Housing Works, Inc., and Affiliates

Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

June 30, 2021

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Housing Works, Inc., and Affiliates

Index

Independent Auditor's Report

To the Board of Directors of
Housing Works, Inc., and Affiliates

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Housing Works, Inc., and Affiliates (collectively, the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Housing Works, Inc. and Affiliates as of June 30, 2021, 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.

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Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplementary information on pages 30 and 31 is presented for purposes of additional analysis of the consolidated financial statements and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

CohnReznick LLP

New York, New York
May 2, 2022

Housing Works, Inc., and Affiliates

Consolidated Statement of Financial Position
June 30, 2021

Assets	
Cash	$ 5,702,801
Health service receivables, net	4,920,880
Grants and contract service receivables	22,125,693
Pharmacy receivables	2,307,448
Thrift shop and bookstore inventory, net	4,776,568
Prepaid expenses and other assets	2,832,530
Total current assets	42,665,920
Long-term assets	
Restricted cash - debt service and contingency reserve funds	883,493
Security deposits and other assets	2,429,506
Operating right-of-use assets	35,092,275
Property and equipment, net	51,132,581
Total long-term assets	89,537,855
Total assets	$ 132,203,775

Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	$ 16,522,218
Finance lease liabilities	160,052
Current portion of operating lease liabilities	5,354,460
Current maturities of loans payable	3,836,896
Total current liabilities	25,873,626
Long-term liabilities	
Loans payable	6,267,800
Deferred revenue	12,295,607
Operating lease liabilities, net of current portion	33,052,994
Other liabilities	333,727
Total long-term liabilities	51,950,128
Total liabilities	77,823,754
Commitments and contingencies	
Net assets	
Net assets without donor restrictions	53,485,667
Net assets with donor restrictions	894,354
Total net assets	54,380,021
Total liabilities and net assets	$ 132,203,775

See Notes to Consolidated Financial Statements.

Housing Works, Inc., and Affiliates

Consolidated Statement of Activities
Year Ended June 30, 2021

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Operating revenues and other support			
Grants and contract services	$ 57,386,793	$ -	$ 57,386,793
Bookstore sales	655,138	-	655,138
Thrift shops sales	10,167,331	-	10,167,331
Health service revenue	29,166,144	-	29,166,144
Pharmacy revenue	28,241,346	-	28,241,346
In-kind contributions	9,515,311	-	9,515,311
Contributions	2,765,837	185,000	2,950,837
Rental income on apartments	4,120,524	-	4,120,524
Food services	1,390	-	1,390
Extinguishment of debt	1,325,800	-	1,325,800
Other revenue	5,226,715	-	5,226,715
Net assets released from restrictions	756,468	(756,468)	-
Total operating revenues and other support	149,328,797	(571,468)	148,757,329
Expenses			
Program services			
Housing programs	28,101,679	-	28,101,679
Bookstore	2,030,814	-	2,030,814
Thrift shops	19,880,824	-	19,880,824
Health and service programs	68,710,578	-	68,710,578
Food services	769,710	-	769,710
Advocacy, legal and advisory services	11,600,492	-	11,600,492
Property and facility management	1,113,647	-	1,113,647
Total program services	132,207,744	-	132,207,744
Management and general	12,745,188	-	12,745,188
Fundraising	808,366	-	808,366
Total expenses	145,761,298	-	145,761,298
Change in net assets	3,567,499	(571,468)	2,996,031
Net assets, beginning of year	49,918,168	1,465,822	51,383,990
Net assets, end of year	$ 53,485,667	$ 894,354	$ 54,380,021

See Notes to Consolidated Financial Statements.

Housing Works, Inc., and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services								Supporting Services		
	Housing Programs	Bookstore	Thrift Shops	Health and Service Programs	Food Services	Advocacy, Legal and Advisory Services	Property and Facility Management	Total Program Services	Management and General	Fundraising	Total Expense
Expenses											
Salaries and wages	$ 10,484,598	$ 337,004	$ 3,336,129	$ 25,591,678	$ 299,492	$ 6,514,337	$ 741,345	$ 47,304,583	$ 4,725,037	$ 292,786	$ 52,322,406
Fringe benefits	2,253,189	82,160	725,962	5,492,047	63,598	1,424,103	159,433	10,200,492	1,129,199	65,515	11,395,206
Professional service fees	111,847	44,579	55,140	387,458	4,071	248,560	11,312	862,967	2,500,271	13,663	3,376,901
Contracted services	330,762	83,361	643,070	14,723,160	7,404	310,858	26,238	16,124,853	650,386	19,472	16,794,711
Client stipends and reimbursements	20,706	-	-	89,652	-	357,551	37,410	505,319	16,441	-	521,760
Supplies	870,697	30,581	155,843	855,775	45,297	302,553	12,189	2,272,935	184,053	7,154	2,464,142
Occupancy											
Office/retail	776,134	435,338	3,275,390	2,093,666	7,193	992,973	62,133	7,642,827	949,718	49,567	8,642,112
Client	7,601,299	-	-	-	-	-	-	7,601,299	-	-	7,601,299
Utilities											
Office	999,213	74,531	211,899	820,060	17,373	221,235	17,789	2,362,100	317,217	6,468	2,685,785
Client	201,090	-	-	-	-	5,025	-	206,115	-	-	206,115
Transportation	102,234	198	154,093	1,435,612	762	221,508	3,752	1,918,159	126,404	700	2,045,263
Equipment rental, repairs and maintenance	223,395	19,421	73,238	322,856	18,895	105,393	9,324	772,522	389,385	28	1,161,935
Facility repairs and maintenance	1,312,129	9,923	66,498	51,539	6,763	38,360	1,056	1,486,268	19,635	814	1,506,717
Client participation expenses	896,941	-	-	384,488	289,044	210,129	-	1,780,602	312,149	-	2,092,751
Staff expense	64,313	148	11,228	384,605	1,928	78,054	11,233	551,509	261,748	965	814,222
Insurance expense	374,098	21,049	102,242	584,288	7,727	307,699	19,199	1,416,302	134,013	7,059	1,557,374
Depreciation and amortization	799,616	31,470	213,578	315,715	-	-	-	1,360,379	462,992	-	1,823,371
Gift-in-kind expense	-	655,138	10,167,331	-	-	-	-	10,822,469	-	-	10,822,469
Event expense	-	-	22,695	-	-	41,280	-	63,975	36,525	246,701	347,201
Interest and finance fees	414,345	12,193	206,836	369,854	40	2,211	70	1,005,549	378,399	13,890	1,397,838
Cost of goods sold	-	11,211	27,842	13,940,125	-	-	-	13,979,178	-	-	13,979,178
Other expenses	265,073	182,509	431,810	868,000	123	218,663	1,164	1,967,342	151,616	83,584	2,202,542
Total expenses	$ 28,101,679	$ 2,030,814	$ 19,880,824	$ 68,710,578	$ 769,710	$ 11,600,492	$ 1,113,647	$ 132,207,744	$ 12,745,188	$ 808,366	$ 145,761,298

See Notes to Consolidated Financial Statements.

Housing Works, Inc., and Affiliates

Consolidated Statement of Cash Flows
Year Ended June 30, 2021

Cash flows from operating activities	
Change in net assets	$ 2,996,031
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation and amortization	1,823,371
Forgiveness of Paycheck Protection Program Loan	(1,325,800)
Change in operating right to use assets	(35,092,275)
Changes in operating assets and liabilities:	
Health service receivables, net	(1,220,660)
Grants and contract service receivables	(9,373,320)
Pharmacy receivables	(128,404)
Thrift shop and bookstore inventory	1,307,158
Prepaid expenses and other assets	(817,686)
Security deposits and other assets	(276,797)
Accounts payable and accrued expenses	4,095,002
Deferred revenue	68,121
Operating lease liabilities	38,407,454
Deferred rent	(3,178,457)
Other liabilities	(373,187)
Net cash used in operating activities	(3,089,449)
Cash flows from investing activities	
Purchases of property and equipment	(2,284,220)
Net cash used in investing activities	(2,284,220)
Cash flows from financing activities	
Proceeds from loans payable	1,381,248
Payments on finance leases	(245,967)
Payments on loans payable	(707,966)
Net cash provided by financing activities	427,315
Net decrease in cash and restricted cash	(4,946,354)
Cash and restricted cash at beginning of year	11,532,648
Cash and restricted cash at end of year	$ 6,586,294
Supplemental cash flow information	
Cash paid for interest	$ 486,252
Supplemental disclosure of noncash investing and financing activities	
Accounts payable for property and equipment	$ 199,026

See Notes to Consolidated Financial Statements.

