

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2020 and 2019

PROVIDENCE HOUSE, INC. AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Providence House, Inc. and Affiliates
Brooklyn, New York

We have audited the accompanying consolidated financial statements of Providence House, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

The Board of Directors
Providence House, Inc. and Affiliates
Brooklyn, New York

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Providence House, Inc. and Affiliates as of June 30, 2020 and 2019, and the changes in its consolidated net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

New York, New York
January 15, 2021

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Financial Position

	June 30,	
	2020	2019
ASSETS:		
Cash and cash equivalents	\$ 372,188	\$ 300,564
Contributions and grants receivable	254,493	164,575
Program revenue receivable	2,193,941	1,888,457
Prepaid expenses	36,612	8,340
Investments	2,548,290	2,820,205
Reserve accounts	850,000	850,000
Interest receivable from affiliates	829,551	692,496
Notes receivable from affiliates	880,888	880,888
Property and equipment—net	1,896,654	1,927,082
Total Assets	\$ 9,862,617	\$ 9,532,607
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 885,387	\$ 1,019,143
Accrued payroll and related expenses	184,279	134,961
Refundable advance	727,885	-
Line of credit	-	452,916
Total liabilities	1,797,551	1,607,020
Net Assets		
Without donor restrictions	7,628,614	7,780,542
With donor restrictions	436,452	145,045
Total net assets	8,065,066	7,925,587
Total Liabilities and Net Assets	\$ 9,862,617	\$ 9,532,607

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Activities

	Year Ended June 30,					
	2020			2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
OPERATING INCOME AND RELEASES:						
Contract revenue	\$ 4,532,161	\$ -	\$ 4,532,161	\$ 3,966,755	\$ -	\$ 3,966,755
Donations and grants	577,510	622,620	1,200,130	636,052	151,750	787,802
Fundraising event, net of direct expenses	289,725	-	289,725	259,189	-	259,189
Miscellaneous income	646	-	646	455	-	455
CACFP and EFSP food grant	63,174	-	63,174	35,033	-	35,033
Rental income	-	-	-	1,500	-	1,500
Administrative overhead revenue	407,000	-	407,000	354,741	-	354,741
Donated services	154,707	-	154,707	150,000	-	150,000
NYC Housing HRA payments	-	-	-	-	-	-
Investment income	217,463	-	217,463	111,826	-	111,826
Satisfaction of purpose restrictions	331,213	(331,213)	-	259,467	(259,467)	-
Total Operating Income and Releases	6,573,599	291,407	6,865,006	5,775,018	(107,717)	5,667,301
OPERATING EXPENSES:						
Program expenses	4,895,470	-	4,895,470	4,278,846	-	4,278,846
Management and general	1,665,406	-	1,665,406	1,694,424	-	1,694,424
Fundraising	301,706	-	301,706	268,581	-	268,581
Total Operating Expenses	6,862,582	-	6,862,582	6,241,851	-	6,241,851
Change in Net Assets from Operating Activity	(288,983)	291,407	2,424	(466,833)	(107,717)	(574,550)

(continued)

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Activities

(continued)

	Year Ended June 30,					
	2020			2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
NONOPERATING ACTIVITY:						
Interest income on notes receivable	137,055	-	137,055	152,626	-	152,626
Change in Net Assets from Nonoperating Activity	137,055	-	137,055	152,626	-	152,626
Total Change in Net Assets	(151,928)	291,407	139,479	(314,207)	(107,717)	(421,924)
Net Assets, Beginning of Year	7,780,542	145,045	7,925,587	8,094,749	252,762	8,347,511
Net Assets, End of Year	\$ 7,628,614	\$ 436,452	\$ 8,065,066	\$ 7,780,542	\$ 145,045	\$ 7,925,587

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Functional Expenses

	Year Ended June 30,							
	2020			2019				
	Program	Management and General	Fundraising	Totals	Program	Management and General	Fundraising	Totals
Salaries and wages	\$ 2,452,925	\$ 535,090	\$ 154,396	\$ 3,142,411	\$ 2,201,664	\$ 425,806	\$ 139,121	\$ 2,766,591
Contract labor	784,492	-	216	784,708	545,570	260,000	-	805,570
Employee benefits	418,705	212,337	55,254	686,296	352,259	177,983	42,994	573,236
Professional fees	102,039	292,091	46,900	441,030	33,438	366,506	37,660	437,604
Supplies	289,684	64,222	3,379	357,285	258,376	41,867	3,995	304,238
Payroll taxes	185,923	35,166	11,744	232,833	165,036	31,038	10,446	206,520
Equipment repairs, rentals and maintenance	126,141	38,004	1,497	165,642	126,820	47,228	299	174,347
Utilities	127,260	28,286	-	155,546	141,465	24,752	-	166,217
Depreciation	99,655	36,810	2,875	139,340	122,424	35,465	2,876	160,765
Insurance	53,238	38,512	-	91,750	44,066	27,033	-	71,099
Telephone and internet	54,003	29,231	1,218	84,452	33,269	14,736	656	48,661
Rent	80,800	-	-	80,800	101,916	6,412	-	108,328
Seminars and training (registration fees)	29,084	32,275	30	61,389	12,827	45,554	625	59,006
Permits, licensing, and fees	25,615	28,186	-	53,801	58,831	12,545	116	71,492
Interest expense	61	26,735	-	26,796	91	51,181	-	51,272
Client assistance and scholarships	22,419	275	-	22,694	39,162	3,765	290	43,217
Events	5	18,626	2,850	21,481	2,200	11,515	11,077	24,792
Printing	6,907	3,024	13,222	23,153	5,858	3,153	9,081	18,092
Advertising	11,973	10,564	65	22,602	11,759	2,852	1,072	15,683
Travel	9,630	2,225	13	11,868	12,965	296	124	13,385
Dues and subscriptions	4,820	5,059	4	9,883	1,646	7,630	1,347	10,623
Postage and delivery	78	3,362	1,289	4,729	490	5,132	1,437	7,059
Miscellaneous	10,013	225,326	6,754	242,093	6,714	91,975	5,365	104,054
Total expenses	<u>\$ 4,895,470</u>	<u>\$ 1,665,406</u>	<u>\$ 301,706</u>	<u>\$ 6,862,582</u>	<u>\$ 4,278,846</u>	<u>\$ 1,694,424</u>	<u>\$ 268,581</u>	<u>\$ 6,241,851</u>

