
NET ASSETS - END OF YEAR	\$ 27,993,249	\$ 2,701,946	\$ 30,695,195	\$ 22,410,708	\$ 2,806,044	\$ 25,216,752

The accompanying notes are an integral part of these consolidated financial statements.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for June 30, 2020)

	Program Services										Supporting Services						Total 2021	Total 2020
	Advocacy	AIDS	Crisis Intervention	Housing	Food Services	Job Training	Children's Programs	Emergency Mail	Emergency Goods	Total Program Services	Management and Administration	Fundraising	Business Rental Property	Total Supporting Services				
Salaries	\$ 860,051	\$ 712,755	\$ 1,219,983	\$ 287,279	\$ 669,741	\$ 431,771	\$ 482,953	\$ 42,074	\$ 58,025	\$ 4,764,632	\$ 764,696	\$ 337,913	\$ 113,903	\$ 1,216,512	\$ 5,981,144	\$ 5,557,670		
Payroll taxes and other benefits (Note 14)	260,628	413,351	563,304	100,202	229,046	194,179	130,873	53,288	14,223	1,959,094	237,087	101,414	42,822	381,323	2,340,417	2,184,310		
Total salaries and related expenses	1,120,679	1,126,106	1,783,287	387,481	898,787	625,950	613,826	95,362	72,248	6,723,726	1,001,783	439,327	156,725	1,597,835	8,321,561	7,741,980		
Professional fees	261,066	38,853	47,298	90,468	34,116	13,193	46,895	2,344	31,677	565,910	153,363	197,014	11,713	362,090	928,000	927,068		
Commercial insurance	16,764	31,916	35,486	53,138	9,601	10,260	34,586	1,669	1,336	194,756	18,287	10,764	2,838	31,889	226,645	196,102		
Transportation	31,348	19,270	1,634	-	43,985	-	16,622	-	1,001	113,860	3,095	-	290	3,385	117,245	110,772		
Supplies	7,722	3,797	15,321	22,169	21,994	2,059	92,939	317	120,011	286,329	10,862	289,526	678	301,066	587,395	202,026		
Telephone	22,681	16,636	35,707	7,660	10,242	7,344	15,845	1,205	965	118,285	35,231	8,002	1,785	45,018	163,303	132,430		
Bank charges and fees	4,230	5,272	9,047	35,256	2,056	2,724	2,353	494	395	61,827	6,656	188,725	732	196,113	257,940	126,231		
Occupancy (Note 15)	42,413	30,546	59,707	174,080	23,003	16,722	38,287	2,887	2,312	389,957	32,749	12,652	104,041	149,442	539,399	591,784		
Direct assistance to clients (Notes 2M and 15)	342	1,340,331	1,400,509	49,513	59,705	597	597	-	882,123	3,733,717	-	4,488	-	4,488	3,738,205	3,027,889		
Advertising	261	-	-	159	1,408	-	382	-	-	2,210	2,800	517	-	3,317	5,527	12,119		
Printing/duplication & list rental management	-	-	-	-	-	-	-	-	-	-	-	239,527	-	239,527	239,527	219,668		
Conferences	7,053	1,938	4,011	697	1,095	15,630	4,318	508	11,587	46,837	1,864	1,697	1,102	4,663	51,500	54,294		
Equipment maintenance	9,156	10,466	38,665	53,182	4,937	11,361	6,450	6,355	619	141,191	26,223	8,272	5,556	40,051	181,242	128,249		
Food	-	-	-	-	1,012,955	-	17,630	-	-	1,030,585	-	-	-	-	1,030,585	525,707		
Postage, shipping and messenger	1,224	71	752	59	-	29	1,173	-	15	3,323	17,667	171,306	-	188,973	192,296	170,716		
Dues and subscriptions	3,947	-	390	-	35	-	3,014	-	-	7,386	1,202	13,630	-	14,832	22,218	23,968		
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	226,824		
Real estate taxes	-	-	-	7,950	-	-	-	-	-	7,950	-	-	92,113	92,113	100,063	95,182		
Unrelated business income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,165		
Bad debt	-	-	-	-	4,722	3,003	2,381	-	-	10,106	23,277	-	-	23,277	33,383	23,212		
Miscellaneous	7,671	8,009	13,731	1,695	7,617	4,101	5,149	743	584	49,300	45,099	5,265	2,666	53,030	102,330	62,932		
Total other than personnel	415,878	1,507,105	1,662,258	496,026	1,237,471	87,023	288,621	16,522	1,052,625	6,763,529	378,375	1,151,385	223,514	1,753,274	8,516,803	6,864,338		
Total expenses before depreciation and amortization	1,536,557	2,633,211	3,445,545	883,507	2,136,258	712,973	902,447	111,884	1,124,873	13,487,255	1,380,158	1,590,712	380,239	3,351,109	16,838,364	14,606,318		
Depreciation and amortization (Note 8)	7,398	8,967	17,253	187,780	32,232	4,689	33,234	841	669	293,063	4,832	3,346	313,133	321,311	614,374	612,178		
Sub-total	1,543,955	2,642,178	3,462,798	1,071,287	2,168,490	717,662	935,681	112,725	1,125,542	13,780,318	1,384,990	1,594,058	693,372	3,672,420	17,452,738	15,218,496		
Less: cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(479,648)	-	(479,648)	(479,648)	(231,719)		
TOTAL EXPENSES	\$ 1,543,955	\$ 2,642,178	\$ 3,462,798	\$ 1,071,287	\$ 2,168,490	\$ 717,662	\$ 935,681	\$ 112,725	\$ 1,125,542	\$ 13,780,318	\$ 1,384,990	\$ 1,114,410	\$ 693,372	\$ 3,192,772	\$ 16,973,090	\$ 14,986,777		