Note 1 - Nature of operations

Housing Works, Inc. ("HWI") was organized in May 1990 for the purpose of providing assistance and expertise to homeless persons living with AIDS or HIV-related illnesses; advocating for homeless services; and providing expertise in the development of housing for homeless persons living with AIDS or HIV-related illnesses.

To assist in providing these services, HWI established the following separately incorporated affiliates (collectively, the "Organization"), which, through sole membership, are controlled by HWI:

Housing Works, Used Book Café, Inc. (the "Bookstore") was organized exclusively for the benefit of and to carry out the purposes of HWI by providing relief, assistance, and financial support, directly or indirectly, to homeless persons living with AIDS or HIV-related illnesses. The Bookstore primarily sells donated books and records; the café serves sandwiches, soups and assorted refreshments and hosts special events.

Housing Works, Thrift Shop, Inc. ("Thrift") was organized exclusively for the benefit of and to carry out the purposes of HWI by providing relief, assistance, and financial support, directly or indirectly, to homeless persons living with AIDS or HIV-related illnesses. Thrift receives and primarily sells clothing and other donated goods from 12 shops located in New York City.

Housing Works, Food Services, Inc. ("HWFSC") was organized exclusively for the benefit of and to carry out the purposes of HWI by providing relief, assistance, and financial support, directly or indirectly, to homeless persons living with AIDS or HIV-related illnesses. HWFSC provides institutional catering services to day treatment centers, supportive residences and other facilities, including community catering.

Housing Works, Services, Inc. ("HWS1"), located at 743-749 East 9th Street, New York City, was organized to establish one or more freestanding diagnostic and treatment facilities; be licensed under Article 28 of the New York State health law; and be located in New York City. These facilities provide a broad range of health services to persons living with AIDS or HIV-related illnesses. In addition, HWS1 promotes and carries out certain research and educational activities related to providing care to the sick, injured and disabled, and promoting the health of the public.

Housing Works, Services II, Inc. ("HWS2"), with facilities located at 57 Willoughby Street, Brooklyn, New York, was organized to establish one or more freestanding diagnostic and treatment facilities; be licensed under Article 28 of the New York State health law; and be located in New York City. The facilities provide a broad range of health services to persons living with AIDS or HIV-related illnesses. In addition, HWS2 promotes and carries out certain research and educational activities related to providing care to the sick, injured and disabled, and promoting the health of the public.

Housing Works, Health Services III, Inc. ("HWS3"), located at 2626 Pitkin Avenue, Brooklyn, New York, was organized to establish one or more freestanding diagnostic and treatment facilities; be licensed under Article 28 of the New York State health law; and be located in New York City. This facility provides a broad range of health services to persons living with AIDS or HIV-related illnesses. In addition, HWS3 promotes and carries out certain research and educational activities related to providing care to the sick, injured and disabled, and promoting the health of the public.

Housing Works, Health Services IV, Inc. ("HWS4"), located at 301 West 37th Street, New York City, was organized to establish one or more freestanding diagnostic and treatment facilities; be licensed under Article 28 of the New York State health law; and be located in New York City. This facility provides a broad range of health services to persons living with AIDS or HIV-related illnesses. In addition, HWS4 promotes and carries out certain research and educational activities related to providing care to the sick, injured and disabled, and promoting the health of the public.

Housing Works, Health Services V, Inc. ("HWS5"), located at 1751 Park Avenue, New York City, was organized to establish one or more freestanding diagnostic and treatment facilities; be licensed under Article 28 of the New York State health law; and be located in New York City. This facility provides a broad range of health services to persons living with AIDS or HIV-related illnesses. In addition, HWS5 promotes and carries out certain research and educational activities related to providing care to the sick, injured and disabled, and promoting the health of the public.

Housing Works Health Services VI, Inc. ("HWS6") will be located at 326 West 48th Street, New York City, and be a freestanding diagnostic and treatment facilities licensed under Article 28 of the New York State health law. HWS6 is currently under construction and is expected to open in the last quarter of 2022.

Housing Works, Housing Development Fund Corporation ("HWDC1"), located at 743-749 East 9th Street, New York City, was organized to develop a housing project for homeless or formerly homeless persons of low income with AIDS or HIV-related illnesses.

Housing Works, East New York Housing Development Fund Corporation ("HWDC2"), located at 2640 Pitkin Avenue, Brooklyn, New York, was organized to develop a housing project for homeless or formerly homeless persons of low income with AIDS or HIV-related illnesses.

Housing Works, Harlem Housing Development Fund Corporation, Inc. ("HWDC3"), located at 143-145 West 130th Street, New York City, was organized to develop a housing project for homeless or formerly homeless persons of low income with AIDS or HIV-related illnesses.

Housing Works, Pitkin Avenue Housing Development Fund Corporation, Inc. ("PitkinHDFC"), located at 2609 Pitkin Avenue, Brooklyn, New York, was organized to develop a housing project for homeless or formerly homeless persons of low income with AIDS or HIV-related illnesses.

Housing Works, 454 Lexington Avenue Housing Development Fund Corporation, Inc. ("LEX"), located at 454 Lexington Avenue, New York City, was organized to develop a housing project for homeless or formerly homeless persons of low income with AIDS or HIV-related illnesses.

Housing Works, 874 Jefferson Avenue Housing Development Fund Corporation, Inc. ("JEFF"), located at 874 Jefferson Avenue, Brooklyn, New York, was organized to develop a housing project for homeless or formerly homeless persons of low income with AIDS or HIV-related illnesses.

Bronx Claremont Parkway G. P., Inc. ("BCP"), an entity controlled by HWI, was established and subsequently received a 0.01% general partnership interest in Fitzpatrick Associates Limited Partnership ("Fitzpatrick"). Fitzpatrick was formed to acquire, own, finance, construct, develop and manage a multifamily supportive housing project. As of year-end, Fitzpatrick operates a housing facility consisting of 16 apartment units, and BCP and BCHDFC retain their ownership interest to Fitzpatrick.

Housing Works, 220 Hull Housing Development Fund Corporation ("Hull"), located at 220 Hull Street, Brooklyn, New York, was organized to develop vacant land, located at its address, into a supportive housing residence. Capital funding for the construction of the new housing facility is pending.

Positive Health Project, Inc. ("PHP") is a not-for-profit, culturally diverse, community-based organization whose mission is to improve the health and quality of life of drug users, sex workers, and others who engage in behavior that puts them and the community at risk for HIV/AIDS, hepatitis and other sexually transmitted diseases. PHP accomplishes this by providing disease prevention, social and clinical health services, and education based in the harm reduction philosophy. PHP is funded primarily from government agencies.

HIV Law Project, Inc. ("HLP") is a not-for-profit, community-based organization which believes that all people deserve the same rights, including the right to live with dignity and respect, the right to be treated as equal members of society, and the right to fulfill basic human needs. Yet, these fundamental rights are elusive for many people living with HIV/AIDS ("PLWHAs"). Through innovative legal services and advocacy programs, HLP fights for the rights of the most underserved PLWHAs.

Housing Works, Lyman Prospect Housing Development Fund Corporation ("LPHDFC"), located at 57 Willoughby Street, Brooklyn, New York, was organized to provide supportive housing residences for homeless or formerly homeless persons of low income with AIDS or HIV-related illnesses at two buildings located at 1344 Lyman Place, Bronx, New York and 1412 Prospect Avenue, Bronx, New York.

Bronx Claremont Housing Development Fund Corporation ("BCHDFC") was formed in fiscal year 2019; it took over the partnership share owned by USA Institutional Tax Credit Fund VII L.P. ("Prior Limited Partner"). On December 21, 2018, USA Institutional Tax Credit Fund VII L.P. transferred 99.99% limited partnership interest to BCHDFC. BCP, which has a 0.01% interest, remains the general partner. Due to this, Fitzpatrick is now 100% owned by Housing Works, Inc.

Bailey House, Inc. ("BH") was acquired by Housing Works, Inc. on January 1, 2019. BH, Inc., which was incorporated under New York State Law in August 1983 as the AIDS Resource Center (the name was changed in 1996), provides housing, supportive services, and behavioral health treatment to individuals in New York City living with HIV/AIDS and other chronic illnesses, including mental health concerns and substance use. BH receives the majority of its funding from government agencies. BH, Inc. is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Contributions to BH qualify donors for the charitable contribution deduction.