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 139,479	\$ (421,924)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	139,340	160,765
Realized and unrealized gain on investments	(116,682)	(28,997)
Gain on sale of property and equipment	-	-
Changes in:		
Contributions and grants receivable	(89,918)	(164,575)
Program revenue receivable	(305,484)	(465,748)
Prepaid expenses	(28,272)	(4,976)
Developer fees receivable	-	115,000
Reserve accounts	-	(115,000)
Interest receivable from affiliates	(137,055)	(152,626)
Accounts payable and accrued expenses	(133,756)	197,696
Accrued payroll and related expenses	49,318	9,854
Net Cash Used by Operating Activities	(483,030)	(870,531)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(108,912)	(140,795)
Proceeds from sale of property and equipment	-	-
Purchases of investments	(3,764,288)	(3,032,990)
Proceeds from sale of investments	4,152,885	3,196,861
Net Cash Provided by Investing Activities	279,685	23,076
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes receivable	-	303,880
Proceeds from paycheck protection program loan	727,885	-
Repayment of principal	(452,916)	(200,000)
Net Cash Provided by Financing Activities	274,969	103,880
Change in Cash and Cash Equivalents	71,624	(743,575)
Cash and Cash Equivalents, Beginning of Year	300,564	1,044,139
Cash and Cash Equivalents, End of Year	\$ 372,188	\$ 300,564
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	\$ 26,796	\$ 51,272

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

1. NATURE OF ORGANIZATION:

Providence House, Inc. and Affiliates (Providence) is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Providence is principally engaged in providing transitional and permanent housing to women and families who are homeless or have histories in the criminal justice system. These services are provided in the City of New York and Westchester County, New York. Providence's primary sources of revenue are grants and contributions.

Providence Kosciuszko Housing Development Fund Corporation (PKHDFC), a nonprofit organization, was incorporated on August 21, 2009, pursuant to Article XI of the New York Private Housing Finance Law and Section 402 of the Not-For-Profit Corporation Law. PKHDFC's mission is to develop and operate the K Street Project. Providence is the sole member of PKHDFC. The board of PKHDFC consists of members that are either board members of Providence or members that are approved by the Providence board.

On April 15, 2010, Providence and Alembic Development Company, LLC (ADC) formed a joint venture to construct, develop and operate the K Street Project.

273-277 Kosciuszko, G.P., LLC (273 GP LLC) was established on November 22, 2010, as a limited liability company. 273 GP LLC consists of two members, PK LLC and ADC, with PK LLC owning the majority interest (51%). 273 GP LLC's sole purpose is to allow PKHDFC, through PK LLC, to partner with ADC in the construction, development and operation of the K Street Project. On February 21, 2014, the 273 GP LLC agreement was modified with PK LLC having a 75% interest and an unrelated non-profit partner having a 25%

Providence Kosciuszko LLC (PK LLC) was incorporated on May 17, 2011, as a limited liability company for the purpose of acquiring a membership interest and a partnership interest, respectively, in 273 GP LLC and the 273 Limited Partnership. PKHDFC is the sole member of PK LLC.

Providence I Housing Development Fund Corporation (PIHDFC), a non-profit organization, was incorporated on June 2, 2008, pursuant to Article XI of the New York Private Housing Finance Law and Section 402 of the Not-For-Profit Corporation Law. PIHDFC's mission is to develop and operate the Lincoln Road Project. Providence is the sole member of PIHDFC. The board of PIHDFC consists of members that are either board members of Providence or members that are approved by the Providence board.

On January 30, 2012, Providence and ADC formed another joint venture to construct, develop and operate the Lincoln Road Project.

329 Lincoln Road, G.P., LLC (329 GP LLC) was established on January 30, 2010, as a limited liability company. 329 GP LLC consists of two members, PI LLC and ADC, with PI LLC owning the majority interest (51%). 329 GP LLC's sole purpose is to allow PIHDFC, through PI LLC, to partner with ADC in the construction, development and operation of the Lincoln Road Project.

Providence I LLC (PI LLC) was incorporated as a limited liability company for the purpose of acquiring a membership interest and a partnership interest, respectively, in 329 GP LLC and the 329 Limited Partnership. PIHDFC is the sole member of PI LLC.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

1. NATURE OF ORGANIZATION, continued:

PH Halsey Hancock Housing Development Fund Corporation (PHHHHDFC) was established on June 29, 2016, as a non-profit corporation. PHHHHDFC was organized under the laws of the State of New York and was established to acquire, develop, finance and construct the Halsey Hancock Development Project. Currently there is no activity for this corporation. Starting in the fiscal year ended June 30, 2018, this corporation was consolidated into Providence House consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial resources and activities of Providence, PKHDFC, 273 GP LLC, PK LLC, PIHDFC, 329 GP LLC, and PI LLC. All material transactions and balances between the organizations have been eliminated in the consolidated financial statements. Providence House, Inc. and Affiliates shall be referred to as Providence throughout these notes to the consolidated financial statements.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash without restrictions on hand and in banks. Providence also considers all highly liquid investments without restrictions with a maturity of three months or less when purchased to be cash equivalents. At June 30, 2020 and 2019, Providence's cash balances exceeded federally insured limits by \$201,056 and \$105,147, respectively. Providence does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

