

**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, 2022 AND 2021



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AND SUPPLEMENTARY INFORMATION
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YEARS ENDED JUNE 30, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Coalition for the Homeless, Inc. and Affiliates (the "Agency"), which comprise the consolidated statement of financial position as of June 30, 2022 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2021 Consolidated Financial Statements

The consolidated financial statements of Coalition for the Homeless, Inc. and Affiliates as of and for the year ended June 30, 2021 were audited by another auditor whose report dated December 14, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the June 30, 2022 consolidated financial statements as a whole. The consolidating information on pages 19 and 20 is presented for purposes 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 2022 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 GAAS. In our opinion, the 2022 information is fairly stated in all material respects in relation to the 2022 consolidated financial statements as a whole.

Mayer Hoffman McCann CPAs

New York, NY
November 28, 2022

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash and cash equivalents (Notes 2D and 18)	\$ 11,067,347	\$ 4,987,965
Reserve fund (Note 9)	<u>1,200,458</u>	<u>930,269</u>
Total cash, cash equivalents and restricted cash	12,267,805	5,918,234
Investments (Notes 2N, 2O, 4, 5 and 17)	12,130,469	10,962,784
Contributions receivable (Notes 2E, 2F and 6)	888,724	1,105,503
Grants receivable (Notes 2E, 2F and 7)	2,937,995	2,019,684
Prepaid expenses and other	303,065	639,048
Property and equipment, net (Notes 2G and 8)	<u>16,985,563</u>	<u>17,066,716</u>
TOTAL ASSETS	<u>\$ 45,513,621</u>	<u>\$ 37,711,969</u>
LIABILITIES		
Accounts payable and accrued expenses (Note 11)	\$ 1,214,206	\$ 1,037,670
Accrued vacation	423,503	409,111
Refundable advances (Note 2E)	59,499	74,507
PPP loans (Note 15E)	-	2,766,450
Loans payable (Note 11)	<u>2,729,036</u>	<u>2,729,036</u>
TOTAL LIABILITIES	<u>4,426,244</u>	<u>7,016,774</u>
COMMITMENTS AND CONTINGENCIES (Note 15)		
NET ASSETS (Note 2C)		
Net assets without donor restrictions:		
Invested in property and equipment	14,256,527	15,255,317
Board designated (Note 17)	12,130,469	10,962,784
Operations	<u>14,187,453</u>	<u>2,444,617</u>
Total controlling interest	40,574,449	28,662,718
Noncontrolling interest	<u>(966,345)</u>	<u>(669,469)</u>
Total net assets without donor restrictions	39,608,104	27,993,249
Net assets with donor restrictions (Note 16)	<u>1,479,273</u>	<u>2,701,946</u>