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services										Supporting Services				Total 2020
	Advocacy	AIDS	Crisis Intervention	Housing	Food Services	Job Training	Children's Programs	Emergency Mail	Emergency Goods	Total Program Services	Management and Administration	Fundraising	Business Rental Property	Total Supporting Services	
Salaries	\$ 849,496	\$ 645,687	\$ 1,054,718	\$ 234,559	\$ 417,769	\$ 412,208	\$ 574,424	\$ 44,843	\$ 29,736	\$ 4,263,440	\$ 743,466	\$ 423,242	\$ 127,522	\$ 1,294,230	\$ 5,557,670
Payroll taxes and other benefits (Note 14)	<u>239,100</u>	<u>373,781</u>	<u>517,819</u>	<u>90,687</u>	<u>171,324</u>	<u>166,388</u>	<u>113,886</u>	<u>50,054</u>	<u>12,024</u>	<u>1,735,063</u>	<u>267,799</u>	<u>129,254</u>	<u>52,194</u>	<u>449,247</u>	<u>2,184,310</u>
Total salaries and related expenses	1,088,596	1,019,468	1,572,537	325,246	589,093	578,596	688,310	94,897	41,760	5,998,503	1,011,265	552,496	179,716	1,743,477	7,741,980
Professional fees	507,122	39,882	33,462	87,421	43,729	8,895	60,668	1,791	13,737	796,707	36,800	77,458	16,103	130,361	927,068
Commercial insurance	10,021	25,305	26,258	39,371	7,140	4,376	43,881	1,200	959	158,511	30,618	5,174	1,799	37,591	196,102
Transportation	4,690	22,013	831	278	46,382	-	35,399	-	417	110,010	363	399	-	762	110,772
Supplies	12,727	2,451	7,721	25,041	59,451	2,415	52,250	1,396	23,560	187,012	6,868	7,853	293	15,014	202,026
Telephone	18,552	21,538	28,901	8,666	8,277	6,388	13,330	1,601	1,772	109,025	11,959	9,061	2,385	23,405	132,430
Bank charges and fees	2,096	2,523	4,274	32,755	832	1,343	1,301	224	179	45,527	2,955	77,458	291	80,704	126,231
Occupancy (Note 15)	52,480	41,143	73,187	142,312	22,822	19,393	40,864	10,826	3,455	406,482	86,811	16,446	82,045	185,302	591,784
Direct assistance to clients (Notes 2M and 15)	23,005	1,242,267	877,884	37,081	67,957	28,220	571	-	750,904	3,027,889	-	-	-	-	3,027,889
Advertising	476	-	176	159	975	4,270	-	-	-	6,056	5,904	159	-	6,063	12,119
Printing/duplication & list rental management	754	234	396	37	77	124	121	21	17	1,781	113	217,747	27	217,887	219,668
Conferences	27,187	3,112	5,624	328	1,007	4,979	8,133	509	626	51,505	1,096	935	758	2,789	54,294
Equipment maintenance	11,241	9,917	21,689	35,299	8,987	4,617	10,367	1,093	818	104,028	13,961	8,195	2,065	24,221	128,249
Food	-	-	3,750	-	473,119	4,000	44,838	-	-	525,707	-	-	-	-	525,707
Postage, shipping and messenger	582	894	2,928	694	213	263	1,370	36	281	7,261	3,367	159,712	376	163,455	170,716
Dues and subscriptions	1,460	34	130	-	182	624	3,420	-	-	5,850	4,506	13,612	-	18,118	23,968
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	-	-	226,824	-	226,824	226,824
Real estate taxes	-	-	-	6,552	-	-	-	-	-	6,552	-	-	88,630	88,630	95,182
Unrelated business income taxes	797	1,133	1,684	440	335	993	416	152	88	6,038	518	479	130	1,127	7,165
Bad debt	-	-	-	-	-	-	-	-	-	-	16,212	7,000	-	23,212	23,212
Miscellaneous	<u>6,227</u>	<u>8,405</u>	<u>12,826</u>	<u>1,298</u>	<u>5,481</u>	<u>2,933</u>	<u>4,256</u>	<u>772</u>	<u>733</u>	<u>42,931</u>	<u>11,392</u>	<u>5,864</u>	<u>2,745</u>	<u>20,001</u>	<u>62,932</u>
Total other than personnel	<u>679,417</u>	<u>1,420,851</u>	<u>1,101,721</u>	<u>417,732</u>	<u>746,966</u>	<u>93,833</u>	<u>321,185</u>	<u>19,621</u>	<u>797,546</u>	<u>5,598,872</u>	<u>233,443</u>	<u>834,376</u>	<u>197,647</u>	<u>1,265,466</u>	<u>6,864,338</u>
Total expenses before depreciation and amortization	1,768,013	2,440,319	2,674,258	742,978	1,336,059	672,429	1,009,495	114,518	839,306	11,597,375	1,244,708	1,386,872	377,363	3,008,943	14,606,318
Depreciation and amortization (Note 8)	<u>9,911</u>	<u>7,337</u>	<u>12,687</u>	<u>199,324</u>	<u>33,212</u>	<u>12,489</u>	<u>15,584</u>	<u>608</u>	<u>485</u>	<u>291,637</u>	<u>9,271</u>	<u>5,471</u>	<u>305,799</u>	<u>320,541</u>	<u>612,178</u>
Sub-total	1,777,924	2,447,656	2,686,945	942,302	1,369,271	684,918	1,025,079	115,126	839,791	11,889,012	1,253,979	1,392,343	683,162	3,329,484	15,218,496
Less: cost of direct benefits to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(231,719)</u>	<u>-</u>	<u>(231,719)</u>	<u>(231,719)</u>
TOTAL EXPENSES	<u>\$ 1,777,924</u>	<u>\$ 2,447,656</u>	<u>\$ 2,686,945</u>	<u>\$ 942,302</u>	<u>\$ 1,369,271</u>	<u>\$ 684,918</u>	<u>\$ 1,025,079</u>	<u>\$ 115,126</u>	<u>\$ 839,791</u>	<u>\$ 11,889,012</u>	<u>\$ 1,253,979</u>	<u>\$ 1,160,624</u>	<u>\$ 683,162</u>	<u>\$ 3,097,765</u>	<u>\$14,986,777</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,478,443	\$ 4,431,440
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	614,374	612,178
Bad debt	33,383	23,212
Realized and unrealized gains on investments	(301,948)	(7,235)
Changes in operating assets and liabilities		
Decrease (increase) in assets		
Contributions receivable	246,527	(413,525)
Grants receivable	(885,375)	(596,252)
Prepaid expenses and other	(268,609)	(250,252)
Deferred rent receivable	-	19,674
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	292,289	46,842
Accrued vacation	13,878	(1,289)
Refundable advances	(22,496)	69,326
Net Cash Provided by Operating Activities	<u>5,200,466</u>	<u>3,934,119</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(445,097)	(257,462)
Purchases of investments	(4,043,970)	(6,609,631)
Net Cash Used in Investing Activities	<u>(4,489,067)</u>	<u>(6,867,093)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of obligations under capital lease	(26,179)	(36,219)
Proceeds from PPP loans	1,560,585	1,205,865
Net Cash Provided by Financing Activities	<u>1,534,406</u>	<u>1,169,646</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	2,245,805	(1,763,328)
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	<u>3,672,429</u>	<u>5,435,757</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 5,918,234</u>	<u>\$ 3,672,429</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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 to work 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, children’s programs, emergency mail and emergency goods. 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, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Coalition is the sole corporate member of BHI. BHI was 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. On June 17, 2020, the Board of Directors of the Coalition, approved a resolution to transfer the assets of BHI to the Coalition and in June 2020, the Coalition took over the operations 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, and operates a 15-unit rental housing project for homeless persons and persons of low income. The Coalition is the sole corporate member of BBMC.

