

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



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

**YEARS ENDED JUNE 30, 2023 AND 2022**

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

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

**YEARS ENDED JUNE 30, 2023 AND 2022**

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## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the consolidated financial statements of Coalition for the Homeless, Inc. and Affiliates (the "Agency"), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2023 and 2022, 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.

### ***Basis for Opinion***

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

### ***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.

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### ***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 audits.
- 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 audits 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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 20 and 21 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Mayer Hoffman McCann CPAs".

New York, NY  
December 14, 2023

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2D and 18)	\$ 7,631,917	\$ 11,067,347
Reserve fund (Note 9)	1,013,271	1,200,458
Total cash, cash equivalents and restricted cash	8,645,188	12,267,805
Investments (Notes 2M, 2N, 4, 5 and 17)	16,236,934	12,130,469
Contributions receivable (Notes 2E, 2F and 6)	1,970,121	888,724
Grants receivable (Notes 2E, 2F and 7)	2,845,783	2,937,995
Prepaid expenses and other	375,115	303,065
Property and equipment, net (Notes 2G and 8)	16,611,621	16,985,563
Operating lease right-of-use assets (Notes 2O and 19)	305,859	-
<b>TOTAL ASSETS</b>	<b>\$ 46,990,621</b>	<b>\$ 45,513,621</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses (Note 11)	\$ 1,290,272	\$ 1,214,206
Accrued vacation	474,755	423,503
Refundable advances (Note 2E)	79,513	59,499
Loans payable (Note 11)	2,729,036	2,729,036
Operating lease liabilities (Notes 2O and 19)	305,859	-
<b>TOTAL LIABILITIES</b>	<b>4,879,435</b>	<b>4,426,244</b>
 <b>COMMITMENTS AND CONTINGENCIES</b> (Note 15)		
 <b>NET ASSETS</b> (Note 2C)		
Net assets without donor restrictions:		
Invested in property and equipment	13,882,585	14,526,527
Board designated (Note 17)	16,515,579	12,130,469
Operations	12,392,197	13,917,453
Total controlling interest	42,790,361	40,574,449
Noncontrolling interest	(1,422,228)	(966,345)
Total net assets without donor restrictions	41,368,133	39,608,104
Net assets with donor restrictions (Note 16)	743,053	1,479,273
<b>TOTAL NET ASSETS</b>	<b>42,111,186</b>	<b>41,087,377</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ 46,990,621</b>	 <b>\$ 45,513,621</b>

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Without Donor	With Donor	Total	Without Donor	With Donor	Total
	Restrictions	Restrictions		Restrictions	Restrictions	
<b>PUBLIC SUPPORT AND OTHER REVENUE:</b>						
Contributions (Note 2E)	\$ 7,935,523	\$ 2,265,067	\$ 10,200,590	\$ 11,237,908	\$ 2,255,350	\$ 13,493,258
Government support (Notes 2E, 15D and 15E)	5,496,133	-	5,496,133	9,945,956	-	9,945,956
Special events (net of direct expenses of \$1,281,232 and \$1,096,826 (Note 2K))	1,349,565	-	1,349,565	2,094,332	-	2,094,332
In-kind donations (Notes 2I and 12)	316,537	-	316,537	83,064	-	83,064
Bequests (Note 2E)	262,988	-	262,988	910,497	-	910,497
Rental income (Notes 2J and 13)	1,836,669	-	1,836,669	1,876,025	-	1,876,025
Investment income (Note 4)	856,396	-	856,396	(143,967)	-	(143,967)
Net assets released from restrictions (Note 16)	<u>3,001,287</u>	<u>(3,001,287)</u>	<u>-</u>	<u>3,478,023</u>	<u>(3,478,023)</u>	<u>-</u>
<b>Total Public Support and Other Revenue</b>	<u>21,055,098</u>	<u>(736,220)</u>	<u>20,318,878</u>	<u>29,481,838</u>	<u>(1,222,673)</u>	<u>28,259,165</u>
<b>EXPENSES (Note 2H)</b>						
<b>Program Services:</b>						
Advocacy	1,675,882	-	1,675,882	1,545,958	-	1,545,958
AIDS	2,714,973	-	2,714,973	2,540,718	-	2,540,718
Crisis intervention	4,031,204	-	4,031,204	3,823,055	-	3,823,055
Housing	1,214,569	-	1,214,569	1,152,955	-	1,152,955
Food services	2,443,172	-	2,443,172	2,691,247	-	2,691,247
Job training	723,628	-	723,628	698,034	-	698,034
Children's programs	1,704,412	-	1,704,412	1,442,205	-	1,442,205
Emergency mail	147,605	-	147,605	139,058	-	139,058
Emergency goods	596,689	-	596,689	274,451	-	274,451
Program Services	<u>15,252,134</u>	<u>-</u>	<u>15,252,134</u>	<u>14,307,681</u>	<u>-</u>	<u>14,307,681</u>
<b>Supporting Services:</b>						
Management and administration	1,814,458	-	1,814,458	1,346,622	-	1,346,622
Fundraising	1,314,082	-	1,314,082	1,485,613	-	1,485,613
Business rental	914,395	-	914,395	727,067	-	727,067
Supporting Services	<u>4,042,935</u>	<u>-</u>	<u>4,042,935</u>	<u>3,559,302</u>	<u>-</u>	<u>3,559,302</u>
<b>Total Operating Expenses</b>	<u>19,295,069</u>	<u>-</u>	<u>19,295,069</u>	<u>17,866,983</u>	<u>-</u>	<u>17,866,983</u>
<b>CHANGE IN NET ASSETS</b>	1,760,029	(736,220)	1,023,809	11,614,855	(1,222,673)	10,392,182
Net assets - beginning 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>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 41,368,133</u>	<u>\$ 743,053</u>	<u>\$ 42,111,186</u>	<u>\$ 39,608,104</u>	<u>\$ 1,479,273</u>	<u>\$ 41,087,377</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, 2023**  
(With Comparative Totals for June 30, 2022)