TOTAL NET ASSETS	<u>41,087,377</u>	<u>30,695,195</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 45,513,621</u>	<u>\$ 37,711,969</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor	With Donor	Total	Without Donor	With Donor	Total
	Restrictions	Restrictions		Restrictions	Restrictions	
PUBLIC SUPPORT AND OTHER REVENUE:						
Contributions (Note 2E)	\$ 11,237,908	\$ 2,255,350	\$ 13,493,258	\$ 8,240,757	\$ 4,082,266	\$ 12,323,023
Government support (Note 2E, 15E and 15F)	9,945,956	-	9,945,956	4,546,050	-	4,546,050
Special events (net of direct expenses of \$1,096,826 and \$479,648) (Note 2L)	2,094,332	-	2,094,332	1,266,105	-	1,266,105
In-kind donations (Notes 2I and 12)	83,064	-	83,064	819,540	-	819,540
Bequests (Note 2E)	910,497	-	910,497	793,148	-	793,148
Rental income (Notes 2J and 13)	1,876,025	-	1,876,025	1,939,207	-	1,939,207
Other income (Note 4)	(143,967)	-	(143,967)	764,460	-	764,460
Net assets released from restrictions (Note 16)	3,478,023	(3,478,023)	-	4,186,364	(4,186,364)	-
Total Public Support and Other Revenue	<u>29,481,838</u>	<u>(1,222,673)</u>	<u>28,259,165</u>	<u>22,555,631</u>	<u>(104,098)</u>	<u>22,451,533</u>
EXPENSES (Note 2H)						
Program Services:						
Advocacy	1,545,958	-	1,545,958	1,543,955	-	1,543,955
AIDS	2,540,718	-	2,540,718	2,642,178	-	2,642,178
Crisis intervention	3,823,055	-	3,823,055	3,462,798	-	3,462,798
Housing	1,152,955	-	1,152,955	1,071,287	-	1,071,287
Food services	2,691,247	-	2,691,247	2,168,490	-	2,168,490
Job training	698,034	-	698,034	717,662	-	717,662
Emergency mail	139,058	-	139,058	112,725	-	112,725
Emergency goods	274,451	-	274,451	1,125,542	-	1,125,542
Children's programs	1,442,205	-	1,442,205	935,681	-	935,681
Program Services	<u>14,307,681</u>	<u>-</u>	<u>14,307,681</u>	<u>13,780,318</u>	<u>-</u>	<u>13,780,318</u>
Supporting Services:						
Management and administration	1,346,622	-	1,346,622	1,384,990	-	1,384,990
Fundraising	1,485,613	-	1,485,613	1,114,410	-	1,114,410
Business rental	727,067	-	727,067	693,372	-	693,372
Supporting Services	<u>3,559,302</u>	<u>-</u>	<u>3,559,302</u>	<u>3,192,772</u>	<u>-</u>	<u>3,192,772</u>
Total Operating Expenses	<u>17,866,983</u>	<u>-</u>	<u>17,866,983</u>	<u>16,973,090</u>	<u>-</u>	<u>16,973,090</u>
CHANGE IN NET ASSETS	11,614,855	(1,222,673)	10,392,182	5,582,541	(104,098)	5,478,443
Net assets - beginning of year	<u>27,993,249</u>	<u>2,701,946</u>	<u>30,695,195</u>	<u>22,410,708</u>	<u>2,806,044</u>	<u>25,216,752</u>
NET ASSETS - END OF YEAR	<u>\$ 39,608,104</u>	<u>\$ 1,479,273</u>	<u>\$ 41,087,377</u>	<u>\$ 27,993,249</u>	<u>\$ 2,701,946</u>	<u>\$ 30,695,195</u>