The Coalition is the 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 the City of New York 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% controlling interest in BCLP.

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, and was created to develop and renovate the 166, 168 and 170 West 77th Street properties as low-income housing. The Coalition is a 79% corporate member of WSS.

WSS entered into an agreement with Coalition Houses L.P. (“CHLP”) to 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% controlling interest in CHLP.

170 West 77th Street Housing Development Fund Corporation (“HDFC”) was formed pursuant to the Private-Housing Finance Law and the Not-for-Profit Corporation Law, both of the State of New York, for the purpose of developing a housing project for persons with low income. The Coalition is the sole corporate member of the HDFC and the member designates the board of directors of the HDFC.

BHI, BBMC, WSS, HDFC, CHLP and BCLP 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, CHLP, BCLP, HDFC and WSS (See Note 1) since the Coalition has a controlling financial interest in these entities. Upon consolidation, all significant intercompany transactions have been eliminated.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. **Net Assets** - The Agency's resources are classified and reported based on the existence or absence of donor-imposed restrictions as follows:

- Without donor restrictions:

Operations – represents expendable resources not subject to donor-imposed restrictions.

Board Designated Fund – consists of funds designated by the Board of Directors which represent a portion of the Agency's net assets without donor restrictions as quasi-endowment funds, operating reserve for extraordinary events and amounts designated for capital and other needs.

- Non-controlling members' interest in consolidated subsidiaries are shown as a component of net assets without donor restrictions in the consolidated statements of financial position.
- With donor restrictions – Includes 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, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as net assets released from restrictions. In addition, net assets with donor restrictions include resources subject to donor-imposed stipulations, requiring that the principal be maintained in perpetuity.

D. **Cash and Cash Equivalents** - Cash equivalents include all highly liquid instruments purchased with original maturities of 90 days or less except for cash equivalents held for long-term investment purposes as part of the Agency's Board Designated Fund (See Note 17).

E. **Contributions, Government Support and Bequests** - Contributions and pledges are recognized when the donor makes a promise to give to Coalition that is, in substance, unconditional. Conditional contributions and promises to give (pledges), those with a measurable performance or other barrier and a right of return, are not recognized as support until the conditions on which they depend are substantially met. The Agency recognizes bequests when the proceeds are measurable and an irrevocable right to the proceeds has been established by the Agency. Contributions and grants receivable due in more than one year are discounted to net present value using the risk-adjusted discount rate in effect on the date of the gifts, unless the value is immaterial. 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.