CONTRIBUTIONS AND GRANTS RECEIVABLE

Unconditional promises to give are recognized as income when made and recorded at fair value based upon estimated future cash flows. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Receivables are written-off against the allowance in the period in which they are deemed to be uncollectible. Subsequent payments received, if any, are recorded as income in the period received. For the years ended June 30, 2020 and 2019, Providence did not have any allowances for uncollectible contributions and grants.

INVESTMENTS

Investments are reported at fair value based on quoted market prices. Investment income, including realized and unrealized gains and losses are included in the consolidated statements of activities. Donated investments are reflected as contributions at fair market value at the date of receipt.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PARTNERSHIP INTERESTS

Providence, indirectly through related entities described in Note 14, is a general partner in three permanent supportive housing project partnerships, 273-277 Kosciusko, L.P., 329 Lincoln Road, L.P, and Halsey and Hancock. The limited partners have substantive participating rights; therefore, Providence does not consolidate these partnerships into its consolidated financial statements but accounts for the partnerships using the equity method. Due to immateriality, no amount has been included in these consolidated financial statements. These housing projects are referred to throughout the consolidated financial statements as the K Street Project, Lincoln Road Project, and Halsey and Hancock Project; see Notes 6, 7, 14, 15 and 17 for further information.

PREPAID EXPENSES

Prepaid expenses are reported when incurred in accordance with the accrual basis of accounting.

NOTES RECEIVABLE AND INTEREST RECEIVABLE FROM AFFILIATES

Notes receivable are reported at the principal balance outstanding. Interest accrued on the notes receivable is recorded when earned. There were no notes on a non-accrual status in 2020 and 2019.

RESERVE ACCOUNTS

Providence has entered into various agreements requiring the establishment of restricted reserves accounts, including replacement, operating and social services reserves for each housing development. The reserves, when received, must be maintained in separate bank accounts and are expected to be funded from developer fees received.

PROGRAM REVENUE RECEIVABLE

The carrying value of program revenue receivable has been reduced by an appropriate allowance for uncollectibility when necessary. Receivables are written-off against the allowance in the period in which they are deemed to be uncollectible. Subsequent payments received, if any, are recorded as income in the period received. For the years ended June 30, 2020 and 2019, Providence did not have any allowances for uncollectible program revenue.

PROPERTY, EQUIPMENT AND DEPRECIATION

Property and equipment are stated at cost, or, if donated, at the estimated fair market value at the date of donation. Depreciation is recorded using the straight-line method at various rates calculated to allocate the cost of the respective items over their estimated useful lives.

Estimated useful lives are:

Buildings and improvements	15 - 40 years
Leasehold improvements	Remaining life of the lease
Furniture, fixtures and equipment	5 - 10 years

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

REFUNDABLE ADVANCE

Refundable advances consist of government grants administered by the Small Business Administration (SBA). Providence was approved for a Paycheck Protection Program loan of \$717,558 on May 1, 2020, through the Coronavirus Aid, Relief, and Economic Security Act and administered by the SBA. The loan accrues interest at 1.00% per annum and matures two years from the date it was funded. This loan may be forgiven up to the full amount if requirements set by the Small Business Administration are met. Additionally, Providence received an Economic Injury Disaster Loan (EIDL) in the amount of \$10,000. This loan is an advance grant and will be recognized as revenue upon expending these funds.

NET ASSETS

The consolidated financial statements report amounts separately by classes of net assets:

- *Net assets without donor restrictions* are those which include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the organization to utilize funds in furtherance of its mission.
- *Net assets with donor restrictions* are those contributed with donor stipulations for specific purposes or those with time restrictions. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

CONTRIBUTIONS

Contributions are recognized when a commitment is made, which may be when cash is received, an unconditional promise to give is made or when ownership of donated assets is transferred. Contributions are considered available for use without donor restrictions unless specifically restricted by the donor.

Contributions of property, buildings and equipment without donor stipulation concerning the use of such long-lived assets are reported as revenues of net assets without donor restrictions. Contributions of cash or other assets to be used to acquire property, plant and equipment are reported as revenue of net assets with donor restrictions, time and purpose; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

GRANTS

Grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors.

Providence receives substantial support from the New York City Department of Homeless Services and the New York City Human Resources Administration. Providence is obligated under the terms of the contracts to comply with specified conditions and program requirements set forth by the grantor.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNDRAISING EVENT

Providence hosts an annual fundraising event which is shown on the consolidated statements of activities net of direct benefit costs. Fundraising income consists of contributions from attendees and other revenue from the event. The fundraising event income consists of the following:

	Year Ended June 30,	
	2020	2019
Contributions	\$ 289,725	\$ 271,467
Other revenue	-	21,000
Less: costs of direct benefit to donors	-	(33,278)
	<u>\$ 289,725</u>	<u>\$ 259,189</u>

DEVELOPER FEES

Developer fees are earned for developer services provided in connection with the K Street Project, Lincoln Road Project, and the Halsey Hancock Project, and are earned on a percentage of completion basis, as outlined in Note 6.

DONATED SERVICES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by Providence. These services are valued based on the estimated cost of services that would otherwise have had to be purchased.

EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Directly identifiable expenses are charged to program services, management and general, and fund-raising. Expenses related to more than one function are charged to program services, management and general, and fund-raising on the basis of periodic time and expense studies. The categories of expenses that are allocated include salaries, payroll taxes and benefits, depreciation, building and grounds maintenance, utilities, supplies, technology, interest expense and miscellaneous expenses. Providence incurred no joint costs for the years ended June 30, 2020 and 2019.

RECLASSIFICATION

Certain prior year amounts have been reclassified to conform with current year presentation.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

RECENTLY ISSUED ACCOUNTING STANDARDS

In 2018, the Financial Accounting Standards Board (FASB) issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Providence adopted the provisions of this new standard during the year ended June 30, 2020. The new standard clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. Adoption of this standard had no effect on change in net assets or net assets in total.

In 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows - Restricted Cash*. Providence adopted the provisions of this new standard during the year ended June 30, 2020. Adoption of this standard had no effect on change in net assets or net assets in total for the years ending June 30, 2020 and 2019. The impact of adoption of ASU 2016-18 on Providence's consolidated statements of cash flows for the year ended June 30, 2019, was as follows:

	<u>Balance Prior to Change</u>	<u>Change Due to ASU 2016-18</u>	<u>Balance After the Change</u>
Consolidated Statements of Cash Flows:			
Cash flows from investing activities:			
Purchases of investments	\$ (3,067,642)	\$ 34,652	\$ (3,032,990)
Net cash provided by investing activities	\$ (11,576)	\$ 34,652	\$ 23,076
Net change in cash and cash equivalents	\$ (778,227)	\$ 34,652	\$ (743,575)
Cash and cash equivalents, beginning of year	\$ 1,044,139	\$ -	\$ 1,044,139
Cash and cash equivalents, end of year	\$ 265,912	\$ 34,652	\$ 300,564

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects Providence's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statements of financial position date. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	June 30,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 372,188	\$ 300,564
Contributions and grants receivable	254,493	164,575
Program revenue receivable	2,193,941	1,888,457
Investments	2,548,290	2,820,205
Reserve accounts	850,000	850,000
Interest receivable from affiliates	829,551	692,496
Notes receivable from affiliates	880,888	880,888
Financial assets, at year end	7,929,351	7,597,185
Less those not available for general expenditure within one year:		
Reserve accounts	(850,000)	(850,000)
Interest receivable from affiliates	(829,551)	(692,496)
Notes receivable from affiliates	(880,888)	(880,888)
Donor restricted by purpose or time	(436,452)	(145,045)
	(2,996,891)	(2,568,429)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,932,460	\$ 5,028,756

Providence is substantially supported by grants, donations, and investment income, for which a substantial portion does not carry restrictions. As part of Providence's liquidity management, Providence has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Providence also has a secured \$1,000,000 line of credit, which it could draw upon in the event of an anticipated liquidity need. Funds that were available under this agreement during the fiscal year ended June 30, 2020 and 2019, were \$1,000,000 and \$547,084, respectively.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

4. PROGRAM REVENUE RECEIVABLE:

Program revenue receivable consists of the following agency grants receivable:

	June 30,	
	2020	2019
Women's Justice	\$ 1,204,620	\$ 370,708
Department of Health and Mental Hygiene	617,399	508,518
PH IV – Westchester Department of Social Services	232,741	184,620
Department of Homeless Services	139,181	824,611
	<u>\$ 2,193,941</u>	<u>\$ 1,888,457</u>

5. INVESTMENTS:

Investments consist of the following:

	June 30,	
	2020	2019
Equities	\$ 988,539	\$ 1,433,914
Fixed income	981,405	939,693
Mutual funds	578,346	446,598
	<u>\$ 2,548,290</u>	<u>\$ 2,820,205</u>

Investment income is composed of the following:

	June 30,	
	2020	2019
Interest and dividends	\$ 100,781	\$ 82,829
Realized and unrealized gain on investments	116,682	28,997
	<u>\$ 217,463</u>	<u>\$ 111,826</u>

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

6. DEVELOPER FEES RECEIVABLE AND RESERVE ACCOUNTS:

Providence, together with a third-party development company, Alembic Development Company, LLC (ADC), provides developer services in connection with the K Street and Lincoln Road projects. Pursuant to development agreements signed in connection with both of the aforementioned housing projects, Providence is entitled to earn developer fees from 273-277 Kosciusko, L.P. and 329 Lincoln Road, L.P., respectively, when various project milestones and conditions are met as follows:

Completion of plans and specifications	10%
Obtaining all building permits	20%
Achieving 25% completion	20%
Achieving 50% completion	10%
Achieving 75% completion	20%
Achieving 100% completion and issuance of final certificate of occupancy	20%
	<hr/>
	100%
	<hr/> <hr/>

The K Street Project development services agreement entitles Providence to earn \$1,421,415 of a \$1,651,415 total development fee over the life of the K Street Project. On the first \$460,000 of the total developer fee received, Providence and ADC will be paid in a 50/50 split. At June 30, 2020 and 2019, 100% of the total developer fees were earned based upon completion status of the K Street Project. At June 30, 2020 and 2019, 100% of the fees were paid. A portion of development fees owed to Providence are intended to fund certain required reserve accounts.

The Lincoln Road Project development services agreement entitles Providence to earn \$941,353 of a \$1,018,353 total development fee over the life of the Lincoln Road Project. On the first \$220,000 of the total developer fee received, Providence and ADC were paid in a 65/35 split, respectively, all of which was received as of June 30, 2016, but was initially recorded incorrectly and later corrected during the year ended June 30, 2017. Therefore, no balance is due for the years ended June 30, 2020 and 2019. At June 30, 2019, 100% of the total developer fees were earned based upon completion status of the Lincoln Road Project. Development fees owed to Providence are intended to fund certain required reserve accounts.