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, 2022
(With Comparative Totals for June 30, 2021)

	Program Services									Supporting Services					Total 2022	Total 2021
	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	Total Supporting Services		
Salaries	\$ 835,018	\$ 669,402	\$ 1,272,207	\$ 243,357	\$ 553,789	\$ 419,887	\$ 661,567	\$ 65,703	\$ 65,732	\$ 4,786,662	\$ 706,886	\$ 414,509	\$ 113,746	\$ 1,235,141	\$ 6,021,803	\$ 5,981,144
Payroll taxes and other benefits (Note 14)	278,538	382,634	539,348	108,081	254,183	177,085	139,755	54,596	18,285	1,952,505	244,182	154,530	36,595	435,307	2,387,812	2,340,417
Total salaries and related expenses	1,113,556	1,052,036	1,811,555	351,438	807,972	596,972	801,322	120,299	84,017	6,739,167	951,068	569,039	150,341	1,670,448	8,409,615	8,321,561
Professional fees	271,012	30,861	58,639	185,434	25,280	15,397	73,282	3,145	15,908	678,958	205,853	264,486	23,288	493,627	1,172,585	928,000
Commercial insurance	25,100	53,132	60,291	38,594	17,147	14,892	49,753	2,666	2,121	263,696	25,036	14,561	10,757	50,354	314,050	226,645
Transportation	1,255	22,914	809	434	63,902	37	50,707	-	-	140,058	1,143	429	27	1,599	141,657	117,245
Supplies	14,648	1,352	9,757	30,790	83,089	534	89,939	69	78,098	308,276	14,477	637,285	136	651,898	960,174	587,395
Telephone	25,444	19,013	34,848	11,095	16,957	9,067	17,378	1,241	988	136,031	19,830	8,752	2,914	31,496	167,527	163,303
Bank charges and fees	3,557	4,362	8,296	36,312	3,207	2,255	2,414	404	322	61,129	7,556	369,010	806	377,372	438,501	257,940
Occupancy (Note 15)	49,942	36,873	71,370	216,085	44,300	19,185	54,456	3,422	3,040	498,673	25,387	15,178	113,603	154,168	652,841	539,399
Direct assistance to clients (Notes 2M and 15)	2,525	1,290,477	1,695,547	925	52,560	403	192,869	-	85,097	3,320,403	29	1,883	-	1,912	3,322,315	3,738,205
Advertising	-	-	-	-	-	-	-	-	-	-	5,760	-	-	5,760	5,760	5,527
Printing/duplication & list rental management	-	-	-	-	-	-	-	-	-	-	-	244,216	-	244,216	244,216	239,527
Conferences	14,695	474	987	176	462	13,948	6,400	45	2,543	39,730	3,953	19,836	609	24,398	64,128	51,500
Equipment maintenance	9,188	13,391	38,915	72,077	8,512	17,573	21,487	6,452	765	188,360	11,986	20,497	2,624	35,107	223,467	181,242
Food	-	-	-	-	1,523,387	-	41,845	-	-	1,565,232	-	-	-	-	1,565,232	1,030,585
Postage, shipping and messenger	453	637	3,003	715	19	260	2,120	1	2	7,210	1,558	193,389	936	195,883	203,093	192,296
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,218
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	-	-	22,976	-	22,976	22,976	-
Real estate taxes	-	-	-	8,011	-	-	-	-	-	8,011	-	-	72,800	72,800	80,811	100,063
Bad debt	-	-	-	-	-	-	965	-	-	965	26,750	185,950	18,042	230,742	231,707	33,383
Miscellaneous	10,176	10,264	18,231	14,199	8,052	4,876	5,190	869	752	72,609	43,063	13,331	3,908	60,302	132,911	102,330
Total other than personnel	427,995	1,483,750	2,000,693	614,847	1,846,874	98,427	608,805	18,314	189,636	7,289,341	392,381	2,011,779	250,450	2,654,610	9,943,951	8,516,803
Total expenses before depreciation and amortization	1,541,551	2,535,786	3,812,248	966,285	2,654,846	695,399	1,410,127	138,613	273,653	14,028,508	1,343,449	2,580,818	400,791	4,325,058	18,353,566	16,838,364
Depreciation and amortization (Note 8)	4,407	4,932	10,807	186,670	36,401	2,635	32,078	445	798	279,173	3,173	1,621	326,276	331,070	610,243	614,374
Sub-total	1,545,958	2,540,718	3,823,055	1,152,955	2,691,247	698,034	1,442,205	139,058	274,451	14,307,681	1,346,622	2,582,439	727,067	4,656,128	18,963,809	17,452,738
Less: cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(1,096,826)	-	(1,096,826)	(1,096,826)	(479,648)
TOTAL EXPENSES	\$ 1,545,958	\$ 2,540,718	\$ 3,823,055	\$ 1,152,955	\$ 2,691,247	\$ 698,034	\$ 1,442,205	\$ 139,058	\$ 274,451	\$ 14,307,681	\$ 1,346,622	\$ 1,485,613	\$ 727,067	\$ 3,559,302	\$ 17,866,983	\$ 16,973,090

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Services									Supporting Services				Total 2021	
	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		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
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
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
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
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
Transportation	31,348	19,270	1,634	-	43,985	-	16,622	-	1,001	113,860	3,095	-	290	3,385	117,245
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
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
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
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
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
Advertising	261	-	-	159	1,408	-	382	-	-	2,210	2,800	517	-	3,317	5,527
Printing/duplication & list rental management	-	-	-	-	-	-	-	-	-	-	-	239,527	-	239,527	239,527
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
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
Food	-	-	-	-	1,012,955	-	17,630	-	-	1,030,585	-	-	-	-	1,030,585
Postage, shipping and messenger	1,224	71	752	59	-	29	1,173	-	15	3,323	17,667	171,306	-	188,973	192,296
Dues and subscriptions	3,947	-	390	-	35	-	3,014	-	-	7,386	1,202	13,630	-	14,832	22,218
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real estate taxes	-	-	-	7,950	-	-	-	-	-	7,950	-	-	92,113	92,113	100,063
Unrelated business income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	4,722	3,003	2,381	-	-	10,106	23,277	-	-	23,277	33,383
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
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
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
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
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
Less: cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(479,648)	-	(479,648)	(479,648)
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