As of June 30, 2021 and 2020, the Coalition received conditional grants and contracts from foundations and government agencies in the aggregate amount of approximately \$4.1 million and \$4 million, respectively, that had not been recorded in the accompanying consolidated financial statements, as they had not yet been earned. These grants and contracts require the Coalition to provide certain services for future specified periods. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Coalition may be required to return the funds already remitted

F. **Allowance for Uncollectible Receivables** - The Agency determines whether an allowance for uncollectible receivables should be provided for grants 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, 2021 and 2020, the Agency determined that no allowance was necessary for grants and contributions receivable.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 fair value 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. **Functional Expenses** - The cost of providing the various program and supporting services has been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited as determined by management. The expenses that are allocated include salaries and payroll taxes and employee benefits, which are allocated based on estimates of time and effort. Other allocated expenses include professional fees, transportation, direct assistance to clients, printing, conferences, food and catering, and are directly charged based on specific identification to program activities. All remaining expenses are allocated based on full-time equivalent per program.
- I. **Donated Goods and Services** - 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. Donated goods are recognized in the consolidated financial statements at their fair values at the date of receipt. For the years ended June 30, 2021 and 2020, donated goods and services amounted to \$819,540 and \$546,035, respectively.
- J. **Rental Income** - Rental income is recorded based on operating leases and revenue is recognized on the straight-line basis over the terms of the leases. Deferred rent receivable is recorded for the difference between the rental income based on the operating leases and the straight-line basis.
- K. **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.
- L. **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.
- M. **Direct Assistance to Clients** - Direct assistance to clients is 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 contributions.
- N. **Investments** - Investments are stated at fair value. Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and interest and dividends are recognized as revenue in the period earned.
- O. **Fair Value Measurements** - Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.
- P. **Adoption of New Standard** - The Coalition has adopted Accounting Standards Update ("ASU") 2014-09 – *Revenue from Contracts with Customers* (Topic 606) for the year ended June 30, 2021. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in the amount that reflects the consideration to which the agency expects to be entitled in exchange for those services. The adoption of Topic 606 had no effect on the way the Agency recognizes revenue.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. **Reclassification** - Certain balances in the prior year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current year consolidated financial statements.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Agency regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing activities of providing direct services and advocacy for men, women and children experiencing homelessness, as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Agency operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the consolidated statements of cash flows which identifies the sources and uses of the Agency's cash and shows positive cash generated by operations for fiscal years 2021 and 2020, respectively. At the discretion of the Board, the Agency could utilize its board designated funds to cover general expenditures (see Note 17). In the event of an unanticipated liquidity need, the Agency could also draw upon \$1.5 million of its available line of credit.

The Agency manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Financial assets available for general expenditures within one year of the consolidated statements of financial position date are as follows as of June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 4,987,965	\$ 2,770,508
Investments	10,962,784	6,616,866
Contributions receivable, net	1,105,503	1,385,413
Grants receivable	<u>2,019,684</u>	<u>1,134,309</u>
Total financial assets	19,075,936	11,907,096
Less: Board-designated net assets	(10,962,784)	(6,616,866)
Net assets with donor restrictions	<u>(2,701,946)</u>	<u>(2,806,044)</u>
Total	<u>\$ 5,411,206</u>	<u>\$ 2,484,186</u>

NOTE 4 – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 4,000,599	\$ 4,802,097
Common stocks	2,991,772	480,562
Mutual funds	219,904	207,329
Corporate Bonds	<u>3,750,509</u>	<u>1,126,878</u>
	<u>\$ 10,962,784</u>	<u>\$ 6,616,866</u>

Interest and dividends amounted to approximately \$44,000 and \$15,000 for the years ended June 30, 2021 and 2020, respectively, and are included with other income on the accompanying consolidated statements of activities. Realized and unrealized gains amounted to approximately \$301,948 and \$7,235 for the years ended June 30, 2021 and 2020, respectively and is included with other income on the accompanying consolidated statements of activities.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 – FAIR VALUE MEASUREMENTS

Investments are subject to market volatility that could substantially change their carrying value in the near term. In determining fair value, the Agency utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Money market funds and common stocks - Valued using quoted market prices in active markets.

Mutual funds - Valued at the daily closing price as reported by the fund.

Corporate bonds - Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings

Financial assets carried at fair value as of June 30, 2021 are classified as Level 1 and Level 2 in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2021</u>
ASSETS AT FAIR VALUE:			
Investments:			
Money market funds	\$ 4,000,599	\$ -	\$ 4,000,599
Common stocks	2,991,772	-	2,991,772
Mutual funds	219,904	-	219,904
Corporate bonds	<u>-</u>	<u>3,750,509</u>	<u>3,750,509</u>
TOTAL ASSETS AT FAIR VALUE:	<u>\$ 7,212,275</u>	<u>\$ 3,750,509</u>	<u>\$ 10,962,784</u>

Financial assets carried at fair value as of June 30, 2020 are classified as Level 1 and Level 2 in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2020</u>
ASSETS AT FAIR VALUE:			
Investments:			
Money market funds	\$ 4,802,097	\$ -	\$ 4,802,097
Common stocks	480,562	-	480,562
Mutual funds	207,329	-	207,329
Corporate Bonds	<u>-</u>	<u>1,126,878</u>	<u>1,126,878</u>
TOTAL ASSETS AT FAIR VALUE:	<u>\$ 5,489,988</u>	<u>\$ 1,126,878</u>	<u>\$ 6,616,866</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following as of June 30,:

	<u>2021</u>	<u>2020</u>
Due within one year	\$ <u>1,105,503</u>	\$ <u>1,385,413</u>

NOTE 7 – GRANTS RECEIVABLE

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

	<u>2021</u>	<u>2020</u>
New York City Human Resources Administration	\$ 579,556	\$ 554,778
New York City Department of Homeless Services	629,639	275,201
Consortium for Worker Education	31,132	66,106
New York State Office of Temporary and Disability Assistance	390,337	172,752
NYC Department of Youth and Community Development	118,686	15,846
Federal Emergency Management Association	123,685	-
Food Bank for New York City	106,205	-
New York State Department of Health	<u>40,444</u>	<u>49,626</u>
	<u>\$ 2,019,684</u>	<u>\$ 1,134,309</u>

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of June 30,:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Land	\$ 8,089,841	\$ 8,089,841	
Buildings and improvements	16,045,909	15,817,350	40 Years
Leasehold improvements	1,175,273	1,048,488	10 Years
Equipment	693,490	717,659	3-10 Years
Vehicles	127,812	127,812	3-10 Years
Furniture and fixtures	<u>62,775</u>	<u>59,714</u>	7-10 Years
	26,195,100	25,860,864	
Less: accumulated depreciation and amortization	<u>(9,128,384)</u>	<u>(8,624,871)</u>	
	<u>\$ 17,066,716</u>	<u>\$ 17,235,993</u>	

For the years ended June 30, 2021 and 2020, depreciation and amortization expenses amounted to \$614,374 and \$612,178, respectively. For the years ended June 30, 2021 and 2020, there were \$110,861 and \$-0- of write offs of fully depreciated fixed assets.