Bailey-Holt House Housing Development Fund Corporation ("BHH") was acquired by Housing Works, Inc. on January 1, 2019. BH, Inc. is the sole member of Bailey-Holt House Housing Development Fund Corporation. BHH was established to acquire Bailey-Holt House from the City of New York. BHH receives the majority of its funding from government agencies. BHH is a tax-exempt organization under Section 501(c)(3) of the IRC and has been granted nonprivate foundation status under Section 509(a). Contributions to BHH qualify donors for the charitable contribution deduction.

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") using the accrual basis of accounting. All intercompany transactions and balances have been eliminated in consolidation.

Net assets

Net assets, revenues and releases from restriction are classified based on the existence or absence of donor or board-imposed restrictions. Accordingly, the net assets of HWI and the changes therein are classified and reported in two categories of net assets:

Net assets without donor restrictions - Represent net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions may also be designated for specific purposes by the Organization's Board of Directors or may be limited by legal requirements or contractual agreements with outside parties.

Net assets with donor restrictions - Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. Net assets with donor restrictions are subject to donor-imposed restrictions that require the Organization to use or expend the gifts as specified, based on purpose or passage of time. Net assets released from restrictions reflect the fulfillment of the time or purpose restrictions specified by the donors.

Net assets with donor restrictions also include the corpus of gifts, which must be maintained in perpetuity, but allows for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes in accordance with donor stipulations.

Thrift shop and bookstore inventory

Inventory, which consists of donated goods for the thrift shops and bookstore, is stated at estimated fair value at the date of the gift. Fair value is determined using sales history and, as such, approximates the actual sales price of the donated items. The Organization receives donated goods via store drop-offs and residential pick-ups. In fiscal 2021 and 2020, through an agreement with the New York City ("NYC") Department of Sanitation, the Organization also received donated items via collection bins in buildings located throughout NYC.

Property and equipment, net

Property and equipment, net, are stated at cost at date of acquisition or fair value at date of contribution, if donated. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. Amortization of leasehold improvements has been calculated over the lesser of the estimated useful lives of the assets or the related lease term. The Organization depreciates its assets using the half-year convention method in the first year the assets are placed in service. Assets are capitalized when the acquisition cost equals or exceeds the capitalization threshold of $5,000. Assets are depreciated over the following useful lives:

Buildings and building improvements	30 years
Leasehold improvements	Lesser of the life of the lease or the asset 4 -15 years
Equipment, furniture and fixtures	4 - 13 years
Vehicles	4 years

Long-lived assets
The Organization reviews its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Some factors the Organization considers important, which could trigger an impairment review, include: (i) significant underperformance compared to expected historical or projected future operating results; (ii) significant changes in the Organization's use of the acquired assets or the strategy for its overall business; and (iii) significant negative industry or economic trends.

Leases
The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to control and direct the use of the identified asset. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right-of-use assets and lease liabilities for its office buildings, apartments, and vehicles. The Organization has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Contributions, grants and contracts
The Organization recognizes revenue from contributions, grants and contracts in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, the Organization evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the Organization applies guidance under Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). If the transfer of assets is determined to be a contribution, the Organization evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Organization is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributions, both cash and in-kind, are recorded in the period received as revenue with donor restrictions and revenue without donor restrictions depending upon the existence or absence of donor-imposed stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions. Contributions to be received after one year are discounted at an appropriate discount rate. Amortization of the discount is recorded as additional contribution revenue in accordance with donor imposed restrictions, if any. Conditional promises to

give are not recognized until they become unconditional, that is, when the condition on which they depend is substantially met.

In-kind contributions of clothing, books and various other items are recorded as revenue and also capitalized as part of the Organization's inventory. Upon the sale of these goods, the inventory is relieved and a related gift-in-kind expense is recorded representing the cost of the goods sold.

Revenue from governmental grants and contracts is recognized as either contributions or exchange transaction revenues, depending on whether the transaction is reciprocal or nonreciprocal. For contributions, revenue is recognized when a contribution becomes unconditional. Typically, the contract and grant agreements contain a right of return or right of release from the respective obligation provision on the part of the grantor and the Organization has limited discretion over how funds transferred should be spent. As such, the Organization recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome, which is primarily when the related expenses are incurred in accordance with the terms of the respective grant or contract agreement. Funds received in advance of conditions being met are reported as deferred revenue within the accompanying consolidated statement of financial position.

Revenues
In accordance with ASC 606, the Organization recognizes revenue when control of the promised goods or services are transferred to the customers or outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The Organization has identified bookstore sales, thrift shops sales, health service revenue, pharmacy revenue, rental income on apartments, food services and other revenue as revenue categories subject to the adoption of ASC 606. The Organization recognizes contracts with customers, as goods or services are transferred or provided in accordance with ASC 606.

Health service revenue
Health service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving services in outpatient centers. The Organization measures the performance obligation from the commencement of an outpatient service to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the outpatient services.

The Organization's performance obligations consist primarily of outpatient services that occur within one day of a patient's visit; thus, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicaid - Reimbursements for Medicaid services are generally paid at prospectively determined rates per visit or per covered member.

Medicare - Outpatient services are paid using prospectively determined rates.

Other - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per visit, discounts from established charges, and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulator action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved.

Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to health service revenue in the period of the change.

Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example copays, and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

The Organization is open to all patients, regardless of their ability to pay. In the ordinary course of business, the Organization renders services to patients who are financially unable to pay for healthcare. The Organization provides care to these patients who meet certain criteria under its sliding fee discount policy without charge or at amounts less than established rates. Charity care services are computed using a sliding fee scale based on patient income and family size.

The Organization maintains records to identify and monitor the level of sliding fee discount it provides. For uninsured self-pay patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided or on the basis of discounted rates, if negotiated or provided by policy. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Organization records an explicit concession to uninsured patients in the period the services are provided based on historical experience.

Community benefit represents the cost of services for Medicaid, Medicare, and other public patients for which the Organization is not reimbursed. Based on the cost of patient services, charity care and community benefit amounted to $8,519,879 and $20,064,670, respectively, for the year ended June 30, 2021. Such amounts determined to qualify as charity care are not reported as revenue.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, method of reimbursement, and timing of when revenue is recognized.

Pharmacy receivable and revenue

The Organization participates in Section 340B of the Public Health Service Act ("PHS Act"), *Limitation on Prices of Drugs Purchased by Covered Entities*. Participation in this program allows the Organization to purchase pharmaceuticals at discounted rates for prescriptions to eligible patients. Pharmacy revenue is generated through the pharmacy and 340B program that the Organization operates through its agreements with third parties. Under this program, the Organization uses the third parties as its agents for the purpose of operating and managing the pharmacy and providing pharmacy services. See Note 8 for revenues and receivables related to this program.

Thrift shops and bookstore sales and food services
Revenues from the thrift shops and bookstore are recognized at the point of sale. Food services, which are generally driven by catering events, are recognized upon completion of the event.

Rental income on apartments
Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. Rental income is typically billed on a monthly basis, which is consistent with the timing of the delivery of services. All leases between the Organization and the tenants are operating leases.

Apartment rents are paid partially by the tenants and partially subsidized through various federal programs.

Allowance for uncollectible accounts
The carrying value of grants and contract services receivables, contributions receivable, pharmacy receivables, and health services receivables is reduced by an appropriate allowance for uncollectible accounts and, therefore, approximates net realizable value. The Organization determines its allowance by considering a number of factors, including the length of time receivables are past due, the Organization's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Receivables outstanding longer than the payment terms are considered past due. The Organization writes off accounts receivables when they become uncollectible, and payments subsequently received on such receivables are recorded as income in the period received. During the year ended June 30, 2021, the Organization wrote off $134,575 of health services receivable based on patient-specific impairment events.

Concentration of credit risk
Cash is exposed to various risks, such as interest rate, market, and credit risks. To minimize such risks, the Organization maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits. At June 30, 2021, the Organization's cash was placed with high credit quality financial institutions and, accordingly, the Organization does not anticipate any losses with respect to these depository accounts.

Use of estimates
The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Performance indicator
The consolidated statement of activities includes change in net assets as the performance indicator.

Debt issuance costs
Debt issuance costs, net of accumulated amortization, are reported as a direct deduction from the face amount of the mortgage loans payable to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is computed using imputed interest rates on the related loans.