Actual payments of outstanding developer fees, for both projects, are expected to be received over several years as funds become available from capital contributions, loan proceeds or net cash flow of the projects. As of June 30, 2019, developer fees have been earned in full, however, deferred developer fees will continue to be paid out over the life of the project.

Providence had a reserve account established from K Street Project in the amount of \$575,000 of earned developer fees placed in operating and social reserve accounts held by K Street Project, for both years ended June 30, 2020 and 2019.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

6. DEVELOPER FEES RECEIVABLE AND RESERVE ACCOUNTS, continued:

Providence had a reserve account established from Lincoln Road Project in the amount of \$275,000 of earned developer fees placed in operating and social reserve accounts held by Lincoln Road Project, for both years ended June 30, 2020 and 2019.

Providence, together with a third-party development company, IMPACCT Brooklyn, provides developer services in connection with the Halsey Hancock Project. Pursuant to development agreements signed in connection with the aforementioned housing project, Providence is entitled to earn developer fees from the Halsey Hancock LP when various project milestones and conditions are met as follows:

Admission date	20%
Third installment date of capital contribution	17%
Fourth installment date of capital contribution	38%
Fifth installment date of capital contribution	8%
Deferred development fee based on cash flow	17%
	100%

As of June 30, 2020 and 2019, no developer fees have been earned or reserve accounts established with the Halsey Hancock Project.

7. NOTES RECEIVABLE FROM AFFILIATES:

Providence is the holder of multiple notes receivable from affiliated organizations. Payments on all notes are expected to be received as funds become available from net cash flow earned from operation of the respective housing projects. Any and all payments received require deposit into reserve accounts held for the benefit of each project. Receipt of principal payments on all notes receivable is expected to begin in 2024 and thereafter. Notes receivable consist of the following:

	June 30,	
	2020	2019
A \$616,415 secured note receivable, from 273-277 Kosciusko, L.P., with interest at a fixed rate of 7.5% per annum, compounded annually. This note receivable represents deferred development fees in connection with the construction of the K Street Project. The note receivable is secured by a subordinate mortgage on the K Street Project property and has a maturity date of January 30, 2026. Interest earned on the note was \$56,230 and \$68,460 during the years ended June 30, 2020 and 2019, respectively, and is included in interest receivable from affiliates.	\$ 312,535	\$ 312,535

(continued)

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

7. NOTES RECEIVABLE FROM AFFILIATES, continued:

	June 30,	
	2020	2019
<p>A \$523,353 secured note receivable, from 329 Lincoln Road, L.P., with interest at a fixed rate of 8.92% per annum, compounded annually. This note receivable represents deferred development fees due in connection with the construction of the Lincoln Road Project. The note receivable is secured by a subordinate mortgage on the Lincoln Road Project property and has a maturity date not to exceed the 13th anniversary of the date the Lincoln Road Project is placed in service. Interest earned on the note was \$60,802 and \$64,754 during the years ended June 30, 2020 and 2019, respectively, and is included in interest receivable from affiliates.</p>	523,353	523,353
<p>A \$45,000 secured note receivable, with interest at a fixed rate of 8.92% per annum, compounded annually. This note receivable represents permanent mortgage financing for the Lincoln Road Project paid from New York State Energy Research and Development Authority grant proceeds given to Providence in connection with the construction of the Lincoln Road Project. The note receivable is secured by a subordinate mortgage on the Lincoln Road Project property. Interest earned on the note was \$4,014 and \$4,014 during the years ended June 30, 2020 and 2019, respectively, and is included in interest receivable from affiliates. The principal and all accrued, unpaid interest is due and payable in full on June 29, 2074.</p>	45,000	45,000
	\$ 880,888	\$ 880,888

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

8. PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

	June 30,	
	2020	2019
Land	\$ 319,460	\$ 319,460
Buildings and improvements	3,305,133	3,269,933
Leasehold improvements	188,848	314,700
Furniture, fixtures and equipment	253,673	170,155
	<u>4,067,114</u>	<u>4,074,248</u>
Less accumulated depreciation	<u>(2,170,460)</u>	<u>(2,147,166)</u>
	<u>\$ 1,896,654</u>	<u>\$ 1,927,082</u>

9. LINE-OF-CREDIT:

Providence has available a \$1,000,000 line of credit with a bank, expiring on July 16, 2021. Interest is payable monthly with a variable interest rate of 2.759 percentage points over the London Interbank Offered Rate, "LIBOR Rate". The rate's effective interest for the years ended June 30, 2020 and 2019, were 0.81% and 5.75%, respectively. The line-of-credit is secured by Providence's real property. As of June 30, 2020 and 2019, there were \$-0- and \$452,916 in outstanding borrowings on this line-of-credit, respectively.

Line-of-credit interest expense charged to operations for the years ended June 30, 2020 and 2019, was \$18,343 and \$46,484, respectively.

10. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes:

	June 30,	
	2020	2019
Operations	\$ 382,920	\$ 45,475
Annual scholarships	33,250	33,250
Sanctuary model implementation	20,282	-
Renovations, repairs and equipment	-	31,470
HARP program implementation	-	34,850
	<u>\$ 436,452</u>	<u>\$ 145,045</u>

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

11. CONTRIBUTED SERVICES:

During the years ended June 30, 2020 and 2019, Providence received donated legal services valued at \$154,707 and \$150,000, respectively. These services were recorded as a contribution and expensed to professional fees in the accompanying consolidated statements of functional expenses.