NOTE 9 – RESERVE FUND

The partnership agreement between WSS, the general partner of CHLP 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.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10 – BANK LINE OF CREDIT

The Coalition has a \$1.5 million unsecured, revolving line of credit with a bank, of which \$0 was outstanding as of June 30, 2021 and 2020. Interest on any outstanding balance is payable at the 30-day London interbank offered rate ("LIBOR ") plus 3.00%. The line of credit will expire February 25, 2022.

NOTE 11 – LOANS PAYABLE

CHLP has a mortgage payable to the HPD that bears interest at 1% per annum with the principal balance and accrued interest payable due at maturity in July 2033. The outstanding principal as of June 30, 2021 and 2020 was \$2,421,407 and accrued interest payable was \$422,752 and \$394,868, respectively. The mortgage is secured by the property.

CHLP has a second mortgage with HPD that is secured by the first HPD mortgage that bears interest at 1.00% per annum. The principal and accrued interest are payable upon maturity on April 1, 2025. The outstanding principal as of June 30, 2021 and 2020 was \$307,629 and accrued interest payable was \$49,219 and \$46,143, respectively.

NOTE 12 – 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 expired July 31, 2019 with the option for a five-year extension at \$1,182,696 per annum. CVS exercised the option which commenced August 1, 2019 and extends through July 31, 2024. The HMH lease is a non-cancelable lease agreement that expired June 30, 2019 and was renewed with an expiration date of June 30, 2024.

In June 2021, the Coalition leased a portion of its building to the NY Center for Infants and Toddlers. The lease is a five-year non-cancelable operating lease agreement, which expires on June 30, 2026.

The future minimum lease payments to be received by the Coalition for the following fiscal years are:

	CVS	HMH	NY Center of Infants and Toddlers	Total
2022	\$ 1,182,696	\$ 202,400	\$ 120,000	\$ 1,505,096
2023	1,182,696	202,400	125,000	1,510,096
2024	1,182,696	202,400	130,000	1,515,096
2025	98,558	-	130,000	228,558
2026	-	-	130,000	130,000
	<u>\$ 3,646,646</u>	<u>\$ 607,200</u>	<u>\$ 635,000</u>	<u>\$ 4,888,846</u>

For the years ended June 30, 2021 and 2020, rental income included in the accompanying consolidated statements of activities from the leases amounted to approximately \$1,939,000 and \$2,000,000, respectively.

NOTE 13 – CAPITAL LEASE

Effective March 10, 2018, the Coalition entered into a three-year lease agreement with Canon Financial Services for the acquisition of certain equipment with monthly payments of \$3,174 and an interest rate of 1.9725%. The lease ended in March 2021. Interest expense on the capital lease amounted to \$849 and \$233 for the years ended June 30, 2021 and 2020, respectively.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 14 – 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 based 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 years ended June 30, 2021 and 2020 amounted to approximately \$356,000 and \$303,000, respectively.

NOTE 15 – 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 consolidated 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 \$1,100 and \$2,200 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 ten-year leases in March 2018 for two campsites within Harriman State Park which expire December 31, 2027, which are used for summer sleep-away camp.

The two leases are for \$10,307 and \$4,056, annually.

- C. The Coalition leases office space in Albany, New York which expires in September 2025 with annual rent of \$18,740.

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

2022	\$	548,768
2023		33,103
2024		33,103
2025		33,103
2026		19,048
Thereafter		<u>22,741</u>
	\$	<u>689,866</u>

Rent expense for the years ended June 30, 2021 and 2020 amounted to \$2,597,612 and \$1,648,775 and is included in occupancy expense and direct assistance to clients in the accompanying statement of functional expenses.

- D. The Agency believes it has no uncertain tax positions as of June 30, 2021 and 2020 in accordance with FASB Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- E. Paycheck Protection Program Loan - On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). Among many other provisions, to help businesses retain employees, the CARES Act relief to qualifying businesses through a program called the Paycheck Protection Program ("PPP"). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the twenty-four week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the Agency's employees. The Agency applied for this loan and received \$1,205,865 in April

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

2020. Management has opted to account for the proceeds as a loan under FASB ASC Topic 470, "Debt," until the loan is, in part or wholly, forgiven and the Agency has been "legally released." Subsequent to year-end, the Agency met all eligibility requirements for forgiveness of the PPP loan and was notified by the SBA that the entire PPP loan of \$1,205,865 and interest was forgiven in August 2021.

The Agency applied for a second PPP loan and received \$1,560,585 in March 2021. The Agency recorded the proceeds of the PPP Loan of \$1,560,585 as debt and will derecognize the liability when the loan is paid off or forgiven and legally released from the SBA. The Agency believes that the possibility of loan forgiveness is to be regarded as a contingent gain and therefore will not recognize the gain (and derecognize the loan) until all uncertainty is removed.