Advertising
Advertising costs are expensed as incurred. Advertising costs amounted to $344,352 for the year ended June 30, 2021, and are included in "Other expenses" on the consolidated statement of functional expenses.

Taxes
The Organization, except BCP, is exempt from federal income taxation by virtue of being an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code"). Nevertheless, the Organization may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code.

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Management has analyzed tax positions taken by the consolidated entities and has concluded that, as of June 30, 2021, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements.

Functional allocation of expenses
The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Costs that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the program services, management and general and fundraising categories based on time and effort measurements and other methods:

- Staff costs are allocated based on time and effort.
- Occupancy and depreciation costs are allocated based on square footage.
- Management and general expenses include costs not identifiable with any specific program, but which provide for the overall support and direction of the Organization.
- Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Adoption of accounting principles
In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees are required to recognize the following for all leases with a term of 12 months or greater at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset representing the lessee's right to use, or control the use of, a specified asset for the lease term. Leases are classified as either operating or finance leases (formerly referred to as capital leases). Recognition, measurement, and presentation of expenses and cash flows arising from a lease are determined by a lease's classification. The Organization adopted the new standard on July 1, 2020 and, as permitted under the transition guidance, elected a package of practical expedients. Accordingly, the Organization accounted for its existing operating leases as operating leases under the new guidance,

without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments as of June 30, 2021, would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Upon adoption, the Organization recognized (a) a lease liability of $42,215,336, which represents the present value of the remaining operating lease payments and (b) right-of-use assets of $39,091,561.

New pronouncement

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit ("NFP") organizations - including transparency on how those assets are used and how they are valued. The ASU does not change existing recognition and measurement requirements but would require an NFP to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets and disclose the following: (1) contributed nonfinancial assets received, disaggregated by category, that depicts the type of contributed nonfinancial assets; (2) for each category of the contributed nonfinancial assets received (as identified above): (i) qualitative information about whether the contributed nonfinancial assets were or are intended to be either monetized or utilized during the reporting period and future periods; if utilized, a description of the programs or other activities in which those assets were or are intended to be used; (ii) a description of any donor restrictions associated with the contributed nonfinancial assets; and (iii) the valuation techniques and inputs used to arrive at a fair value measure, including the principal market (or most advantageous market) if significant, in accordance with the requirements in Topic 820. This ASU is effective, on a retrospective basis, for fiscal years beginning after June 15, 2021, and will therefore be effective for the Organization's 2022 fiscal year. The Organization is in the process of evaluating the impact this standard will have on the consolidated financial statements.

Note 3 - Property and equipment, net

At June 30, 2021, property and equipment, net, consisted of the following:

Land	$ 18,384,069
Buildings and building improvements	28,235,937
Equipment, furniture and fixtures	648,585
Vehicles	49,686
Leasehold improvements	20,601,643
Finance leases	1,551,679
	69,471,599
Less: Accumulated depreciation and amortization	(32,044,811)
Add: Construction in progress	13,705,793
	$ 51,132,581

A portion of the Organization's property and equipment was purchased with funding received from the U.S. Department of Health and Human Services and the U.S. Department of Housing and Urban Development. Funding for certain capital expenditures was provided with the stipulation that if the Organization ceases to operate certain programs, which in management's opinion is unlikely, the related property and equipment could revert to the funding source.

Hull entered into a construction contract with Rende Contracting Corporation, an unrelated party, in the amount of $8,711,000 as adjusted by change orders. As of June 30, 2021, $8,015,000 has been incurred and is included in "Property and equipment, net" on the accompanying consolidated statement of financial position. As of June 30, 2021, $199,000 remains payable.

Depreciation and amortization expense for the year ended June 30, 2021, totaled approximately $1,823,000. Construction in progress amount is not depreciated until the asset is placed in service. Management anticipates construction in progress related to Hull will be completed in the last quarter of 2022 and incur additional expenses amounting to $500,000 to complete. Management expects construction related to BH to be completed within the next four years.

Finance lease liabilities
The Organization leases various office equipment under noncancelable leasing arrangements that are classified as financing leases. The related cost and accumulated depreciation are included within "Property and equipment, net" in the accompanying consolidated statement of financial position at June 30, 2021, and accumulated depreciation amounted to $1,166,000.

Future minimum lease payments under finance leases, together with the present value of the net minimum lease payments, are included in finance lease liabilities in the accompanying consolidated statement of financial position and are payable as follows:

Year ending June 30:

2022	$	161,664
Less: Amount representing interest		(1,612)
	$	160,052

Note 4 - Investments

Related entities
During fiscal 2003, the Organization acquired an 18% ownership interest in Amida Care, Inc. for $300,000, which was accounted for at cost. A $300,000 impairment of this investment was recorded during fiscal 2005. During the year ended June 30, 2017, the Organization contributed no additional capital but the ownership interest in Amida Care, Inc. was reduced to 14%. During the year ended June 30, 2018, the Organization contributed no additional capital but the ownership interest in Amida Care, Inc. was increased to 16.67%. As of June 30, 2021, the Organization maintains the same ownership interest in Amida Care, Inc. and the investment is fully reserved for since Amida Care, Inc. had an accumulated deficit.

On June 7, 2010, BCP, an entity controlled by HWI, was admitted without consideration as General Partner to Fitzpatrick with a partnership interest of 1%. Fitzpatrick was formed to acquire, own, construct, develop, manage and operate a supportive housing facility. The facility consists of eighteen (18) apartment units available for rental to homeless and low-income individuals. The facility was financed through a note from the Homeless Housing Assistance Corporation ("HHAC") in the amount of approximately $2.1 million and through the sale of limited partnership interests to USA Institutional Tax Credit Fund VII L.P. On December 21, 2019, USA Institutional Tax Credit Fund VII L.P. transferred its 99.99% interest in Fitzpatrick to BCHDFC, effectively making Housing Works, Inc. 100% owner of Fitzpatrick. BCP still owns 0.01% of the partnership and remains General Partner, whereas BCHDFC is the limited partner.

Note 5 - Loans payable

At June 30, 2021, loans payable consisted of the following:

Bonds payable - $4,285,000 face amount, due July 2022, payable in monthly installments with interest at 3.25% at June 30, 2021. This is a tax-exempt Dormitory Authority of the State of New York ("DASNY") bond and is secured by the related property at 2626 Pitkin Avenue, Brooklyn, New York.	$ 435,000
Bonds payable - $3,925,000 face amount, due July 2022, payable in monthly installments with interest at 3.25% at June 30, 2021. This is a tax-exempt bond with DASNY and is secured by the related property at 743-749 East 9th Street, NYC.	425,000
Promissory Note, Guaranteed Loan from Non-Profit Finance Fund in the amount of $2.6 million dollars. The loan bears an interest rate of 6.375% and matures on November 26, 2025.	2,552,880
NFF Loan to buyout 2611 Pitkin - $936,000 at 6% fixed rate. Maturity date is July 2023.	936,000
Leviticus Promissory note for Bailey Holt House for $900,000, of which $248,582 has been disbursed. Interest rate is 5.75% and maturity date is November 2023.	248,582
Loan payable - $120,000 loan through Deutsche Bank, which is noninterest-bearing and due in three $40,000 installments on November 30, 2019, 2020, and 2021. The loan proceeds are to be used towards the 2605-2611 Pitkin Avenue New Supportive Housing Development.	40,000
LOC from Non-Profit Finance Fund - Balance borrowed due July 1, 2021 and bears an interest of 6.25%. Total amount available for use is $2,500,000.	2,200,000
LOC from Dime Community Bank (formerly BNB Bank) - LOC bears an interest rate of 6% payable monthly. Total LOC is $1,500,000 and matures on February 28, 2022.	810,723
Paycheck Protection Program ("PPP") Loans from Bank of America - PPP loan bears interest at a fixed rate of 1% fixed per annum until maturity - two years from the dates of the loans.	2,530,337
Total loans payable	10,178,522
Less: Current maturities	3,836,896
Less: Bond issuance costs	73,826
Long-term portion	$ 6,267,800

Loans not associated with housing facilities are collateralized by the Thrift shops inventory and/or the Medicaid receivables.

Future principal payments on loans payable are as follows at for years ending June 30:

2022	$ 3,836,896
2023	2,703,157
2024	3,564,643
	$ 10,104,696

For the year ended June 30, 2021, interest expense totaled approximately $466,000, including amortization of debt issuance costs of approximately $74,000.

Mortgage loans provided by DASNY included funding for start-up costs.