	Program Services									Supporting Services				Total 2023	Total 2022	
	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	\$ 882,269	\$ 686,000	\$ 1,532,775	\$ 309,273	\$ 495,685	\$ 419,290	\$ 800,045	\$ 78,568	\$ 136,144	\$ 5,340,049	\$ 867,057	\$ 325,397	\$ 144,914	\$ 1,337,368	\$ 6,677,417	\$ 6,021,803
Payroll taxes and other benefits (Note 14)	287,963	403,709	623,711	108,445	251,792	179,642	158,022	48,781	48,532	2,110,597	308,983	105,724	46,981	461,688	2,572,285	2,387,812
Total salaries and related expenses	1,170,232	1,089,709	2,156,486	417,718	747,477	598,932	958,067	127,349	184,676	7,450,646	1,176,040	431,121	191,895	1,799,056	9,249,702	8,409,615
Professional fees	315,209	19,077	41,803	148,621	15,329	10,199	131,983	1,730	3,068	687,019	145,736	489,802	108,596	744,134	1,431,153	1,172,585
Commercial insurance	26,273	71,436	62,781	53,219	23,501	16,738	43,358	2,678	4,469	304,453	30,276	13,572	14,334	58,182	362,635	314,050
Transportation	1,682	28,273	80	2,437	63,914	-	91,478	-	96	187,960	4,956	38	-	4,994	192,954	141,657
Supplies	4,763	2,014	6,873	39,008	119,300	4,351	153,631	125	107,372	437,437	30,425	846,216	425	877,066	1,314,503	960,174
Telephone	50,820	40,868	98,314	17,947	35,542	21,542	28,978	3,364	5,254	302,629	36,862	17,793	6,273	60,928	363,557	167,527
Bank charges and fees	3,599	3,880	8,827	35,575	3,127	2,066	1,949	358	602	59,983	3,076	140,485	591	144,152	204,135	438,501
Occupancy (Note 15)	54,166	37,824	80,510	156,461	40,940	19,787	64,091	3,452	5,710	462,941	22,753	13,657	164,958	201,368	664,309	652,841
Direct assistance to clients (Notes 2L and 14)	2,801	1,391,163	1,508,751	11,188	649	14,056	30,400	-	276,829	3,235,837	200	-	-	200	3,236,037	3,322,315
Advertising	-	-	-	-	380	-	354	-	-	734	-	-	-	8,934	9,668	5,760
Printing/duplication & list rental management	19	-	-	-	-	-	6	-	-	25	-	280,480	-	280,480	280,505	244,216
Conferences	8,489	1,133	2,723	353	1,108	5,358	16,060	390	631	36,245	9,255	13,182	427	22,864	59,109	64,128
Equipment maintenance	16,681	12,918	30,942	14,440	14,822	18,359	15,648	6,502	4,363	134,675	60,110	20,189	5,814	86,113	220,788	223,467
Food	-	-	-	30	1,333,202	-	98,192	-	1,609	1,433,033	-	-	-	-	1,433,033	1,565,232
Postage, shipping and messenger	400	509	2,231	383	-	158	4,240	-	15	7,936	19,790	212,167	130	232,087	240,023	203,093
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	-	-	110,188	-	110,188	110,188	22,976
Real estate taxes	-	-	-	13,672	-	-	-	-	-	13,672	-	-	83,724	83,724	97,396	80,811
Bad debt	330	27	-	291	-	-	-	-	-	648	84,751	-	-	84,751	85,399	231,707
Miscellaneous	12,512	10,864	19,278	113,927	9,330	9,136	7,805	976	1,600	185,428	177,553	4,391	3,346	185,290	370,718	132,911
Total other than personnel	497,744	1,619,986	1,863,113	607,552	1,661,144	121,750	688,173	19,575	411,618	7,490,655	634,677	2,162,160	388,618	3,185,455	10,676,110	9,943,951
Total expenses before depreciation and amortization	1,667,976	2,709,695	4,019,599	1,025,270	2,408,621	720,682	1,646,240	146,924	596,294	14,941,301	1,810,717	2,593,281	580,513	4,984,511	19,925,812	18,353,566
Depreciation and amortization (Note 8)	7,906	5,278	11,605	189,299	34,551	2,946	58,172	681	395	310,833	3,741	2,033	333,882	339,656	650,489	610,243
Sub-total	1,675,882	2,714,973	4,031,204	1,214,569	2,443,172	723,628	1,704,412	147,605	596,689	15,252,134	1,814,458	2,595,314	914,395	5,324,167	20,576,301	18,963,809
Less: cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(1,281,232)	-	(1,281,232)	(1,281,232)	(1,096,826)
<b>TOTAL EXPENSES</b>	<b>\$ 1,675,882</b>	<b>\$ 2,714,973</b>	<b>\$ 4,031,204</b>	<b>\$ 1,214,569</b>	<b>\$ 2,443,172</b>	<b>\$ 723,628</b>	<b>\$ 1,704,412</b>	<b>\$ 147,605</b>	<b>\$ 596,689</b>	<b>\$ 15,252,134</b>	<b>\$ 1,814,458</b>	<b>\$ 1,314,082</b>	<b>\$ 914,395</b>	<b>\$ 4,042,935</b>	<b>\$ 19,295,069</b>	<b>\$ 17,866,983</b>