- F. Equipment Rental – The Agency entered into an equipment lease for a copier. The lease is for 36 months, expires in June 2024 and requires monthly payments of \$2,245 for the term of the lease.
- G. Coronavirus - The extent of the impact of COVID-19 on the Agency's business and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Agency is currently unable to fully determine the extent of COVID-19's impact on its business in future periods. The Agency's performance in future periods will be heavily influenced by the timing, length, and intensity of the economic recoveries in the United States. The Agency continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations.

NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30,:

	<u>2021</u>	<u>2020</u>
Crisis intervention	\$ 684,953	\$ 366,432
Children's programs	321,362	415,841
Advocacy	416,719	358,901
Job training	24,819	24,160
Food services	14,146	220,957
COVID-19	1,239,947	1,373,554
Time restricted	<u>-</u>	<u>46,199</u>
	<u>\$ 2,701,946</u>	<u>\$ 2,806,044</u>

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

	<u>2021</u>	<u>2020</u>
Children's programs	\$ 264,226	\$ 408,726
Food services	421,471	385,305
Crisis intervention	928,212	989,980
Job training	80,661	135,399
AIDS Services	500	274
Advocacy	123,432	339,795
Emergency goods distribution	1,057,999	697,623
COVID-19	<u>1,309,863</u>	<u>265,254</u>
	<u>\$ 4,186,364</u>	<u>\$ 3,222,356</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 17 – BOARD DESIGNATED NET ASSETS

The Agency's governing board has designated a portion of its net assets without donor restrictions for quasi-endowment, operating reserve and other purposes. U.S. GAAP provides guidance on the net asset classifications of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The guidance requires disclosure about an organization's endowment funds, whether or not the organization is subject to UPMIFA. The quasi-endowment funds will be invested for long-term appreciation but remain available and may be spent at the discretion of the board with a board resolution. The operating reserve funds will be invested for a shorter term and can be drawn down at the discretion of management to meet cash needs. Board designated net assets as of June 30, 2021 and 2020 amounted to \$10,962,784 and \$6,616,866, respectively.

Changes in Board designated funds for the years ended June 30, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Investment activity:		
Interest	\$ 43,970	\$ 14,278
Realized gains	6,458	-
Unrealized gains	295,490	7,235
Investment fees	<u>-</u>	<u>(4,647)</u>
	345,918	16,866
Appropriated and transferred to board designated	<u>4,000,000</u>	<u>6,600,000</u>
Change in board designated	4,345,918	6,616,866
Board designated, beginning of year	<u>6,616,866</u>	<u>-</u>
Board designated, end of year	<u>\$ 10,962,784</u>	<u>\$ 6,616,866</u>

Board designated funds of \$10,962,784 and \$6,616,866 as of June 30, 2021 and 2020, respectively, are included in investments in the accompanying statements of financial position.

NOTE 18 – 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, 2021 and 2020, there was approximately \$4,750,000 and \$2,414,000, respectively of cash held by banks that exceeded FDIC limits.

NOTE 19 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statements of financial position through December 14, 2021, the date the consolidated financial statements were available to be issued.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