On April 20 and May 1, 2020, HWI and BH, respectively, entered into unsecured promissory notes with commercial banks for an aggregate principal amount of approximately $3,856,000 pursuant to the Paycheck Protection Program (the "PPP" Loan), which was established under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and is administered by the U.S. Small Business Administration (the "SBA"). The PPP Loan promissory notes contain customary events of default relating to, among other things, payment defaults, break of representations and warranties, or provisions of the promissory notes. The occurrence of an event of default may result in the repayment of all amounts outstanding and/or filing suit and obtaining judgment against the respective organizations.

Under the CARES Act, PPP Loan recipients meeting certain criteria set by the SBA may be eligible for full or partial forgiveness of such loans. During the year ended June 30, 2021, BHH submitted its application for PPP Loan forgiveness and received notice from its lender in June 2021 that the SBA approved forgiveness of the full amount of its loan and the related interest thereon. Accordingly, the Organization derecognized $1,325,800 of the PPP Loan and recognized a corresponding gain on debt forgiveness, included in "Extinguishment of debt" on the consolidated statement of activities. During the year ended June 30, 2021, HWI submitted its application for PPP Loan forgiveness and received notice from its lender in August 2021, subsequent to the Organization's year end, that the SBA approved forgiveness of the full amount of the loan and related interest thereon. Accordingly, the Organization will derecognize $2,530,337 of the PPP Loan and recognize a corresponding gain on debt forgiveness, which will be included in "Other revenue" for the year ending June 30, 2022.There is a six-year period during which the SBA can review BH's forgiveness calculation.

Note 6 - Statement of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts in the consolidated statement of cash flows as of June 30, 2021:

Cash	$ 5,702,801
Restricted cash - debt service and contingency reserve funds	883,493
Total cash and restricted cash	$ 6,586,294

Restricted cash at June 30, 2021, consists of cash on deposit for debt service and contingency reserve funds. These assets are maintained with the trustee in accordance with the DASNY bond indentures and collateral with financial institutions as required by the respective loan agreements.

Note 7 - Health service revenue and receivables

For the year ended June 30, 2021, health service revenue consists of the following:

Medicaid (including Managed Care)	$ 27,199,597
Medicare	514,554
Other third-party	373,365
New York State uncompensated care	1,078,628
Total	$ 29,166,144

Health service receivables, net consist of amounts due from government programs, commercial insurance companies, other group insurance programs, and private pay patients. Health service receivables, net amounted to $3,700,220 as of July 1, 2020. Health service receivables, net consist of the following at June 30, 2021:

Medicaid (including Managed Care)	$ 4,738,434
Medicare	102,589
Other third-party	79,857
Total	$ 4,920,880

The Organization's concentration of credit risk related to health service receivables primarily related to uninsured patient accounts and patient accounts for which the primary insurance payor has paid but patient responsibility amounts remain outstanding.

Note 8 - Pharmacy 340B program

The Organization participated in the United States federal program requiring drug manufactures to provide outpatient drugs to eligible healthcare organizations at significantly reduced prices. The intent of the program is to allow entities to stretch federal resources, reaching more eligible patients and providing more comprehensive services to them. The Organization has contracted with community pharmacies to administer these services to their patients for a fee. These contracts authorize the pharmacy to bill Medicaid, Medicare and third-party insurance remitting the collected funds less their fees to the Organization. The pharmacy fees cover the cost of drugs and administrative fees, and allow the pharmacy to purchase directly from the drug wholesalers the drugs which replenish their stock. As of July 1, 2020, the Organization had pharmacy receivables amounting to $2,179,044. At June 30, 2021, the Organization recognized revenue of approximately $28,242,000, and expenses of approximately $17,838,000 for the cost of drugs and administrative fees. For the year ended June 30, 2021, the cost of drugs in the amount of approximately $13,980,000 is presented as cost of goods sold and the administrative fees in the amount of approximately $3,859,000 is presented as contracted services within the accompanying consolidated statement of functional expenses.

Note 9 - Deferred revenue

The Bronx-Claremont homeless housing facility associated with Fitzpatrick was financed through two notes. The first note is from the HHAC, and closed on July 30, 1997, in the amount of $2,113,216 with a term of 30 years. The note bears no interest and repayment is not required as long as the housing facility remains available for low-income persons in accordance with regulatory agreements and regulations. The Organization believes that the possibility of the facility not maintaining its status as a low-income housing facility throughout the term of the advance is remote, and therefore, repayment would not be required. At June 30, 2021, the unamortized balance of approximately $569,000 was reflected in the consolidated statement of financial position as "Deferred revenue". The second note is from the NYC Department of Housing and Urban Development, and closed in November 1995 in the amount of $150,000 under a similar arrangement also covering a 30-year term. At June 30, 2021, the unamortized balance of approximately $31,000 was reflected in the consolidated statement of financial position as "Deferred revenue".

During the fiscal year 2012, the Organization's 874 Jefferson Housing Development Fund Corporation received funds of $252,608 from the New York City Department of Housing Preservation and Development under a similar arrangement which covers a 25-year term. At June 30, 2021, the unamortized balance of approximately $177,000 was reflected in the consolidated statement of financial position as part of "Deferred revenue".

During the fiscal year 2014, the Organization acquired two additional properties with a fair value of approximately $2,250,000 as part of a contract with the HHAC. The contract has a remaining term of 14 years and requires the Organization to provide housing for persons that would otherwise be homeless. Performance under the terms of the contract is secured by mortgage notes on the properties that are only payable in the event the Organization defaults under the terms of the contract. The Organization believes that the possibility of the facility not maintaining its status as a homeless housing facility throughout the term of the contract to be remote, and therefore, repayment would not be required. At June 30, 2021, the unamortized balance of approximately $1,380,000 was reflected in the consolidated statement of financial position as "Deferred revenue".

During the fiscal year 2017, the Organization's 220 Hull Housing Development Fund Corporation entered into an agreement with the HHAC and other agencies to establish and operate a project to provide housing for homeless people. The agreements cover a 25-year term with the maximum amount to be received of approximately $9,216,000. Repayment is not required as long as the housing facility remains available for low-income persons in accordance with regulatory agreements and regulations. The Organization believes that the possibility of the facility not maintaining its status as a low-income housing facility throughout the term of the advance is remote, and therefore, repayment would not be required. At June 30, 2021, the unamortized balance of approximately $8,267,000 was reflected in the consolidated statement of financial position as part of "Deferred revenue".

During the fiscal year 2019, Housing Works, Inc. acquired two more entities, BH, Inc., and Bailey Holt House. Bailey Holt House had entered into an agreement with the HHAC to operate a project and provide housing for homeless and low-income people. The agreement ("performance mortgage") was signed in 1999 for a 30-year term in the amount of approximately $5,165,000. Repayment is not required if the housing facility remains for homeless and low-income individuals and all regulations and requirements of the agreement are met. As of June 30, 2021, the unamortized balance of approximately $1,693,000 is reflected as part of "Deferred revenue".

Deferred revenue also includes amounts collected in advance of special events which were postponed until local venues re-opened. These amounts totaled approximately $179,000 as of June 30, 2021.

Note 10 - Net assets and endowment funds

As of June 30, 2021, net assets with donor restrictions are restricted for the following purposes or periods.

Time-restricted	$	111,422
Purpose-restricted		125,417
Endowment fund held in perpetuity		657,515
Total	$	894,354

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes, by the expiration of a time restriction, or by the occurrence of other events specified by donors.

Time-restricted	$	62,719
Purpose-restricted		693,749
Total	$	756,468

During fiscal 2006, the Organization received two donor-restricted endowments. One was established in the name of Keith Cylar and the other as a general endowment. During the year ended June 30, 2012, the Organization received permission from the two largest contributors to the endowment stating that the funds they contributed could be borrowed to cover operating costs and as such liquidated these assets during the year. Management plans to replenish the borrowed endowment funds.

On September 17, 2010, New York State passed the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"), its version of the UPMIFA. All not-for-profit organizations formed in New York must apply this law. The Organization classifies donor-restricted endowment funds as permanently restricted net assets, unless otherwise stipulated by the donor: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the funds.

The remaining portion of the donor-restricted endowment fund not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the uses, benefits, purposes and duration for which the endowment is established and the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return of investments; general economic conditions; the possible effects of inflation and deflation; other resources of the Organization; and the investment policy of the Organization.