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Program Services									Supporting Services					Total 2022
	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
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
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
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
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
Transportation	1,255	22,914	809	434	63,902	37	50,707	-	-	140,058	1,143	429	27	1,599	141,657
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
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
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
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
Direct assistance to clients (Notes 2L and 14)	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
Advertising	-	-	-	-	-	-	-	-	-	-	5,760	-	-	5,760	5,760
Printing/duplication & list rental management	-	-	-	-	-	-	-	-	-	-	-	244,216	-	244,216	244,216
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
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
Food	-	-	-	-	1,523,387	-	41,845	-	-	1,565,232	-	-	-	-	1,565,232
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
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	-	-	22,976	-	22,976	22,976
Real estate taxes	-	-	-	8,011	-	-	-	-	-	8,011	-	-	72,800	72,800	80,811
Bad debt	-	-	-	-	-	-	965	-	-	965	26,750	185,950	18,042	230,742	231,707
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
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
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
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
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
Less: cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(1,096,826)	-	(1,096,826)	(1,096,826)
<b>TOTAL EXPENSES</b>	<b>\$ 1,545,958</b>	<b>\$ 2,540,718</b>	<b>\$ 3,823,055</b>	<b>\$ 1,152,955</b>	<b>\$ 2,691,247</b>	<b>\$ 698,034</b>	<b>\$ 1,442,205</b>	<b>\$ 139,058</b>	<b>\$ 274,451</b>	<b>\$ 14,307,681</b>	<b>\$ 1,346,622</b>	<b>\$ 1,485,613</b>	<b>\$ 727,067</b>	<b>\$ 3,559,302</b>	<b>\$ 17,866,983</b>