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 10,392,182	\$ 5,478,443
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	610,243	614,374
Bad debt	231,707	33,383
Forgiveness of PPP Loan	(2,766,450)	-
Realized and unrealized losses (gains) on investments	1,063,446	(301,948)
Changes in operating assets and liabilities		
Decrease (increase) in assets		
Contributions receivable	(14,928)	246,527
Grants receivable	(918,311)	(885,375)
Prepaid expenses and other	335,983	(268,609)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	176,536	292,289
Accrued vacation	14,392	13,878
Refundable advances	(15,008)	(22,496)
Net Cash Provided by Operating Activities	9,109,792	5,200,466
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(529,090)	(445,097)
Purchases of investments	(2,231,131)	(4,043,970)
Net Cash Used in Investing Activities	(2,760,221)	(4,489,067)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments of obligations under capital lease	-	(26,179)
Proceeds from PPP loans	-	1,560,585
Net Cash Provided by Financing Activities	-	1,534,406
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	6,349,571	2,245,805
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	5,918,234	3,672,429
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 12,267,805	\$ 5,918,234
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITY:		
Forgiveness of PPP Loan	\$ 2,766,450	\$ -

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 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.

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 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, 2022 AND 2021

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, 2022 and 2021, the Coalition received conditional grants and contracts from foundations and government agencies in the aggregate amounts of approximately \$3.8 million and \$4.1 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, 2022 and 2021, 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, 2022 AND 2021

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, 2022 and 2021, donated goods and services amounted to \$83,064 and \$819,540, respectively. (See Note 12).
- 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. **Recent Accounting Pronouncements**

Financial Accounting Standards Board (FASB) Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) was adopted for the year ended June 30, 2022. The core guidance is to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure, as further described in Notes 21 and 12.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 2022 and 2021. 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 11,067,347	\$ 4,987,965
Investments	12,130,469	10,962,784
Contributions receivable	888,724	1,105,503
Grants receivable	<u>2,937,995</u>	<u>2,019,684</u>
Total financial assets	27,024,535	19,075,936
Less: Board-designated net assets	(12,130,469)	(10,962,784)
Net assets with donor restrictions	<u>(1,479,273)</u>	<u>(2,701,946)</u>
Total	<u>\$ 13,414,793</u>	<u>\$ 5,411,206</u>

NOTE 4 – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Money market funds	\$ 551,591	\$ 4,000,599
Common stock	2,010,975	2,991,772
Mutual funds	3,606,784	219,904
US Treasury	3,164,714	-
Mortgage backed securities	737,480	-
Corporate bonds	<u>2,058,925</u>	<u>3,750,509</u>
	<u>\$ 12,130,469</u>	<u>\$ 10,962,784</u>

Interest and dividends amounted to approximately \$274,000 and \$44,000 for the years ended June 30, 2022 and 2021, respectively, and are included with other income on the accompanying consolidated statements of activities. Realized and unrealized (loss) gain amounted to approximately (\$1,063,000) and \$302,000, net of investment expenses of approximately \$8,600 and \$4,600 for the years ended June 30, 2022 and 2021, 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, 2022 AND 2021

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, 2022 and 2021.

Money market funds, common stocks and U.S. Treasury - Valued using quoted market prices in active markets.

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

Corporate bonds and mortgage-backed securities - Valued using quoted market prices in active markets and 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, 2022 are classified as Level 1 and Level 2 in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2022</u>
ASSETS AT FAIR VALUE:			
Investments:			
Money market funds	\$ 551,591	\$ -	\$ 551,591
Common stocks	2,010,975	-	2,010,975
Mutual funds	3,606,784	-	3,606,784
US Treasury	3,092,151	72,563	3,164,714
Mortgage-backed securities	-	737,480	737,480
Corporate bonds	<u>2,058,925</u>	<u>-</u>	<u>2,058,925</u>
TOTAL ASSETS AT FAIR VALUE:	<u>\$ 11,320,426</u>	<u>\$ 810,043</u>	<u>\$ 12,130,469</u>

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 stock	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>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following as of June 30:

	2022	2021
Due within one year	\$ 888,724	\$ 1,105,503

NOTE 7 – GRANTS RECEIVABLE

Grants receivable consists of the following as of June 30:

	2022	2021
Employee Retention Credit	\$ 1,637,455	\$ -
New York City Human Resources Administration	372,676	579,556
New York City Department of Homeless Services	334,992	629,639
Consortium for Worker Education	49,495	31,132
New York State Office of Temporary and Disability Assistance	50,414	390,337
NYC Department of Youth and Community Development	175,000	118,686
Federal Emergency Management Association	231,945	123,685
Food Bank for New York City	65,891	106,205
New York State Department of Health	20,127	40,444
	\$ 2,937,995	\$ 2,019,684

NOTE 8 – PROPERTY AND EQUIPMENT

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

	2022	2021	Estimated Useful Lives
Land	\$ 8,089,841	\$ 8,089,841	
Buildings and improvements	16,156,826	16,045,909	40 Years
Leasehold improvements	1,551,424	1,175,273	10 Years
Equipment	727,192	693,490	3-10 Years
Vehicles	127,812	127,812	3-10 Years
Furniture and fixtures	71,095	62,775	7-10 Years
	26,724,190	26,195,100	
Less: accumulated depreciation and amortization	(9,738,627)	(9,128,384)	
	\$ 16,985,563	\$ 17,066,716	

For the years ended June 30, 2022 and 2021, depreciation and amortization expenses amounted to \$610,243 and \$614,374, respectively. For the years ended June 30, 2022 and 2021, there were \$12,045 of write offs and \$110,861 of write offs of fully depreciated fixed assets, respectively.

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
JUNE 30, 2022 AND 2021**

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, 2022 and 2021. 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 2, 2023.

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, 2022 and 2021 was \$2,421,407. Accrued interest payable was \$451,193 and \$422,752, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position. 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, 2022 and 2021 was \$307,629. Accrued interest payable was \$52,295 and \$49,219, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position.

Interest expense for the years ended June 30, 2022 and 2021 was \$31,517 and \$30,960, respectively.

NOTE 12 – IN-KIND DONATIONS

Donated items for the year ended June 30, 2022 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Laptops	\$ 48,000	Children’s Programs	No associated donor restriction	Based on value of the items provided
Sundry items	10,740	Housing	No associated donor restriction	Based on value of the items provided
Donated food	22,200	Food services	No associated donor restriction	Based on value of the food provided
Gift cards	<u>2,124</u>	Children’s Programs and Advocacy	No associated donor restriction	Based on value of the gift cards
Total	<u>\$ 83,064</u>			

Donated items for the year ended June 30, 2021 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Sundry items	<u>\$ 819,540</u>	Emergency Goods	No associated donor restriction	Based on value of the items provided

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13 – 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
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
	\$ 2,463,950	\$ 404,800	\$ 515,000	\$ 3,383,750

For the years ended June 30, 2022 and 2021, rental income included in the accompanying consolidated statements of activities from the leases amounted to approximately \$1,876,000 and \$1,939,000, respectively.

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, 2022 and 2021 amounted to approximately \$388,000 and \$356,000, 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 per month 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.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)

- 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:

2023	\$	548,768
2024		33,103
2025		33,103
2026		19,048
Thereafter		<u>22,741</u>
	\$	<u>656,763</u>

Rent expense for the years ended June 30, 2022 and 2021 amounted to \$2,864,368 and \$2,597,612, respectively, and is included in occupancy expense and direct assistance to clients in the accompanying consolidated statements of functional expenses.

- D. The Agency believes it has no uncertain tax positions as of June 30, 2022 and 2021 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 provides 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 (“SBA”) 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 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.” 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. In February 2022, the Agency was notified by the SBA that the entire PPP loan of \$1,560,585 and interest was forgiven. Loan forgiveness is included in government support in the accompanying consolidated statements of activities.