The following table illustrates the changes in the Organization's endowment net assets as of June 30, 2021:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Donor-restricted (endowment)	$ (657,515)	$ 657,515	$ -

There were no endowment related activities for the year ended June 30, 2021.

Note 11 - Defined contribution plan

The Organization established a defined contribution plan for all eligible employees effective December 21, 1999. Effective July 1, 2008, after modifying the plan, the Organization began matching, up to a maximum of $100 per month, each employee's contribution to the 403(b) plan. Employees are all immediately 100% vested in the match. The Organization's contribution for the year ended June 30, 2021, amounted to approximately $273,000.

Note 12 - Operating lease liabilities

On July 1, 2020, the Organization adopted ASC 842, *Leases*, as described in Note 2. The Organization leases office equipment under finance and noncancellable operating leases. Operating lease right-of-use assets and operating lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term of the lease exceeds 12 months. The Organization uses its incremental borrowing rate to calculate the present value of lease payments because the leases do not have a readily determinable implicit discount rate. As a practical expedient, the Organization elected to include both lease and nonlease components in the calculation of the operating lease right-of-use assets and operating lease obligations. Variable lease payments are excluded for purposes of calculating the operating right-of-use assets and operating lease obligations unless the variable lease payments depend on an index or rate or are in substance fixed payments. Lease payments related to periods subject to renewal options are also excluded for purposes of calculating the operating right-of-use asset and operating lease obligation unless the Organization is reasonably certain to exercise the option to extend the lease. Certain leases contain options to renew beyond their original termination date with written intention of the Organization to the respective landlords prior to the termination of the original lease. There are no residual value guarantees.

Lease expense for operating leases continues to be recognized on a straight-line basis over the term of the lease under ASC 842. As of June 30, 2020, prior to the adoption of ASC 842, the deferred rent liability resulting from recording operating lease expense using the straight-line method was recorded in deferred rent payable on the consolidated statement of financial position. As of June 30, 2021, under ASC 842, the deferred rent liability is reported as a reduction to the right-of-use assets within the consolidated statement of financial position.

The components of lease expense included in the consolidated statement of activities consist of the following for the year ended June 30, 2021:

Finance lease cost	
Amortization of right-of-use assets included in depreciation and amortization	$ 233,977
Interest on finance lease obligations included in interest and finance fees	5,874
Operating lease cost included in office/retail occupancy	8,020,332
Total lease cost	$ 8,260,183
Other information	
Cash paid for amounts included in the measurement of lease obligations	
Operating cash flows for operating leases	$ 12,018,967
Operating cash flows for finance leases	5,874
Financing cash flows for finance leases	245,967
Right-of-use assets obtained	
In exchange for new operating lease obligations	35,092,275
Weighted-average remaining lease term	
Operating leases	9.3 years
Finance leases	.9 years
Weighted-average discount rate	
Operating leases	6.00%
Finance leases	2.00%

Aggregate future minimum lease payments under operating leases as of June 30, 2021 are as follows:

2022	$ 7,508,987
2023	6,853,478
2024	6,346,355
2025	4,785,716
2026	2,978,344
Thereafter	23,059,301
Total minimum lease payments	51,532,181
Less: Imputed interest	(13,124,727)
Total operating lease liabilities	38,407,454
Less: Deferred rent liability	(3,315,179)
Total operating right-of-use assets	$ 35,092,275

Note 13 - Commitments and contingencies

The Organization has been named in several lawsuits in the normal course of business. In the opinion of management, these claims are not expected to have a material adverse effect on the Organization's consolidated financial position, changes in net assets or cash flows.

The Organization participates in a number of federal and state programs. These programs require that the Organization comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government contracts by government agencies is presently not determinable, it should not, in the opinion of management, have a material effect on the Organization's consolidated financial position or change in net assets. Accordingly, no provision for any such liability that may result has been made in the accompanying consolidated financial statements.

Note 14 - Availability of resources and liquidity

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also maintaining sufficient funds to provide reasonable assurance that commitments and obligations supporting mission fulfillment will continue to be met. The Organization has various sources of liquidity at its disposal, including approximately $6 million of cash. Additionally, the Organization has a $4 million line of credit available to utilize for purposes of operating expenditures.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing operating activities to support those activities to be general expenditures. As of June 30, 2021, the following table shows the total financial assets held by the Organization that could readily be made available within one year of the consolidated statement of financial position date to meet general expenditures:

Financial assets at year-end	
Cash	$ 5,702,801
Health service receivables, net	4,920,880
Grants and contract service receivables	22,125,693
Pharmacy receivables	2,307,448
Total financial assets at year-end	35,056,822
Less amounts not available to be used within one year	
Net assets with donor restrictions	(894,354)
Financial assets available to meet general expenditures over the next 12 months	$ 34,162,468

Note 15 - Subsequent events

The Organization evaluated its June 30, 2021, consolidated financial statements for subsequent events through May 2, 2022, the date the consolidated financial statements were issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements, except as noted below.

Housing Works, Inc. plans to dissolve the Fitzpatrick partnership and BCP and transfer 100% ownership to the Bronx Claremont Housing Development Fund Corporation.

In November 2021, the Organization secured a line of credit in the amount of $6,000,000.

Note 16 - Risks and uncertainties

In early 2020 and continuing into 2021, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred, including mandates from federal, state, and local authorities, leading to an overall decline in economic activity and a loss of revenue and other material adverse effects to the Organization's consolidated financial position, results of operations, and cash flows. The Organization is not able to estimate the length or severity of this outbreak and the related financial impact. Management plans to adjust its operations accordingly. If the length of the outbreak and related effects on the Organization's operations continues for an extended period of time, the Organization may seek alternative measures to finance its operations.