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



**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,023,809	\$ 10,392,182
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	650,489	610,243
Bad debt	85,399	231,707
Forgiveness of PPP Loan	-	(2,766,450)
Realized and unrealized losses on investments	38,407	1,063,446
Changes in operating assets and liabilities		
Decrease (increase) in assets		
Contributions receivable	(1,166,796)	(14,928)
Grants receivable	92,212	(918,311)
Prepaid expenses and other	(72,050)	335,983
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	76,066	176,536
Accrued vacation	51,252	14,392
Refundable advances	20,014	(15,008)
<b>Net Cash Provided by Operating Activities</b>	<b>798,802</b>	<b>9,109,792</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(276,547)	(529,090)
Purchases of investments	(4,144,872)	(2,231,131)
<b>Net Cash Used in Investing Activities</b>	<b>(4,421,419)</b>	<b>(2,760,221)</b>
<b>NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>	<b>(3,622,617)</b>	<b>6,349,571</b>
<b>Cash, Cash Equivalents and Restricted Cash - Beginning of Year</b>	<b>12,267,805</b>	<b>5,918,234</b>
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR</b>	<b>\$ 8,645,188</b>	<b>\$ 12,267,805</b>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Adoption of Accounting Standards Codification 842, Leases:		
Operating lease right-of-use asset	\$ 659,429	\$ -
Operating lease right-of-use liability	\$ 659,429	\$ -
Forgiveness of PPP Loan	\$ -	\$ 2,766,450

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**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**  
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**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, 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 acquired 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 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, 2023 and 2022, the Coalition received conditional grants and contracts from foundations and government agencies in the aggregate amounts of approximately \$3.3 million and \$3.8 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 Agency 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 Agency 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, 2023 and 2022, 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**  
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**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, 2023 and 2022, donated goods and services amounted to \$316,537 and \$83,064, 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. **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 a direct cost of special events.
- L. **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.
- M. **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.
- N. **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.
- O. **Recent Accounting Pronouncements** - In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, (Topic 842): *Leases*, which modifies, as well as stipulates the proper accounting of leases by both lessees and lessors. which establishes a right-of-use model ("ROU") that requires a lessee to record a ROU asset and a lease liability on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. The Agency adopted Topic 842 as of July 1, 2022, which required the Agency to recognize lease assets and liabilities as of that date. The adoption of Topic 842 was done using a modified retrospective approach that does not require restating prior periods, and as such, the adoption had no impact to the prior year consolidated financial statements, including the change in net assets as previously reported.

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**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 2023 and 2022. 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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 7,631,917	\$ 11,067,347
Investments	16,236,934	12,130,469
Contributions receivable	1,970,121	888,724
Grants receivable	<u>2,845,783</u>	<u>2,937,995</u>
Total financial assets	28,684,755	27,024,535
Less: Board-designated net assets	(16,515,579)	(12,130,469)
Net assets with donor restrictions	<u>(743,053)</u>	<u>(1,479,273)</u>
Total	<u>\$ 11,426,123</u>	<u>\$ 13,414,793</u>

**NOTE 4 – INVESTMENTS**

Investments consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Money market funds	\$ 6,250,000	\$ 551,591
Common stock	-	2,010,975
Mutual funds	-	3,606,784
US Treasury	4,772,435	3,164,714
Federal mortgages	1,740,395	-
Mortgage-backed securities	626,908	737,480
Corporate bonds	<u>2,847,196</u>	<u>2,058,925</u>
	<u>\$ 16,236,934</u>	<u>\$ 12,130,469</u>

Interest and dividends amounted to approximately \$492,000 and \$274,000 for the years ended June 30, 2023 and 2022, respectively, and are included with investment income on the accompanying consolidated statements of activities. Realized and unrealized losses amounted to approximately \$38,000 and \$1,063,000 for the years ended June 30, 2023 and 2022, respectively, and are included with investment income on the accompanying consolidated statements of activities.

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**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, 2023 and 2022.