- F. Employee Retention Credit – During the year ended June 30, 2022, the Agency also benefitted from credits related to the passage of the CARES Act. Under the CARES Act, the Agency qualified for an Employee Retention Credit (“ERC”) for wages paid to employees who were not working because of the COVID-19 crisis. As a result of the CARES Act, the Agency recorded \$1,637,455 as revenue from government support.
- G. 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. Equipment rental expense for the years ended June 30, 2022 and 2021 was \$34,118 and \$17,260, respectively.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Crisis intervention	\$ 870,530	\$ 684,953
Children’s programs	168,150	321,362
Advocacy	280,000	416,719
Job training	-	24,819
Food services	-	14,146
COVID-19	<u>160,593</u>	<u>1,239,947</u>
	<u>\$ 1,479,273</u>	<u>\$ 2,701,946</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>2022</u>	<u>2021</u>
Children’s programs	\$ 686,397	\$ 264,226
Food services	61,620	421,471
Crisis intervention	914,593	928,212
Job training	379,468	80,661
AIDS Services	-	500
Advocacy	136,548	123,432
Emergency goods distribution	309,718	1,057,999
COVID-19	<u>989,679</u>	<u>1,309,863</u>
	<u>\$ 3,478,023</u>	<u>\$ 4,186,364</u>

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, 2022 and 2021 amounted to \$12,130,469 and \$10,962,784, respectively.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 17 – BOARD DESIGNATED NET ASSETS (Continued)

Changes in Board designated funds for the years ended June 30, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Investment activity:		
Interest	\$ 285,047	\$ 43,970
Realized gains	34,455	6,458
Unrealized (losses) gains	(1,097,901)	295,490
Investment fees	<u>(53,916)</u>	<u>-</u>
	(832,315)	345,918
Appropriated and transferred to board designated	<u>2,000,000</u>	<u>4,000,000</u>
Change in board designated	1,167,685	4,345,918
Board designated, beginning of year	<u>10,962,784</u>	<u>6,616,866</u>
Board designated, end of year	<u>\$ 12,130,469</u>	<u>\$ 10,962,784</u>

Board designated funds of \$12,130,469 and \$10,962,784 as of June 30, 2022 and 2021, respectively, are included in investments in the accompanying consolidated 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, 2022 and 2021, there was approximately \$11,000,000 and \$4,750,000, 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 statement of financial position through November 28, 2022, 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, 2022**

	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
ASSETS								
Cash and cash equivalents	\$ 11,060,911	\$ -	\$ 100	\$ -	\$ 1,875	\$ 4,461	\$ -	\$ 11,067,347
Investments	12,130,469	-	-	-	-	-	-	12,130,469
Reserve fund	248,828	-	-	-	40,541	911,089	-	1,200,458
Contributions receivable	888,724	-	-	-	-	-	-	888,724
Grants receivable	2,937,995	-	-	-	-	-	-	2,937,995
Other receivable	-	-	-	-	-	-	-	-
Prepaid expenses and other	213,381	-	-	-	34,896	54,788	-	303,065
Due from affiliates	439,241	-	-	3,118	-	-	(442,359)	-
Property and equipment, net	15,218,078	-	-	-	227,643	1,539,842	-	16,985,563
TOTAL ASSETS	\$ 43,137,627	\$ -	\$ 100	\$ 3,118	\$ 304,955	\$ 2,510,180	\$ (442,359)	\$ 45,513,621
LIABILITIES								
Accounts payable and accrued expenses	\$ 585,113	\$ -	\$ 8,901	\$ -	\$ 420,800	\$ 615,452	\$ (416,060)	\$ 1,214,206
Accrued vacation	423,503	-	-	-	-	-	-	423,503
Refundable advances	49,094	-	-	-	10,405	-	-	59,499
PPP Loans	-	-	-	-	-	-	-	-
Loans payable	-	-	-	-	-	2,729,036	-	2,729,036
Due to affiliate	-	19,481	3,775	-	-	3,043	(26,299)	-
TOTAL LIABILITIES	1,057,710	19,481	12,676	-	431,205	3,347,531	(442,359)	4,426,244
NET ASSETS								
Without donor restrictions:								
Net investment in property and equipment	15,218,078	-	-	-	227,643	(1,189,194)	-	14,256,527
Board designated	12,130,469	-	-	-	-	-	-	12,130,469
Operations	13,252,097	(19,481)	(12,576)	3,118	(1,263)	(84)	-	13,221,811
Controlling interest	40,600,644	(15,390)	(12,576)	3,118	(1,263)	(84)	-	40,574,449
Noncontrolling interest	-	(4,091)	-	-	(124,987)	(837,267)	-	(966,345)
Total net assets (deficit) without donor restrictions	40,600,644	(19,481)	(12,576)	3,118	(126,250)	(837,351)	-	39,608,104
Net assets with donor restrictions - controlling interest	1,479,273	-	-	-	-	-	-	1,479,273
TOTAL NET ASSETS (DEFICIT)	42,079,917	(19,481)	(12,576)	3,118	(126,250)	(837,351)	-	41,087,377
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 43,137,627	\$ -	\$ 100	\$ 3,118	\$ 304,955	\$ 2,510,180	\$ (442,359)	\$ 45,513,621