Consolidating Supplementary Information

Housing Works, Inc., and Affiliates

Consolidating Schedule of Financial Position
June 30, 2021

	HWI	Thrift	Bookstore	HWFSC	HWDC1	HWDC2	HWDC3	PitkinHDFC	LEX	JEFF	BCP	Hull	LPHDFC	LPHDFC	PHP	HLP	HWS1	HWS2	HWS3	HWS4	HWS5	HWS6	BH	BHH	Total
ASSETS																									
Current assets																									
Cash	$ 1,144,602	$ 135,832	$ 1,615	$ 1,000	$ 13,130	$ 7,567	$ 13,813	$ -	$ 1,003	$ 9,093	$ 34,365	$ -	$ 380	$ -	$ 1,000	$ 265,478	$ 7,501	$ 6,750	$ 2,879,984	$ -	$ -	$ -	$ 1,179,688	$ -	$ 5,702,801
Health service receivables, net	1,144,121	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	624,254	1,914,888	364,335	338,012	-	-	535,270	-	4,920,880
Grant and contract service receivables	6,628,591	-	-	-	-	-	-	-	-	-	-	-	-	-	177,653	137,691	101,586	68,522	9,668,802	-	-	-	5,342,848	-	22,125,693
Contributions receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pharmacy receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,307,448	-	-	-	-	-	2,307,448
Thrift shop and bookstore inventory, net	-	3,708,647	1,053,910	14,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,776,568
Intercompany receivable/payable	12,808,810	6,573,795	(3,058,816)	(4,028,900)	75,777	(1,572,105)	(3,648,203)	(927,938)	(2,974,690)	(1,284,930)	(1,137,267)	(925,439)	(461,382)	388,487	(1,920,416)	(1,149,627)	(6,661,496)	(8,779,575)	27,467,520	(940,319)	(231,806)	(111,722)	9,727,364	(17,227,122)	-
Prepaid expenses and other assets	1,806,772	345,212	(792)	-	8,046	64,338	16,890	-	2,049	45,544	135,410	-	112,011	-	3,333	856	1,800	-	124,088	-	3,500	-	163,473	-	2,832,530
Total current assets	23,532,896	10,763,486	(2,004,083)	(4,013,889)	96,953	(1,500,200)	(3,617,500)	(927,938)	(2,971,638)	(1,230,293)	(967,492)	(925,439)	(348,991)	388,487	(1,738,430)	(745,602)	(5,926,355)	(6,789,415)	42,812,177	(602,307)	(228,306)	(111,722)	16,948,643	(17,227,122)	42,665,920
Long-term assets																									
Property and equipment	5,221,215	4,240,326	157,350	12,500	3,683,134	5,418,204	4,147,695	2,034,617	3,262,410	3,408,345	1,474,548	9,268,968	2,834,946	-	420,908	-	5,485,340	4,984,194	7,533,501	-	50,625	19,304	176,191	19,343,071	83,177,392
Accumulated depreciation	(4,329,405)	(3,779,664)	(57,695)	(12,500)	(1,810,202)	(2,389,524)	(1,952,925)	(575,108)	(1,530,504)	(948,005)	(722,854)	(4,832)	(2,362,735)	-	(35,076)	-	(4,158,354)	(4,606,124)	(2,360,848)	-	(422)	-	(144,701)	(263,333)	(32,044,811)
Restricted cash - debt service and contingency reserve funds	7,987	-	-	-	-	-	-	-	-	-	402,733	-	-	-	-	-	209,830	46,000	216,943	-	-	-	-	-	883,493
Operating right-of-use assets	5,184,080	12,856,096	99,860	-	-	-	-	-	-	-	-	-	-	-	548,588	-	-	13,424,257	-	285,123	-	-	2,694,271	-	35,092,275
Security deposits and other assets	614,867	828,110	-	-	-	-	5,545	99,716	3,210	-	3,845	-	780	-	24,665	57,800	1,750	94,084	7,105	-	-	-	598,927	89,102	2,429,506
Total long-term assets	6,698,744	14,144,868	199,515	-	1,872,932	3,028,680	2,200,315	1,559,225	1,735,116	2,460,340	1,158,272	9,264,136	472,991	-	959,085	57,800	1,538,566	13,942,411	5,396,701	285,123	50,203	19,304	3,324,688	19,168,840	89,537,855
Total assets	$ 30,231,640	$ 24,908,354	$ (1,804,568)	$ (4,013,889)	$ 1,969,885	$ 1,528,480	$ (1,417,185)	$ 631,287	$ (1,236,522)	$ 1,230,047	$ 190,780	$ 8,338,697	$ 124,000	$ 388,487	$ (779,345)	$ (687,802)	$ (4,387,789)	$ 7,152,996	$48,208,878	$ (317,184)	$ (178,103)	$ (92,418)	$20,273,331	$ 1,941,718	$132,203,775
LIABILITIES AND NET ASSETS (DEFICIT)																									
Current liabilities																									
Account payable and accrued expenses	$ 8,193,010	$ 560,758	$ 125,824	$ 62,217	$ 30,729	$ 1,238	$ 2,934	$ 6,014	$ 12,957	$ 2,131	$ 54,906	$ 33,054	$ 73,002	$ -	$ 37,081	$ 37,665	$ 64,693	$ 280,756	$ 5,835,542	$ 23,161	$ 13,064	$ 29,382	$ 1,041,085	$ 1,015	$ 16,522,218
Finance lease liabilities	160,052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160,052
Current portion of operating lease liabilities	1,529,917	2,246,561	106,180	-	-	-	-	-	-	-	-	-	-	-	170,501	-	-	441,158	-	85,251	-	-	774,892	-	5,354,460
Current maturities of loans payable	2,239,996	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	387,194	-	398,984	-	-	-	810,722	-	3,836,896
Total current liabilities	12,122,975	2,807,319	232,004	62,217	30,729	1,238	2,934	6,014	12,957	2,131	54,906	33,054	73,002	-	207,582	37,665	451,887	721,914	6,234,526	108,412	13,064	29,382	2,626,699	1,015	25,873,626
Long-term liabilities																									
Loans payable	-	-	-	-	-	-	-	936,000	-	-	-	-	-	-	-	-	-	-	5,083,218	-	-	-	-	248,582	6,267,800
Deferred revenue	152,592	16,850	-	-	-	-	-	-	-	176,826	600,406	8,266,685	1,379,464	-	-	-	-	-	-	-	-	-	10,000	1,692,784	12,295,607
Operating lease liabilities, net of current portion	4,233,605	11,461,404	7,516	-	-	-	-	-	-	-	-	-	-	-	423,068	-	-	14,708,117	-	211,534	-	-	2,007,750	-	33,052,994
Other liabilities	(43)	92,249	1,319	-	-	-	-	-	-	-	-	199,026	-	-	-	-	-	-	41,176	-	-	-	-	-	333,727
Total long-term liabilities	4,386,154	11,570,503	8,835	-	-	-	-	936,000	-	176,826	600,406	8,465,711	1,379,464	-	423,068	-	-	14,708,117	5,124,394	211,534	-	-	2,017,750	1,941,366	51,950,128
Total liabilities	16,509,129	14,377,822	240,839	62,217	30,729	1,238	2,934	942,014	12,957	178,957	655,312	8,498,765	1,452,466	-	630,650	37,665	451,887	15,430,031	11,358,920	319,946	13,064	29,382	4,644,449	1,942,381	77,823,754
Net assets (deficit)																									
Without donor restrictions	12,828,157	10,530,532	(2,045,407)	(4,076,106)	1,939,156	1,527,242	(1,420,119)	(310,727)	(1,249,479)	1,051,090	(464,532)	(160,068)	(1,328,466)	388,487	(1,409,995)	(725,467)	(4,839,676)	(8,277,035)	36,849,958	(637,130)	(191,167)	(121,800)	15,628,882	(663)	53,485,667
With donor restrictions	894,354	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	894,354
Total net assets (deficit)	13,722,511	10,530,532	(2,045,407)	(4,076,106)	1,939,156	1,527,242	(1,420,119)	(310,727)	(1,249,479)	1,051,090	(464,532)	(160,068)	(1,328,466)	388,487	(1,409,995)	(725,467)	(4,839,676)	(8,277,035)	36,849,958	(637,130)	(191,167)	(121,800)	15,628,882	(663)	54,380,021
Total liabilities and net assets (deficit)	$ 30,231,640	$ 24,908,354	$ (1,804,568)	$ (4,013,889)	$ 1,969,885	$ 1,528,480	$ (1,417,185)	$ 631,287	$ (1,236,522)	$ 1,230,047	$ 190,780	$ 8,338,697	$ 124,000	$ 388,487	$ (779,345)	$ (687,802)	$ (4,387,789)	$ 7,152,996	$48,208,878	$ (317,184)	$ (178,103)	$ (92,418)	$20,273,331	$ 1,941,718	$132,203,775

See Independent Auditor's Report.