12. RETIREMENT PLAN:

Providence is a participant in the noncontributory lay pension plan established by the Diocese of Brooklyn, New York, covering employees who meet certain minimum service requirements. Pension expense charged to Providence was approximately \$166,670 and \$106,782, respectively, for the years ended June 30, 2020 and 2019.

13. OPERATING LEASES:

Providence rents properties from several churches in the Diocese of Brooklyn and Queens as follows:

<u>Location</u>	<u>Lease Period</u>	<u>Monthly Rent</u>
PH III	Through January 31, 2020	\$ 4,840
PH V	Through August 31, 2025	\$ 5,500
Glenmore	Through September 31, 2025	\$ 135,700

The future estimated minimum lease payments for each of the succeeding fiscal years are as follows:

<u>Year Ended June 30,</u>	
2021	\$ 1,284,634
2022	1,694,400
2023	1,694,400
2024	1,731,039
Thereafter	<u>1,743,252</u>
	<u>\$ 8,147,725</u>

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

14. RELATED PARTIES:

In order to further its commitment to provide shelter and support to homeless, abused and formerly incarcerated women and their children in a hospitable, non-violent, compassionate atmosphere, Providence desired to develop two new permanent supportive housing buildings. These housing projects would be used to address the scarcity of permanent supportive housing for low-income and special needs individuals and families. In order to have these projects become a reality, Providence had to partner with the city, investors and developers.

K STREET PROJECT

The first permanent supportive housing project partnership that Providence entered into was to develop a 46-unit low-income residential rental apartment project at 273-277 Kosciuszko Street in Brooklyn, New York. The units are to be used and occupied in such a manner so as to fully utilize low-income housing tax credits in accordance with Section 42 of the Internal Revenue Code.

273-277 Kosciuszko, L.P. (273 Limited Partnership) was established on November 22, 2010, as a limited liability partnership, with 273 GP LLC as general partner and PKHDFC as limited partner. 273 Limited Partnership was organized under the laws of the State of New York and was established to acquire, develop, finance and construct the K Street Project.

On June 13, 2011, the 273 Limited Partnership agreement was amended and restated to reflect, among other changes, the admittance of PK LLC as general partner, removal of PKHDFC as limited partner, admittance of U.S.A. Institutional Tax Credit Fund LXXXIII, L.P. as the investing partner, and admittance of The Richman Group Capital Corporation as the special limited partner. The terms of the First Amended and Restated Partnership Agreement provide that profits and losses be shared 99.99% by the investing partner and .01% by the general partners (273 GP LLC and PK LLC), with no allocation to the special limited partner. Providence is the holder of a note receivable from 273 Limited Partnership as outlined in Note 7.

In June 2011, PKHDFC and other related affiliated entities entered into multiple borrowing arrangements with different lenders for the purpose of obtaining financing for the construction and completion of the K Street Project. See Note 17 for loans that are guaranteed by Providence.

In June 2011, title to the K Street Project site was conveyed to PKHDFC by the City of New York for consideration of \$3 and PKHDFC's commitment to construct and provide housing for at least thirty years exclusively to persons of low income. Pursuant to the regulatory agreement with The New York City Department of Housing Preservation and Development (NYCHPD), the K Street Project is to be occupied by persons or families of low income, as such term is defined in the regulatory agreement. Simultaneously, the beneficial and equitable interest in the property was conveyed to 273 Limited Partnership. Construction began in June 2011 and was completed in March 2013.

As outlined in Notes 2 and 6, Providence received fees for the developer services it provides to the K Street Project. Development fees of \$660,566 were earned during the year ended June 30, 2013. Development fees were fully earned as of June 30, 2013. In addition, Providence had a receivable from K Street Project of \$575,000 earned developer fees placed in operating and social reserve accounts held by K Street Project, as of June 30, 2020 and 2019.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

14. RELATED PARTIES, continued:

LINCOLN ROAD PROJECT

The second permanent supportive housing project partnership that Providence entered into was to develop a 22-unit low-income residential rental apartment project at 329 Lincoln Road in Brooklyn, New York. The units are to be used and occupied in such a manner so as to fully utilize low-income housing tax credits in accordance with Section 42 of the Internal Revenue Code.

329 Lincoln Road Associates, L.P. (329 Limited Partnership) was established on January 30, 2010, as a limited liability partnership, with 329 GP LLC as general partner and PIHDFC as limited partner. 329 Limited Partnership was organized under the laws of the State of New York and was established to acquire the property and financing for the Lincoln Road Project.

On June 1, 2012, the 329 Limited Partnership agreement was amended and restated to reflect, among other changes, removal of PIHDFC as limited partner, the admittance of the U.S.A. Institutional Tax Credit Fund LXXXVI, L.P. as the investing partner, and the admittance of The Richman Group Capital Corporation as the special limited partner. The terms of the First Amended and Restated Partnership Agreement provide that profits and losses be shared 99.99% by the investing partner and .01% by the general partner (329 GP LLC), with no allocation to the special limited partner. Providence is the holder of three notes receivable from 329 Limited Partnership as outlined in Note 7 above.

In June 2012, PIHDFC and other related affiliated entities entered into multiple borrowing arrangements with different lenders for the purpose of obtaining financing for the construction and completion of the Lincoln Road Project. See Note 17 for other loans that are guaranteed by Providence.