See independent auditors' report.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Coalition for the Homeless, Inc.			West Seventy Seventh, Inc.	Bridge Building Management Company	HDFC	Bridge Coalition L.P.	Coalition Houses L.P.	Eliminations	Consolidated Total		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions				Without donor restrictions		With donor restrictions	Total	
PUBLIC SUPPORT AND OTHER REVENUE:												
Contributions	\$ 11,237,908	\$ 2,255,350	\$ 13,493,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,237,908	\$ 2,255,350	\$ 13,493,258
Government support	9,945,956	-	9,945,956	-	-	-	-	-	-	9,945,956	-	9,945,956
Special events (net of direct expenses of \$1,096,826)	2,094,332	-	2,094,332	-	-	-	-	-	-	2,094,332	-	2,094,332
In-kind donations	83,064	-	83,064	-	-	-	-	-	-	83,064	-	83,064
Bequests	910,497	-	910,497	-	-	-	-	-	-	910,497	-	910,497
Rental income	1,314,501	-	1,314,501	-	-	-	188,593	372,931	-	1,876,025	-	1,876,025
Other income	(259,508)	-	(259,508)	-	-	-	5,752	109,789	-	(143,967)	-	(143,967)
Net assets released from restrictions	3,478,023	(3,478,023)	-	-	-	-	-	-	-	3,478,023	(3,478,023)	-
Total Public Support and Other Revenue	28,804,773	(1,222,673)	27,582,100	-	-	-	194,345	482,720	-	29,481,838	(1,222,673)	28,259,165
EXPENSES												
Program Services:												
Advocacy	1,545,958	-	1,545,958	-	-	-	-	-	-	1,545,958	-	1,545,958
AIDS	2,540,718	-	2,540,718	-	-	-	-	-	-	2,540,718	-	2,540,718
Crisis intervention	3,823,055	-	3,823,055	-	-	-	-	-	-	3,823,055	-	3,823,055
Housing	238,908	-	238,908	-	-	-	232,734	681,313	-	1,152,955	-	1,152,955
Food services	2,691,247	-	2,691,247	-	-	-	-	-	-	2,691,247	-	2,691,247
Job training	698,034	-	698,034	-	-	-	-	-	-	698,034	-	698,034
Emergency mail	139,058	-	139,058	-	-	-	-	-	-	139,058	-	139,058
Emergency goods	274,451	-	274,451	-	-	-	-	-	-	274,451	-	274,451
Children's programs	1,442,205	-	1,442,205	-	-	-	-	-	-	1,442,205	-	1,442,205
Program Services	13,393,634	-	13,393,634	-	-	-	232,734	681,313	-	14,307,681	-	14,307,681
Supporting Services:												
Management and administration	1,286,216	-	1,286,216	-	-	-	10,225	50,181	-	1,346,622	-	1,346,622
Fundraising	1,485,613	-	1,485,613	-	-	-	-	-	-	1,485,613	-	1,485,613
Business rental	727,067	-	727,067	-	-	-	-	-	-	727,067	-	727,067
Supporting Services	3,498,896	-	3,498,896	-	-	-	10,225	50,181	-	3,559,302	-	3,559,302
Total Operating Expenses	16,892,530	-	16,892,530	-	-	-	242,959	731,494	-	17,866,983	-	17,866,983
CHANGE IN TOTAL NET ASSETS	11,912,243	(1,222,673)	10,689,570	-	-	-	(48,614)	(248,774)	-	11,614,855	(1,222,673)	10,392,182
Net Assets (Deficit) - Beginning 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
NET ASSETS (DEFICIT) - END OF YEAR	\$ 40,600,644	\$ 1,479,273	\$ 42,079,917	\$ (19,481)	\$ (12,576)	\$ 3,118	\$ (126,250)	\$ (837,351)	\$ -	\$ 39,608,104	\$ 1,479,273	\$ 41,087,377