Housing Works, Inc., and Affiliates

Consolidating Schedule of Revenue and Expenses
Year Ended June 30, 2021

	HWI	Thrift	Bookstore	HSFSC	HWDC1	HWDC2	HWDC3	PitkinHDFC	LEX	JEFF	BCP	HULL	LPHDFC	BCHDFC	PHP	HLP	HWS1	HWS2	HWS3	HWS4	HWS5	HWS6	BH	BHH	Total	Eliminations	Total
Operating revenues and other support																											
Grants and contract services	$ 18,037,389	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 417,664	$ 439,259	$ 415,503	$ 198,046	$ 23,594,331	$ -	$ -	$ -	$ 14,284,601	$ -	$ 57,386,793	$ -	$ 57,386,793
Bookstore sales	-	-	655,138	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	655,138	-	655,138
Thrift shops sales	-	10,167,331	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,167,331	-	10,167,331
Health service revenue	8,959,899	-	-	-	-	-	-	-	-	-	-	-	-	-	403	-	4,304,276	7,525,055	3,873,853	1,290,706	-	-	3,211,952	-	29,166,144	-	29,166,144
Pharmacy revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,241,346	-	-	-	-	-	28,241,346	-	28,241,346
In-kind contributions	-	9,218,904	295,663	744	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,515,311	-	9,515,311
Contributions	1,141,753	730,415	89,108	-	-	-	-	-	-	-	-	-	-	-	-	135,000	-	-	-	-	-	-	669,561	-	2,765,837	-	2,765,837
Rental income on apartments	1,010,824	-	(450)	-	372,442	381,369	54,026	78,932	4,569	127,011	181,630	-	138,277	-	-	-	-	-	-	-	-	-	2,479,534	157,500	4,985,664	(865,140)	4,120,524
Food services	-	-	1,390	536,152	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	537,542	(536,152)	1,390
Extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,325,800	-	1,325,800	-	1,325,800
Other revenue	2,800,455	61,024	34,070	-	5	1	-	36,778	-	11	23	-	-	-	15,475	(7,453)	66,811	138,021	1,840,453	22,829	-	-	203,866	14,346	5,226,715	-	5,226,715
Net assets released from restrictions	741,885	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,583	-	-	-	-	-	-	-	-	756,468	-	756,468
Total operating revenues and other support	32,692,205	20,177,674	1,074,919	536,896	372,447	381,370	54,026	115,710	4,569	127,022	181,653	-	138,277	-	433,542	581,389	4,786,590	7,861,122	57,549,983	1,313,535	-	-	22,175,314	171,846	150,730,089	(1,401,292)	149,328,797
Expenses																											
Salaries and wages	21,385,145	3,336,129	337,004	263,890	-	-	-	-	-	-	57,352	-	111,689	-	226,539	464,258	2,126,965	3,318,035	12,874,608	638,548	26,789	-	7,155,455	-	52,322,406	-	52,322,406
Fringe benefits	4,661,392	725,962	82,160	56,147	-	-	-	-	-	-	12,279	-	23,922	-	43,627	99,770	457,263	761,131	2,697,837	136,864	7,025	-	1,629,827	-	11,395,206	-	11,395,206
Professional service fees	2,659,310	55,140	44,579	3,828	5,015	5,278	4,051	2,125	3,150	4,199	2,271	1,799	2,796	-	5,890	5,024	104,185	30,835	194,844	6,874	9,303	-	226,408	-	3,376,904	-	3,376,904
Contracted services	1,898,259	643,070	83,361	2,863	5,634	5,684	3,526	-	1,890	2,842	17,606	36,611	5,151	-	25,678	3,755	618,444	951,924	12,544,813	132,461	21,502	2,609	323,170	7	17,330,860	(536,152)	16,794,708
Client stipends and reimbursements	414,572	-	-	-	-	-	-	-	-	-	-	-	-	-	25,736	-	3,369	25,971	43,463	1,688	-	-	6,961	-	521,760	-	521,760
Supplies	961,591	155,843	30,581	43,435	1,081	1,082	651	19	410	2,419	10,625	104	7,743	-	23,417	5,906	87,615	108,761	448,385	47,430	20,092	68,240	438,712	-	2,464,142	-	2,464,142
Occupancy																											
Office/retail	2,974,827	3,275,390	435,338	291	-	-	-	5,772	-	-	-	-	-	-	85,623	88,803	196,137	761,661	484,534	12,237	42,464	1,708	1,142,467	-	9,507,252	(865,140)	8,642,112
Client	555,820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,045,479	-	7,601,299	-	7,601,299
Utilities																											
Office/retail	1,270,170	211,899	74,531	8,080	12,310	13,582	8,397	2,284	4,494	6,785	21,880	8,058	82,650	-	14,993	12,615	89,861	116,094	243,921	13,638	11,764	5,977	451,802	-	2,685,785	-	2,685,785
Client	4,074	-	-	-	-	-	-	-	-	-	34,877	-	-	-	-	-	-	-	-	-	-	-	167,164	-	206,115	-	206,115
Transportation	374,588	154,093	198	762	-	-	-	-	-	-	159	-	-	-	4,711	-	88,113	146,682	1,134,052	30,069	-	-	111,836	-	2,045,263	-	2,045,263
Equipment rental, repairs and maintenance	595,393	73,238	19,421	18,886	-	216	160	-	-	-	7,985	-	5,121	-	20,116	3,031	10,383	21,151	203,913	3,342	4	37,105	142,470	-	1,161,935	-	1,161,935
Facility repairs and maintenance	806,425	66,498	9,923	4,247	603	12,624	-	2,830	10,832	-	90,785	-	84,764	-	13,888	-	4,316	16,619	1,339	11,249	5,220	5,106	359,449	-	1,506,717	-	1,506,717
Client participation expenses	953,842	-	-	245,786	16	-	-	-	-	-	601	-	667	-	8,236	-	100,365	246,239	35,952	-	-	-	501,047	-	2,092,751	-	2,092,751
Staff expense	393,459	11,228	148	1,928	-	-	-	-	-	-	-	-	-	-	5,113	19,505	49,846	82,698	162,316	44,411	175	1,055	42,340	-	814,222	-	814,222
Insurance expense	727,522	102,242	21,049	6,803	15,057	16,583	10,228	-	5,470	8,281	1,570	9,802	2,954	-	12,159	20,446	62,811	77,781	237,739	16,574	3,641	-	198,662	-	1,557,374	-	1,557,374
Depreciation and amortization	316,157	213,578	31,470	-	129,711	188,458	137,311	37,428	107,455	108,742	66,313	879	18,395	-	-	-	188,254	25,515	101,525	-	422	-	46,425	105,333	1,823,371	-	1,823,371
Gifts-in-kind expense	-	10,167,331	655,138	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,822,469	-	10,822,469
Events expense	222,287	22,695	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102,219	-	347,201	-	347,201
Interest and finance fees	376,703	206,836	12,193	40	250	250	50	25	259	250	2,890	25	395	-	109	50	80,067	120	287,606	-	-	-	424,477	5,243	1,397,838	-	1,397,838
Cost of goods sold	-	27,842	11,211	-	-	-	-	-	-	-	-	-	-	-	-	-	1,041	-	13,939,084	-	-	-	-	-	13,979,178	-	13,979,178
Other expenses	451,390	431,810	182,509	123	11,113	5,262	7,700	1,286	3,483	1,206	21,848	214	7,357	-	451	1,350	5,608	25,595	820,429	505	1,250	-	222,053	-	2,202,542	-	2,202,542
Management expenses	(7,324,170)	848,536	160,755	61,827	59,943	84,182	42,678	-	15,292	16,943	15,014	38,253	29,422	-	156,501	104,184	1,016,910	1,560,870	818,288	427,825	41,500	-	1,825,247	-	-	-	-
Total expenses	34,678,756	20,729,360	2,191,569	718,936	240,733	333,201	214,752	51,769	152,735	151,667	364,055	95,745	383,026	-	672,787	828,697	5,291,553	8,277,682	47,274,648	1,523,715	191,151	121,800	22,563,670	110,583	147,162,590	(1,401,292)	145,761,298
Changes in net assets	(1,986,551)	(551,686)	(1,116,650)	(182,040)	131,714	48,169	(160,726)	63,941	(148,166)	(24,645)	(182,402)	(95,745)	(244,749)	-	(239,245)	(247,308)	(504,963)	(416,560)	10,275,335	(210,180)	(191,151)	(121,800)	(388,356)	61,263	3,567,499	-	3,567,499
Increase (decrease) in net assets without donor restrictions	(1,986,551)	(551,686)	(1,116,650)	(182,040)	131,714	48,169	(160,726)	63,941	(148,166)	(24,645)	(182,402)	(95,745)	(244,749)	-	(239,245)	(247,308)	(504,963)	(416,560)	10,275,335	(210,180)	(191,151)	(121,800)	(388,356)	61,263	3,567,499	-	3,567,499
Changes in net assets with donor restrictions																											
Contributions	185,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	185,000	-	185,000
Net assets released from restrictions	(741,885)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,583)	-	-	-	-	-	-	-	-	(756,468)	-	(756,468)
Increase (decrease) in net assets with donor restrictions	(556,885)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(14,583)	-	-	-	-	-	-	-	-	(571,468)	-	(571,468)
Changes in net assets	(2,543,436)	(551,686)	(1,116,650)	(182,040)	131,714	48,169	(160,726)	63,941	(148,166)	(24,645)	(182,402)	(95,745)	(244,749)	-	(239,245)	(261,891)	(504,963)	(416,560)	10,275,335	(210,180)	(191,151)	(121,800)	(388,356)	61,263	2,996,031	-	2,996,031
Net assets, beginning of the year	16,265,947	11,082,218	(928,757)	(3,894,066)	1,807,442	1,479,073	(1,259,393)	(374,668)	(1,101,313)	1,075,735	(282,130)	(64,323)	(1,083,717)	388,487	(1,170,750)	(463,576)	(4,334,713)	(7,860,475)	26,574,623	(426,950)	(16)	-	16,017,238	(61,926)	51,383,990	-	51,383,990
Net assets, end of year	$ 13,722,511	$ 10,530,532	$ (2,045,407)	$ (4,076,106)	$ 1,939,156	$ 1,527,242	$ (1,420,119)	$ (310,727)	$ (1,249,479)	$ 1,051,090	$ (464,532)	$ (160,068)	$ (1,328,466)	$ 388,487	$ (1,409,995)	$ (725,467)	$ (4,839,676)	$ (8,277,035)	$ 36,849,958	$ (637,130)	$ (191,167)	$ (121,800)	$ 15,628,882	$ (663)	$ 54,380,021	$ -	$ 54,380,021

See Independent Auditor's Report.

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