

**CARE FOR THE HOMELESS
AND AFFILIATES**



**Consolidated Financial Statements and
Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended December 31, 2019 and 2018

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
(Together with the Independent Auditors' Report)
YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Care for the Homeless and Affiliates

We have audited the accompanying consolidated financial statements of Care for the Homeless and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019, 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.

Auditors' 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 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 principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of and for the year ended December 31, 2018, were audited by other auditors whose report dated September 30, 2019, expressed an unmodified opinion on those consolidated financial statements.

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 supplemental information on pages 18-20 is presented for the purpose of additional analysis of the consolidated financial statements rather than to present financial position, change in net assets and cash flows of the individual organizations, 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 our audit of 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.

Marks Paneth LLP

New York, NY
July 31, 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 2D and 12)	\$ 986,384	\$ 682,743
Investments (Notes 2E, 4 and 5)	2,118,084	2,134,105
Government grants and contracts receivable (Notes 2F and 2H)	3,758,308	2,936,841
Accounts receivable - patients, net (Notes 2G, 2H and 6)	1,134,647	1,044,953
Prepaid expenses and other assets	242,484	129,470
Total current assets	8,239,907	6,928,112
Escrow deposits (Note 2I)	122,548	112,548
Property and equipment, net (Notes 2J and 7)	9,357,870	7,043,213
TOTAL ASSETS	\$ 17,720,325	\$ 14,083,873
 LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	\$ 3,756,940	\$ 2,953,031
Refundable advances from grantors (Note 2F)	4,539,665	2,258,213
Deferred revenues (Note 2K)	102,197	103,812
Loans payable - current (Note 8)	527,483	489,707
Total current liabilities	8,926,285	5,804,763
Deferred rent (Notes 2L and 9A)	2,067,996	1,338,073
Loans payable (Note 8)	5,803,175	6,331,293
TOTAL LIABILITIES	16,797,456	13,474,129
 COMMITMENTS AND CONTINGENCIES (Note 9)		
 NET ASSETS		
Without donor restrictions (Note 2C)	198,990	118,967
With donor restrictions (Notes 2C and 10)	723,879	490,777
TOTAL NET ASSETS	922,869	609,744
TOTAL LIABILITIES AND NET ASSETS	\$ 17,720,325	\$ 14,083,873

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

**CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	For the Year Ended December 31, 2019			For the Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total 2019	Without Donor Restrictions	With Donor Restrictions	Total 2018
REVENUE						
Net patient services revenues (net of contractual allowances) (Note 2M)	\$ 4,827,732	\$ -	\$ 4,827,732	\$ 4,098,870	\$ -	\$ 4,098,870
Public Health Services Section 330(h) - contract (Notes 2F and 12)	6,197,265	-	6,197,265	6,040,218	-	6,040,218
NYC Department of Homeless Services - contract (Notes 2F and 12)	9,139,477	-	9,139,477	8,345,645	-	8,345,645
Government grants and contracts (Note 2F)	5,743,302	-	5,743,302	1,244,798	-	1,244,798
Total government grants and contracts revenue	21,080,044	-	21,080,044	15,630,661	-	15,630,661
Net investment return (loss) (Note 4)	283,978	-	283,978	(62,329)	-	(62,329)
Contributions (Note 2P)	96,051	602,955	699,006	104,739	403,000	507,739
Special event (net of direct cost of \$0 and \$51,105, respectively)	-	-	-	54,991	-	54,991
Meaningful use incentives (Note 2O)	42,500	-	42,500	-	-	-
Other income	544,661	-	544,661	271,732	-	271,732
Net assets released from restrictions	369,853	(369,853)	-	392,799	(392,799)	-
Total support and other income	1,337,043	233,102	1,570,145	761,932	10,201	772,133
TOTAL REVENUE	<u>27,244,819</u>	<u>233,102</u>	<u>27,477,921</u>	<u>20,491,463</u>	<u>10,201</u>	<u>20,501,664</u>
EXPENSES						
Program services:						
Medical clinics	11,133,605	-	11,133,605	9,771,264	-	9,771,264
Residential services at 52nd Street	3,735,104	-	3,735,104	-	-	-
Residential services at Susan's Place	7,085,684	-	7,085,684	7,110,786	-	7,110,786
Total program services	21,954,393	-	21,954,393	16,882,050	-	16,882,050
Supporting services:						
Management and general	4,000,328	-	4,000,328	3,715,689	-	3,715,689
Fundraising	370,912	-	370,912	372,995	-	372,995
Total supporting services	4,371,240	-	4,371,240	4,088,684	-	4,088,684
TOTAL EXPENSES	<u>26,325,633</u>	<u>-</u>	<u>26,325,633</u>	<u>20,970,734</u>	<u>-</u>	<u>20,970,734</u>
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION	919,186	233,102	1,152,288	(479,271)	10,201	(469,070)
Depreciation and amortization	(839,163)	-	(839,163)	(695,316)	-	(695,316)
CHANGE IN NET ASSETS	80,023	233,102	313,125	(1,174,587)	10,201	(1,164,386)
Net assets - beginning of year	118,967	490,777	609,744	1,293,554	480,576	1,774,130
NET ASSETS - END OF YEAR	<u>\$ 198,990</u>	<u>\$ 723,879</u>	<u>\$ 922,869</u>	<u>\$ 118,967</u>	<u>\$ 490,777</u>	<u>\$ 609,744</u>