Money market funds, common stock 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, 2023 are classified as Level 1 and Level 2 in the table as follows:

	Level 1	Level 2	Total 2023
<b>ASSETS AT FAIR VALUE:</b>			
<b>Investments:</b>			
Money market funds	\$ 6,250,000	\$ -	\$ 6,250,000
US Treasury	4,699,693	72,742	4,772,435
Federal mortgages	1,740,395	-	1,740,395
Mortgage-backed securities	-	626,908	626,908
Corporate bonds	2,847,196	-	2,847,196
<b>TOTAL ASSETS AT FAIR VALUE:</b>	<b>\$ 15,537,284</b>	<b>\$ 699,650</b>	<b>\$ 16,236,934</b>

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)**

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>
<b>ASSETS AT FAIR VALUE:</b>			
Investments:			
Money market funds	\$ 551,591	\$ -	\$ 551,591
Common stock	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>
<b>TOTAL ASSETS AT FAIR VALUE:</b>	<b><u>\$ 11,320,426</u></b>	<b><u>\$ 810,043</u></b>	<b><u>\$ 12,130,469</u></b>

**NOTE 6 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable consists of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Due within one year	<u>\$ 1,970,121</u>	<u>\$ 888,724</u>

**NOTE 7 – GRANTS RECEIVABLE**

Grants receivable consists of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Employee Retention Credit	\$ 1,637,455	\$ 1,637,455
New York City Human Resources Administration	529,679	372,676
New York City Department of Homeless Services	430,124	334,992
Consortium for Worker Education	60,382	49,495
New York State Office of Temporary and Disability Assistance	59,058	50,414
NYC Department of Youth and Community Development	18,986	175,000
Office of Children and Family Services	30,000	-
Federal Emergency Management Association	-	231,945
Food Bank for New York City	71,987	65,891
New York State Department of Health	<u>8,112</u>	<u>20,127</u>
	<b><u>\$ 2,845,783</u></b>	<b><u>\$ 2,937,995</u></b>

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 8 – PROPERTY AND EQUIPMENT**

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

	2023	2022	Estimated Useful Lives
Land	\$ 8,089,841	\$ 8,089,841	
Buildings and improvements	16,246,517	16,156,826	40 Years
Leasehold improvements	1,576,085	1,551,424	10 Years
Equipment	882,904	727,192	3-10 Years
Vehicles	127,812	127,812	3-10 Years
Furniture and fixtures	77,578	71,095	7-10 Years
	27,000,737	26,724,190	
Less: accumulated depreciation and amortization	(10,389,116)	(9,738,627)	
	<u>\$ 16,611,621</u>	<u>\$ 16,985,563</u>	

For the years ended June 30, 2023 and 2022, depreciation and amortization expense amounted to \$650,489 and \$610,243, respectively. For the years ended June 30, 2023 and 2022, there were \$0 and \$12,045 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.

**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, 2023 and 2022. Interest on any outstanding balance is payable at the Secured Overnight Financing Rate (“SOFR”). The line of credit will expire on January 13, 2024.

**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, 2023 and 2022 was \$2,421,407. Accrued interest payable was \$479,919 and \$451,193, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position. The mortgage is secured by the property. The mortgage has a restrictive covenant subject to Article XI of the New York Private Housing Finance law (“Article XI”) which requires the property to be used as low income housing. If the property is used in compliance with Article XI, the debt and related accrued interest would be forgiven after 30 years.

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, 2023 and 2022 was \$307,629. Accrued interest payable was \$55,372 and \$52,295, 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, 2023 and 2022 was \$31,802 and \$31,517, respectively.



**COALITION FOR THE HOMELESS, INC. AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 12 – IN-KIND DONATIONS**

Donated items for the year ended June 30, 2023 consisted of the following:

<b><u>Nonfinancial Asset</u></b>	<b><u>Amount</u></b>	<b><u>Usage in Programs/Activities</u></b>	<b><u>Donor-imposed Restrictions</u></b>	<b><u>Fair Value Techniques</u></b>
Toys	\$ 24,299	Children's Programs	No associated donor restriction	Based on value of the items provided
Sundry items	203,359	Housing	No associated donor restriction	Based on value of the items provided
Food	<u>88,879</u>	Food Services	No associated donor restriction	Based on value of food provided
Total	<u>\$ 316,537</u>			

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

<b><u>Nonfinancial Asset</u></b>	<b><u>Amount</u></b>	<b><u>Usage in Programs/Activities</u></b>	<b><u>Donor-imposed Restrictions</u></b>	<b><u>Fair Value Techniques</u></b>
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>			

**NOTE 13 – RENTAL INCOME**

The Coalition leases a portion of its building to CVS, Inc. ("CVS"). The CVS lease is a non-cancelable operating lease agreement, which expires July 31, 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 as follows:

	<u>CVS</u>	<u>NY Center of Infants and Toddlers</u>	<u>Total</u>
2024	\$ 1,182,696	\$ 130,000	\$ 1,312,696
2025	98,558	130,000	228,558
2026	<u>-</u>	<u>130,000</u>	<u>130,000</u>
	<u>\$ 1,281,254</u>	<u>\$ 390,000</u>	<u>\$ 1,671,254</u>

For the years ended June 30, 2023 and 2022, rental income included in the accompanying consolidated statements of activities from the leases amounted to approximately \$1,837,000 and \$1,876,000, respectively.