As of June 30, 2021									As of June 30, 2020								
	Coalition for the Homeless, Inc.	West Seventy Seventh, Inc.	Bridge Building Management Company	HDFC	Bridge Coalition L.P.	Coalition Houses L.P.	Consolidating Eliminations	Consolidated Total	Coalition for the Homeless, Inc.	Bridge Homes, Inc.	West Seventy Seventh, Inc.	Bridge Building Management Company	HDFC	Bridge Coalition L.P.	Coalition Houses L.P.	Consolidating Eliminations	Consolidated Total
ASSETS																	
Cash and cash equivalents	\$ 4,716,171	\$ -	\$ 100	\$ -	\$ 87,629	\$ 184,065	\$ -	\$ 4,987,965	\$ 2,490,867	\$ -	\$ -	\$ 100	\$ -	\$ 97,714	\$ 181,827	\$ -	\$ 2,770,508
Investments	10,962,784	-	-	-	-	-	-	10,962,784	6,616,866	-	-	-	-	-	-	-	6,616,866
Reserve fund	226,663	-	-	-	724	702,882	-	930,269	226,663	-	-	-	-	724	701,603	(27,069)	901,921
Contributions receivable	1,105,503	-	-	-	-	-	-	1,105,503	1,385,413	-	-	-	-	-	-	-	1,385,413
Grants receivable	2,019,684	-	-	-	-	-	-	2,019,684	1,134,309	-	-	-	-	-	-	-	1,134,309
Prepaid expenses and other	463,874	-	-	-	19,105	156,069	-	639,048	198,067	-	-	-	-	34,170	138,202	-	370,439
Due from affiliates	317,354	-	-	3,118	-	-	(320,472)	-	327,419	-	-	-	3,118	-	-	(330,537)	-
Property and equipment, net	15,255,317	-	-	-	150,322	1,661,077	-	17,066,716	15,247,716	-	-	-	-	162,261	1,826,016	-	17,235,993
TOTAL ASSETS	\$ 35,067,350	\$ -	\$ 100	\$ 3,118	\$ 257,780	\$ 2,704,093	\$ (320,472)	\$ 37,711,969	\$ 27,627,320	\$ -	\$ -	\$ 100	\$ 3,118	\$ 294,869	\$ 2,847,648	\$ (357,606)	\$ 30,415,449
LIABILITIES																	
Accounts payable and accrued expenses	\$ 464,513	\$ -	\$ 8,901	\$ -	\$ 297,838	\$ 560,591	\$ (294,173)	\$ 1,037,670	\$ 211,145	\$ -	\$ -	\$ 8,901	\$ -	\$ 300,257	\$ 529,317	\$ (304,239)	\$ 745,381
Accrued vacation	409,111	-	-	-	-	-	-	409,111	395,233	-	-	-	-	-	-	-	395,233
Refundable advances	36,929	-	-	-	37,578	-	-	74,507	97,058	-	-	-	-	27,014	-	(27,069)	97,003
PPP Loans	2,766,450	-	-	-	-	-	-	2,766,450	1,205,865	-	-	-	-	-	-	-	1,205,865
Loans payable	-	-	-	-	-	2,729,036	-	2,729,036	-	-	-	-	-	-	2,729,036	-	2,729,036
Capital lease	-	-	-	-	-	-	-	-	26,179	-	-	-	-	-	-	-	26,179
Due to affiliate	-	19,481	3,775	-	-	3,043	(26,299)	-	-	-	19,481	3,775	-	-	3,042	(26,298)	-
TOTAL LIABILITIES	3,677,003	19,481	12,676	-	335,416	3,292,670	(320,472)	7,016,774	1,935,480	-	19,481	12,676	-	327,271	3,261,395	(357,606)	5,198,697
NET ASSETS																	
Without donor restrictions:																	
Net investment in property and equipment	15,255,317	-	-	-	-	-	-	15,255,317	15,221,537	-	-	-	-	-	-	-	15,221,537
Board designated	10,962,784	-	-	-	-	-	-	10,962,784	6,616,866	-	-	-	-	-	-	-	6,616,866
Operations	2,470,300	(15,390)	(12,576)	3,118	(776)	(59)	-	2,444,617	1,047,393	-	(15,390)	(12,576)	3,118	(324)	(41)	-	1,022,180
Controlling interest	28,688,401	(15,390)	(12,576)	3,118	(776)	(59)	-	28,662,718	22,885,796	-	(15,390)	(12,576)	3,118	(324)	(41)	-	22,860,583
Noncontrolling interest	-	(4,091)	-	-	(76,860)	(588,518)	-	(669,469)	-	-	(4,091)	-	-	(32,078)	(413,706)	-	(449,875)
Total net assets (deficit) without donor restrictions	28,688,401	(19,481)	(12,576)	3,118	(77,636)	(588,577)	-	27,993,249	22,885,796	-	(19,481)	(12,576)	3,118	(32,402)	(413,747)	-	22,410,708
Net assets with donor restrictions - controlling interest	2,701,946	-	-	-	-	-	-	2,701,946	2,806,044	-	-	-	-	-	-	-	2,806,044
TOTAL NET ASSETS (DEFICIT)	31,390,347	(19,481)	(12,576)	3,118	(77,636)	(588,577)	-	30,695,195	25,691,840	-	(19,481)	(12,576)	3,118	(32,402)	(413,747)	-	25,216,752
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 35,067,350	\$ -	\$ 100	\$ 3,118	\$ 257,780	\$ 2,704,093	\$ (320,472)	\$ 37,711,969	\$ 27,627,320	\$ -	\$ -	\$ 100	\$ 3,118	\$ 294,869	\$ 2,847,648	\$ (357,606)	\$ 30,415,449

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Coalition for the Homeless, Inc.			West Seventy Seventh, Inc.	Bridge Building Management Company	HDFC	Bridge Coalition L.P.	Coalition Houses L.P.	Consolidated Total			
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions					Eliminations	Without donor restrictions	With donor restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUE:												
Contributions	\$ 8,240,757	\$ 4,082,266	\$ 12,323,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,240,757	\$ 4,082,266	\$ 12,323,023
Government support	4,546,050	-	4,546,050	-	-	-	-	-	-	4,546,050	-	4,546,050
Special events (net of direct expenses of \$479,648)	1,266,105	-	1,266,105	-	-	-	-	-	-	1,266,105	-	1,266,105
In-kind donations	819,540	-	819,540	-	-	-	-	-	-	819,540	-	819,540
Bequests	793,148	-	793,148	-	-	-	-	-	-	793,148	-	793,148
Rental income	1,389,901	-	1,389,901	-	-	-	180,632	368,674	-	1,939,207	-	1,939,207
Other income	747,618	-	747,618	-	-	-	4,541	12,301	-	764,460	-	764,460
Net assets released from restrictions	4,186,364	(4,186,364)	-	-	-	-	-	-	-	4,186,364	(4,186,364)	-
Total Public Support and Other Revenue	21,989,483	(104,098)	21,885,385	-	-	-	185,173	380,975	-	22,555,631	(104,098)	22,451,533
EXPENSES												
Program Services:												
Advocacy	1,543,955	-	1,543,955	-	-	-	-	-	-	1,543,955	-	1,543,955
AIDS	2,642,178	-	2,642,178	-	-	-	-	-	-	2,642,178	-	2,642,178
Crisis intervention	3,462,798	-	3,462,798	-	-	-	-	-	-	3,462,798	-	3,462,798
Housing	340,432	-	340,432	-	-	-	217,312	513,543	-	1,071,287	-	1,071,287
Food services	2,168,490	-	2,168,490	-	-	-	-	-	-	2,168,490	-	2,168,490
Job training	717,662	-	717,662	-	-	-	-	-	-	717,662	-	717,662
Emergency mail	112,725	-	112,725	-	-	-	-	-	-	112,725	-	112,725
Emergency goods	1,125,542	-	1,125,542	-	-	-	-	-	-	1,125,542	-	1,125,542
Children's programs	935,681	-	935,681	-	-	-	-	-	-	935,681	-	935,681
Program Services	13,049,463	-	13,049,463	-	-	-	217,312	513,543	-	13,780,318	-	13,780,318
Supporting Services:												
Management and administration	1,329,633	-	1,329,633	-	-	-	13,095	42,262	-	1,384,990	-	1,384,990
Fundraising	1,114,410	-	1,114,410	-	-	-	-	-	-	1,114,410	-	1,114,410
Business rental	693,372	-	693,372	-	-	-	-	-	-	693,372	-	693,372
Supporting Services	3,137,415	-	3,137,415	-	-	-	13,095	42,262	-	3,192,772	-	3,192,772
Total Operating Expenses	16,186,878	-	16,186,878	-	-	-	230,407	555,805	-	16,973,090	-	16,973,090
CHANGE IN TOTAL NET ASSETS	5,802,605	(104,098)	5,698,507	-	-	-	(45,234)	(174,830)	-	5,582,541	(104,098)	5,478,443
Net Assets (Deficit) - Beginning of Year	22,885,796	2,806,044	25,691,840	(19,481)	(12,576)	3,118	(32,402)	(413,747)	-	22,410,708	2,806,044	25,216,752
NET ASSETS (DEFICIT) - END OF YEAR	\$ 28,688,401	\$ 2,701,946	\$ 31,390,347	\$ (19,481)	\$ (12,576)	\$ 3,118	\$ (77,636)	\$ (588,577)	\$ -	\$ 27,993,249	\$ 2,701,946	\$ 30,695,195