On June 29, 2012, title to the Lincoln Project site was conveyed to PIHDFC by the City of New York for consideration of \$1 and PIHDFC's commitment to construct and provide housing for at least thirty years exclusively to persons of low income. Pursuant to the regulatory agreement with NYCHPD, the Lincoln Project is to be occupied by persons or families of low income, as such term is defined in the regulatory agreement. Simultaneously, the beneficial and equitable interest in the property was conveyed to 329 Limited Partnership. Construction began in July 2012 and was completed in the fiscal year June 30, 2015.

As outlined in Notes 2 and 6, Providence has received fees for the developer services it provides to the Lincoln Road Project. \$798,353 of these fees are secured by notes receivable as detailed in Note 6 and were initially included in deferred developer fees. The full amount of these fees were earned during the year ended June 30, 2015. Providence had a receivable from Lincoln Road Project of \$275,000 earned developer fees placed in operating and social reserve accounts held by Lincoln Road Project, as of June 30, 2020 and 2019.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

14. RELATED PARTIES, continued:

RELATED PARTY CONTRIBUTIONS

During the years ended June 30, 2020 and 2019, members of the board of directors made contributions to Providence totaling approximately \$154,000 and \$144,000, respectively. These contributions represent 11% and 18% of total contributions for the years ended June 30, 2020 and 2019, respectively.

15. OPERATING AND REPLACEMENT RESERVES:

In connection with the K Street and Lincoln Road Projects, Providence has entered into various agreements requiring the establishment of restricted reserves accounts, including replacement, operating and social services reserves for each housing development. The reserves, when received, must be maintained in separate bank accounts and are expected to be funded from developer fees received as follows:

	June 30,	
	2020	2019
For the K Street Project, all development fees earned by Providence as outlined in Note 6, except for the initial \$230,000, shall require deposit into reserve accounts. Installment payments totaling \$115,000 are expected to be deposited annually into multiple reserve accounts beginning on or around April 2014. Additional deposits totaling \$115,000 will continue annually thereafter on or around April of each subsequent year, through and including April 2018. Thereafter, payments will be made as funds become available from net cash flow earned from operation of the K Street Project.	\$ 575,000	\$ 575,000
For the Lincoln Road Project, all development fees earned by Providence as outlined in Note 6, except for the initial \$143,000, shall require deposit into reserve accounts. Installment payments totaling \$91,667 are to be deposited into multiple reserve accounts in connection with the Lincoln Road Project beginning on or around February 2016. Additional annual deposits totaling \$91,667 will continue thereafter on or around February of each subsequent year through and including February 2018. Thereafter, payments will be made as funds become available from net cash flow earned from operation of the Lincoln Road Project.	275,000	275,000
	<u>\$ 850,000</u>	<u>\$ 850,000</u>

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

16. FAIR VALUE MEASUREMENTS:

Providence uses appropriate valuation techniques to determine fair value based on inputs available. When available, Providence measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2020 and 2019:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
June 30, 2020:		
Equities	\$ 988,539	\$ 988,539
Fixed income	981,405	981,405
Mutual funds	578,346	578,346
	\$ 2,548,290	\$ 2,548,290
June 30, 2019:		
Equities	\$ 1,433,914	\$ 1,433,914
Fixed income	939,693	939,693
Mutual funds	446,598	446,598
	\$ 2,820,205	\$ 2,820,205

Valuation techniques: The fair value of mutual funds and money market funds is based on quoted net asset values of the shares held by Providence at year end. The fair values of the certificates of deposit are based on observable inputs other than the quoted prices included in Level 1 and thus are based on yields for securities of comparable maturity, quality and type as obtained from market makers.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

17. CONTINGENCIES:

CONSTRUCTION FINANCING

Providence has guaranteed payment jointly and severally for construction financing for the K Street Project from NYCHPD, in the amount of \$5,675,851. The maturity date of the note and mortgage is October 27, 2053. The balance of the loan as of both June 30, 2020 and 2019, was \$5,675,851.

Providence also guaranteed payment jointly and severally for construction financing for the Lincoln Road Project from NYCHPD, in the amount of \$2,750,000. The maturity date of the note and mortgage was extended from June 29, 2014 to June 29, 2074. The balance of the loan as of both June 30, 2020 and 2019, was \$2,750,000.

LEGAL MATTERS

Providence House, Inc. and Affiliates is subject to claims, legal proceedings, and investigations of matters that arise in the ordinary course of operations. In the opinion of management, all such matters are adequately covered by insurance or by accruals and, if not so covered, are without merit and will be vigorously contested or are of such kind or involve such amounts as would not have a significant effect on the financial position or results of operations of Providence if disposed of unfavorably.

18. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States and has caused disruption through mandated and voluntary closings and/or transitions to remote work for numerous businesses and nonprofits, including Providence. While the disruptions are currently expected to be temporary, there is considerable uncertainty around the duration of these disruptions. Therefore, Providence anticipates that this could have a negative effect on its operations. Further, Providence also anticipates this could negatively impact contributions as well. However, the extent to which the COVID-19 outbreak will financially impact Providence's operations or financial results cannot be reasonably estimated at this time. In response to the COVID-19 outbreak, on May 1, 2020, Providence received a Paycheck Protection Program loan through the Small Business Administration (see Note 2).

19. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through January 15, 2021, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

On July 1, 2020, Providence House commenced a new contract with the NYC Dept. of Homeless Services for the Glenmore Transitional Residence. The annual amount of the contract is \$6,047,531 with a term of 5 years and an option to renew for 4 years. Providence House also began a lease on the property with an initial term of 5 years at 820 Glenmore which commenced on October 1, 2020. The annual rent amount for years 1 through 3 is \$1,628,400 paid in monthly installments of \$135,700. The annual rent for years 4 and 5 is \$1,677,252. The rent is 100% reimbursable by the Providence House contract with DHS.