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
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**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, 2023 and 2022 amounted to approximately \$369,000 and \$388,000, 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 office space in Albany, New York on a month to month basis. Rent expense for the years ended June 30, 2023 and 2022 was \$18,740 and \$18,304, respectively.
- C. The Agency believes it has no uncertain tax positions as of June 30, 2023 and 2022 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.
- D. 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.

- E. 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. The amount of the credit was received in October 2023.

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES  
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**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2023</u>	<u>2022</u>
Crisis intervention	\$ 667,657	\$ 870,530
Children’s programs	15,496	168,150
Advocacy	-	280,000
Other	59,900	-
COVID-19	<u>-</u>	<u>160,593</u>
	<u>\$ 743,053</u>	<u>\$ 1,479,273</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>2023</u>	<u>2022</u>
Children’s programs	\$ 365,324	\$ 686,397
Food services	248,059	61,620
Crisis intervention	1,506,408	914,593
Job training	20,100	379,468
Advocacy	285,171	136,548
Emergency goods distribution	429,178	309,718
Housing	5,167	-
COVID-19	<u>141,880</u>	<u>989,679</u>
	<u>\$ 3,001,287</u>	<u>\$ 3,478,023</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. 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. Board designated net assets as of June 30, 2023 and 2022 amounted to \$16,515,579 and \$12,130,469, respectively.

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 17 – BOARD DESIGNATED NET ASSETS (Continued)**

Changes in Board designated funds for the years ended June 30, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Investment activity:		
Interest	\$ 44,507	\$ 285,047
Realized gains		34,455
Unrealized gains (losses)	398,345	(1,097,901)
Investment fees	<u>(57,742)</u>	<u>(53,916)</u>
	385,110	(832,315)
Appropriated and transferred to board designated	<u>4,000,000</u>	<u>2,000,000</u>
Change in board designated	4,385,110	1,167,685
Board designated, beginning of year	<u>12,130,469</u>	<u>10,962,784</u>
Board designated, end of year	<u>\$ 16,515,579</u>	<u>\$ 12,130,469</u>

Board designated funds of \$16,515,579 and \$12,130,469 as of June 30, 2023 and 2022, respectively, are included in cash and 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, 2023 and 2022, there was approximately \$7,300,000 and \$11,000,000, respectively, of cash held by banks that exceeded FDIC limits.

**NOTE 19 – RIGHT-OF-USE ASSETS AND LIABILITIES**

The Agency leases space at a camp facility, various apartments and copiers for which expenses are recognized on a straight-line basis over the lease term. The Agency assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As a result, adopting FASB ASC 842 had no impact to the prior year consolidated statement of financial position information.

No comparative information is provided for the amounts reported on the consolidated statement of financial position as of June 30, 2022 since the Agency used the modified retrospective method of transition that does not require restating the prior period.

The Agency determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU assets and operating lease liabilities on the consolidated statements of financial position. ROU assets represent the Agency’s right to use an underlying asset for the lease term, and lease liabilities represent the Agency’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date or the adoption date of ASU 2016-02 based on the present value of lease payments over the lease term. As most of the Agency’s leases do not provide an implicit rate, the Agency uses the risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Agency’s lease terms may include options to

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 19 – RIGHT-OF-USE ASSETS AND LIABILITIES (Continued)**

extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Variable lease expenses are recorded when incurred. The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Coalition leases various 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.

As of June 30, 2023, the operating lease ROU assets had a balance of \$305,859 and the operating lease liabilities totaled \$305,859. The ROU assets and liabilities were calculated utilizing risk-free rates (ranging from 2.79% to 2.84%), according to the Agency's elected policy. The weighted average of the remaining lease term is 1.56 years. The weighted average discount rate amounted to 2.84%.