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Coalition for the Homeless, Inc.			Bridge Homes, Inc.	West Seventy Seventh, Inc.	Bridge Building Management Company	HDFC	Bridge Coalition L.P.	Coalition Houses L.P.		Consolidated Total		
	Without donor restrictions	With donor restrictions	Total								Without donor restrictions	With donor restrictions	Total
				Without donor restrictions						Eliminations			
PUBLIC SUPPORT AND OTHER REVENUE:													
Contributions	\$ 6,330,662	\$ 4,809,637	\$ 11,140,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,330,662	\$ 4,809,637	\$ 11,140,299
Government support	4,087,874	-	4,087,874	-	-	-	-	-	-	-	4,087,874	-	4,087,874
Special events (net of direct expenses of \$231,719)	383,221	-	383,221	-	-	-	-	-	-	-	383,221	-	383,221
In-kind donation	546,035	-	546,035	-	-	-	-	-	-	-	546,035	-	546,035
Bequests	1,031,903	-	1,031,903	-	-	-	-	-	-	-	1,031,903	-	1,031,903
Rental Income	1,409,530	-	1,409,530	-	-	-	-	185,444	403,970	-	1,998,944	-	1,998,944
Other Income	225,664	-	225,664	730,382	-	-	-	1,983	2,294	(730,382)	229,941	-	229,941
Forgiveness of debt	-	-	-	441,152	-	-	-	-	-	(441,152)	-	-	-
Net assets released from restrictions	3,222,356	(3,222,356)	-	-	-	-	-	-	-	-	3,222,356	(3,222,356)	-
Total Public Support and Other Revenue	17,237,245	1,587,281	18,824,526	1,171,534	-	-	-	187,427	406,264	(1,171,534)	17,830,936	1,587,281	19,418,217
EXPENSES													
Program Services:													
Advocacy	1,777,924	-	1,777,924	-	-	-	-	-	-	-	1,777,924	-	1,777,924
AIDS	2,447,656	-	2,447,656	-	-	-	-	-	-	-	2,447,656	-	2,447,656
Crisis intervention	2,686,945	-	2,686,945	-	-	-	-	-	-	-	2,686,945	-	2,686,945
Housing	238,323	-	238,323	-	-	-	-	206,439	497,540	-	942,302	-	942,302
Food services	1,744,789	-	1,744,789	796,016	-	-	-	-	-	(1,171,534)	1,369,271	-	1,369,271
Job training	684,918	-	684,918	-	-	-	-	-	-	-	684,918	-	684,918
Emergency mail	115,126	-	115,126	-	-	-	-	-	-	-	115,126	-	115,126
Emergency goods	839,791	-	839,791	-	-	-	-	-	-	-	839,791	-	839,791
Children's programs	1,025,079	-	1,025,079	-	-	-	-	-	-	-	1,025,079	-	1,025,079
Program Services	11,560,551	-	11,560,551	796,016	-	-	-	206,439	497,540	(1,171,534)	11,889,012	-	11,889,012
Supporting Services:													
Management and administration	1,167,390	-	1,167,390	-	-	-	-	15,225	71,364	-	1,253,979	-	1,253,979
Fundraising	1,160,624	-	1,160,624	-	-	-	-	-	-	-	1,160,624	-	1,160,624
Business rental	683,162	-	683,162	-	-	-	-	-	-	-	683,162	-	683,162
Supporting Services	3,011,176	-	3,011,176	-	-	-	-	15,225	71,364	-	3,097,765	-	3,097,765
Total Operating Expenses	14,571,727	-	14,571,727	796,016	-	-	-	221,664	568,904	(1,171,534)	14,986,777	-	14,986,777
CHANGE IN TOTAL NET ASSETS	2,665,518	1,587,281	4,252,799	375,518	-	-	-	(34,237)	(162,640)	-	2,844,159	1,587,281	4,431,440
Net Assets - Beginning of Year	20,220,278	1,218,763	21,439,041	(375,518)	(19,481)	(12,576)	3,118	1,835	(251,107)	-	19,566,549	1,218,763	20,785,312
NET ASSETS - END OF YEAR	\$ 22,885,796	\$ 2,806,044	\$ 25,691,840	\$ -	\$ (19,481)	\$ (12,576)	\$ 3,118	\$ (32,402)	\$ (413,747)	\$ -	\$ 22,410,708	\$ 2,806,044	\$ 25,216,752