SUPPLEMENTARY DATA

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY DATA**

Board of Directors
Providence House, Inc. and Affiliates
Brooklyn, New York

We have audited the consolidated financial statements of Providence House, Inc. and Affiliates, as of and for the years ended June 30, 2020 and 2019, and our report thereon dated January 15, 2021, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis of the consolidated financial statements rather than to present the consolidated financial position and results of operations of the individual sites, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

New York, New York
January 15, 2021

PROVIDENCE HOUSE, INC. AND AFFILIATES

Schedule of Activities by Program

Year Ended June 30, 2020

	DHS Consolidated Program	Westchester Department of Social Services	Women's Criminal Justice Program	Totals	Koscuiszko Street Project	Lincoln Road Project	Halsey & Hancock	Central Operations	Grand Total
Revenues and gains:									
Contract revenue	\$ 2,005,043	\$ 633,272	\$ 641,063	\$ 3,279,378	\$ 554,429	\$ 264,784	\$ 433,570	\$ -	\$ 4,532,161
Donations and grants	3,000	-	22,450	25,450	-	-	300	1,174,380	1,200,130
Fundraising event, net of direct expenses	-	-	-	-	-	-	-	289,725	289,725
Interest income on notes receivable	-	-	-	-	56,230	80,825	-	-	137,055
CACFP and FEFP food grant	15,560	9,064	1,851	26,475	-	-	-	36,699	63,174
Administrative overhead revenue	220,000	-	68,000	288,000	46,000	25,000	48,000	-	407,000
Miscellaneous income	-	-	-	-	-	-	365	281	646
Donated services	-	-	-	-	-	-	-	154,707	154,707
Investment income	-	-	-	-	-	-	-	217,463	217,463
Total revenues without donor restrictions	2,243,603	642,336	733,364	3,619,303	656,659	370,609	482,235	1,873,255	7,002,061
Expenses and losses:									
Salaries and wages	1,012,209	354,550	455,799	1,822,558	278,261	169,008	128,826	743,758	3,142,411
Contract labor	374,301	-	-	374,301	114,189	98,817	197,186	215	784,708
Employee benefits	205,162	34,759	66,372	306,293	53,423	22,552	26,993	277,035	686,296
Professional fees	57,872	4,198	19,009	81,079	4,133	4,115	12,712	338,991	441,030
Supplies	77,107	45,800	67,849	190,756	38,166	27,027	33,283	68,053	357,285
Payroll taxes	77,123	26,910	34,462	138,495	21,090	12,473	9,750	51,025	232,833
Miscellaneous	3,636	1,446	119	5,201	12	-	4,677	232,203	242,093
Equipment repairs, rental, and maintenance	28,470	9,595	32,540	70,605	27,856	19,029	8,651	39,501	165,642
Utilities	73,799	26,303	27,158	127,260	-	-	-	28,286	155,546
Depreciation	41,194	12,811	28,865	82,870	12,998	-	3,787	39,685	139,340
Insurance	32,643	12,649	6,286	51,578	-	-	1,660	38,512	91,750
Telephone and internet	9,896	5,003	11,665	26,564	11,146	6,053	10,158	30,531	84,452
Rent	30,800	-	50,000	80,800	-	-	-	-	80,800
Seminars and training	8,826	4,433	7,672	20,931	2,663	1,518	3,264	33,013	61,389
Permits, licensing, and fees	16,028	3,944	4,179	24,151	628	277	541	28,204	53,801
Interest expense	-	61	-	61	-	-	-	26,735	26,796
Client assistance and gifts	1,153	72	7,295	8,520	3,699	6,255	1,848	2,372	22,694
Events	-	-	5	5	-	-	-	21,476	21,481
Printing	2,901	345	1,484	4,730	1,631	392	153	16,247	23,153
Advertising	749	548	2,371	3,668	2,530	1,251	4,524	10,629	22,602
Travel	2,704	-	3,730	6,434	1,174	705	922	2,633	11,868
Dues and subscriptions	1,116	447	432	1,995	1,146	734	945	5,063	9,883
Postage and delivery	-	10	42	52	-	17	8	4,652	4,729
Total expenses	2,057,689	543,884	827,334	3,428,907	574,745	370,223	449,888	2,038,819	6,862,582
Net change	\$ 185,914	\$ 98,452	\$ (93,970)	\$ 190,396	\$ 81,914	\$ 386	\$ 32,347	\$ (165,564)	\$ 139,479

PROVIDENCE HOUSE, INC. AND AFFILIATES

Providence House IV Compared to Approved County Funding

Year Ended June 30, 2020

	Approved Budget 2019-2020	Actual 2019-2020
Revenues: *		
CACFP and FEFP food grant	\$ -	\$ 9,064
Westchester DSS payments	694,256	633,272
Total revenues	694,256	642,336
Expenses:		
Salary expense	439,000	354,550
Payroll taxes and employee benefits	111,506	61,669
Utilities	22,000	26,303
Telephone	1,000	5,003
Food expense	6,000	16,307
Client assistance and scholarships	-	72
Other program expenses	6,000	-
Professional fees	7,000	4,198
Dues and subscriptions	-	447
Insurance	11,000	12,649
Repairs and maintenance	21,200	9,595
Office expenses	12,500	-
Supplies	14,000	29,493
Occupancy	30,000	-
Depreciation	-	12,811
Postage and delivery	-	10
Miscellaneous	13,050	10,777
Total expenses	694,256	543,884
Net change	\$ -	\$ 98,452

* Revenues include only CACFP, FEFP & DSS of Westchester funds.

See notes to consolidated financial statements