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

2024	\$	260,469
2025		18,775
2026		14,364
2027		14,364
2028		<u>5,780</u>
Total lease payments		313,752
Less: Present value discount		<u>(7,893)</u>
		<u>\$ 305,859</u>

Rent expense for the years ended June 30, 2023 and 2022 amounted to \$2,706,726 and \$2,864,368, respectively, and is included in occupancy expense and direct assistance to clients in the accompanying consolidated statements of functional expenses.

**NOTE 20 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through December 14, 2023, 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, 2023**

	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
<b>ASSETS</b>								
Cash and cash equivalents	\$ 7,592,858	\$ -	\$ 100	\$ -	\$ 14,630	\$ 24,329	\$ -	\$ 7,631,917
Reserve fund	108,574	-	-	-	40,126	864,571	-	1,013,271
Investments	16,236,934	-	-	-	-	-	-	16,236,934
Contributions receivable	1,970,121	-	-	-	-	-	-	1,970,121
Grants receivable	2,845,783	-	-	-	-	-	-	2,845,783
Prepaid expenses and other	214,630	-	-	-	81,334	79,151	-	375,115
Due from affiliates	856,995	-	-	3,118	-	-	(860,113)	-
Property and equipment, net	14,888,239	-	-	-	234,215	1,489,167	-	16,611,621
Operating lease - right-of-use assets	305,859	-	-	-	-	-	-	305,859
<b>TOTAL ASSETS</b>	<b>\$ 45,019,993</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 3,118</b>	<b>\$ 370,305</b>	<b>\$ 2,457,218</b>	<b>\$ (860,113)</b>	<b>\$ 46,990,621</b>
<b>LIABILITIES</b>								
Accounts payable and accrued expenses	\$ 613,232	\$ -	\$ 8,901	\$ -	\$ 525,095	\$ 950,850	\$ (807,806)	\$ 1,290,272
Accrued vacation	472,315	-	-	-	(1,259)	3,699	-	474,755
Refundable advances	68,554	-	-	-	10,959	-	-	79,513
Loans payable	-	-	-	-	-	2,729,036	-	2,729,036
Operating lease liabilities	305,859	-	-	-	-	-	-	305,859
Due to affiliate	-	19,481	3,775	-	-	29,051	(52,307)	-
<b>TOTAL LIABILITIES</b>	<b>1,459,960</b>	<b>19,481</b>	<b>12,676</b>	<b>-</b>	<b>534,795</b>	<b>3,712,636</b>	<b>(860,113)</b>	<b>4,879,435</b>
<b>NET ASSETS</b>								
Without donor restrictions:								
Net investment in property and equipment	14,888,239	-	-	-	234,215	(1,239,869)	-	13,882,585
Board designated	16,515,579	-	-	-	-	-	-	16,515,579
Operations	11,413,162	(15,390)	(12,576)	3,118	(235,860)	1,239,743	-	12,392,197
Controlling interest	42,816,980	(15,390)	(12,576)	3,118	(1,645)	(126)	-	42,790,361
Noncontrolling interest	-	(4,091)	-	-	(162,845)	(1,255,292)	-	(1,422,228)
Total net assets (deficit) without donor restrictions	42,816,980	(19,481)	(12,576)	3,118	(164,490)	(1,255,418)	-	41,368,133
Net assets with donor restrictions - controlling interest	743,053	-	-	-	-	-	-	743,053
<b>TOTAL NET ASSETS (DEFICIT)</b>	<b>43,560,033</b>	<b>(19,481)</b>	<b>(12,576)</b>	<b>3,118</b>	<b>(164,490)</b>	<b>(1,255,418)</b>	<b>-</b>	<b>42,111,186</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 45,019,993</b>	<b>\$ -</b>	<b>\$ 100</b>	<b>\$ 3,118</b>	<b>\$ 370,305</b>	<b>\$ 2,457,218</b>	<b>\$ (860,113)</b>	<b>\$ 46,990,621</b>

See independent auditors' report.

**COALITION FOR THE HOMELESS, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	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		
<b>PUBLIC SUPPORT AND OTHER REVENUE:</b>												
Contributions	\$ 7,935,523	\$ 2,265,067	\$ 10,200,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,935,523	\$ 2,265,067	\$ 10,200,590
Government support	5,496,133	-	5,496,133	-	-	-	-	-	-	5,496,133	-	5,496,133
Special events (net of direct expenses of \$1,281,232)	1,349,565	-	1,349,565	-	-	-	-	-	-	1,349,565	-	1,349,565
In-kind donations	316,537	-	316,537	-	-	-	-	-	-	316,537	-	316,537
Bequests	262,988	-	262,988	-	-	-	-	-	-	262,988	-	262,988
Rental income	1,314,501	-	1,314,501	-	-	-	182,810	339,358	-	1,836,669	-	1,836,669
Investment income	817,314	-	817,314	-	-	-	(416)	39,498	-	856,396	-	856,396
Net assets released from restrictions	3,001,287	(3,001,287)	-	-	-	-	-	-	-	3,001,287	(3,001,287)	-
<b>Total Public Support and Other Revenue</b>	<b>20,493,848</b>	<b>(736,220)</b>	<b>19,757,628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,394</b>	<b>378,856</b>	<b>-</b>	<b>21,055,098</b>	<b>(736,220)</b>	<b>20,318,878</b>
<b>EXPENSES</b>												
<b>Program Services:</b>												
Advocacy	1,675,882	-	1,675,882	-	-	-	-	-	-	1,675,882	-	1,675,882
AIDS	2,714,973	-	2,714,973	-	-	-	-	-	-	2,714,973	-	2,714,973
Crisis intervention	4,031,204	-	4,031,204	-	-	-	-	-	-	4,031,204	-	4,031,204
Housing	331,409	-	331,409	-	-	-	174,887	708,273	-	1,214,569	-	1,214,569
Food services	2,443,172	-	2,443,172	-	-	-	-	-	-	2,443,172	-	2,443,172
Job training	723,628	-	723,628	-	-	-	-	-	-	723,628	-	723,628
Emergency mail	147,605	-	147,605	-	-	-	-	-	-	147,605	-	147,605
Emergency goods	596,689	-	596,689	-	-	-	-	-	-	596,689	-	596,689
Children's programs	1,704,412	-	1,704,412	-	-	-	-	-	-	1,704,412	-	1,704,412
<b>Program Services</b>	<b>14,368,974</b>	<b>-</b>	<b>14,368,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,887</b>	<b>708,273</b>	<b>-</b>	<b>15,252,134</b>	<b>-</b>	<b>15,252,134</b>
<b>Supporting Services:</b>												
Management and administration	1,680,061	-	1,680,061	-	-	-	45,747	88,650	-	1,814,458	-	1,814,458
Fundraising	1,314,082	-	1,314,082	-	-	-	-	-	-	1,314,082	-	1,314,082
Business rental	914,395	-	914,395	-	-	-	-	-	-	914,395	-	914,395
<b>Supporting Services</b>	<b>3,908,538</b>	<b>-</b>	<b>3,908,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,747</b>	<b>88,650</b>	<b>-</b>	<b>4,042,935</b>	<b>-</b>	<b>4,042,935</b>
<b>Total Operating Expenses</b>	<b>18,277,512</b>	<b>-</b>	<b>18,277,512</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,634</b>	<b>796,923</b>	<b>-</b>	<b>19,295,069</b>	<b>-</b>	<b>19,295,069</b>
<b>CHANGE IN TOTAL NET ASSETS</b>	<b>2,216,336</b>	<b>(736,220)</b>	<b>1,480,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38,240)</b>	<b>(418,067)</b>	<b>-</b>	<b>1,760,029</b>	<b>(736,220)</b>	<b>1,023,809</b>
<b>Net Assets (Deficit) - Beginning of Year</b>	<b>40,600,644</b>	<b>1,479,273</b>	<b>42,079,917</b>	<b>(19,481)</b>	<b>(12,576)</b>	<b>3,118</b>	<b>(126,250)</b>	<b>(837,351)</b>	<b>-</b>	<b>39,608,104</b>	<b>1,479,273</b>	<b>41,087,377</b>
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<b>\$ 42,816,980</b>	<b>\$ 743,053</b>	<b>\$ 43,560,033</b>	<b>\$ (19,481)</b>	<b>\$ (12,576)</b>	<b>\$ 3,118</b>	<b>\$ (164,490)</b>	<b>\$ (1,255,418)</b>	<b>\$ -</b>	<b>\$ 41,368,133</b>	<b>\$ 743,053</b>	<b>\$ 42,111,186</b>