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

CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	Program Services			Supporting Services			2019 Total	2018 Total	
	Medical Clinics	Residential Services at 52nd Street	Residential Services at Susan's Place	Total Program Services	Management and General	Fundraising and Development			Total Supporting Services
Salaries	\$ 4,407,964	\$ 883,496	\$ 1,757,716	\$ 7,049,176	\$ 2,157,491	\$ 231,285	\$ 2,388,776	\$ 9,437,952	\$ 8,032,195
Payroll taxes and employee benefits (Note 11)	902,390	180,868	516,916	1,600,174	441,678	47,348	489,026	2,089,200	1,930,654
Total salaries and related costs	5,310,354	1,064,364	2,274,632	8,649,350	2,599,169	278,633	2,877,802	11,527,152	9,962,849
Program supplies	1,794,298	98,048	79,577	1,971,923	-	-	-	1,971,923	1,199,017
Medical provider expenses	1,491,406	-	-	1,491,406	-	-	-	1,491,406	1,415,059
Consulting and professional services	1,053,956	517,713	2,052,007	3,623,676	639,202	7,813	647,015	4,270,691	3,598,598
Occupancy (Note 9A)	188,760	1,638,449	1,343,062	3,170,271	218,671	18,666	237,337	3,407,608	1,667,984
Maintenance and repairs	169,786	82,398	123,039	375,223	21,739	1,856	23,595	398,818	258,178
Publication and printing	63,594	1,330	1,515	66,439	38,759	7,460	46,219	112,658	89,482
Office expenses	117,345	54,100	21,951	193,396	99,883	11,878	111,761	305,157	212,716
Insurance	189,457	60,249	77,809	327,515	39,787	5,250	45,037	372,552	240,143
Telephone	231,128	59,418	35,226	325,772	40,628	6,087	46,715	372,487	459,097
Postage and delivery	4,798	-	1,205	6,003	6,071	1,277	7,348	13,351	11,900
Travel expenses	48,256	8,095	95,230	151,581	27,736	331	28,067	179,648	193,738
Equipment	313,115	52,778	43,546	409,439	104,535	14,764	119,299	528,738	247,781
Membership and dues	410	-	650	1,060	22,868	201	23,069	24,129	19,407
Meetings and conference	41,761	7,267	14,646	63,674	19,166	4,729	23,895	87,569	118,713
Advertising	96,059	-	-	96,059	93,839	-	93,839	189,898	219,042
Food	17,157	90,895	388,097	496,149	25,256	2,904	28,160	524,309	466,142
Interest (Note 8)	-	-	533,492	533,492	-	-	-	533,492	571,043
Miscellaneous	1,965	-	-	1,965	3,019	9,063	12,082	14,047	19,845
Total operating expenses before depreciation and amortization	11,133,605	3,735,104	7,085,684	21,954,393	4,000,328	370,912	4,371,240	26,325,633	20,970,734
Depreciation and amortization (Note 7)	48,627	39,083	680,670	768,380	70,783	-	70,783	839,163	695,316
TOTAL EXPENSES	\$ 11,182,232	\$ 3,774,187	\$ 7,766,354	\$ 22,722,773	\$ 4,071,111	\$ 370,912	\$ 4,442,023	\$ 27,164,796	\$ 21,666,050

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

CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services			Total
	Medical Clinics	Residential Services at Susan's Place	Total Program Services	Management and General	Fundraising and Development	Total Supporting Services	
Salaries	\$ 4,345,595	\$ 1,772,896	\$ 6,118,491	\$ 1,680,917	\$ 232,787	\$ 1,913,704	\$ 8,032,195
Payroll taxes and employee benefits (Note 11)	1,019,487	467,735	1,487,222	389,030	54,402	443,432	1,930,654
Total salaries and related costs	5,365,082	2,240,631	7,605,713	2,069,947	287,189	2,357,136	9,962,849
Program supplies	1,084,604	112,548	1,197,152	1,865	-	1,865	1,199,017
Medical provider expenses	1,415,059	-	1,415,059	-	-	-	1,415,059
Consulting and professional services	759,577	2,010,049	2,769,626	795,795	33,177	828,972	3,598,598
Occupancy (Note 9A)	166,587	1,303,766	1,470,353	185,319	12,312	197,631	1,667,984
Maintenance and repairs	105,276	99,762	205,038	52,284	856	53,140	258,178
Publication and printing	68,603	28	68,631	17,378	3,473	20,851	89,482
Office expenses	25,868	35,446	61,314	143,682	7,720	151,402	212,716
Insurance	28,093	119,688	147,781	90,560	1,802	92,362	240,143
Telephone	300,290	46,358	346,648	104,964	7,485	112,449	459,097
Postage and delivery	7,137	1,338	8,475	2,868	557	3,425	11,900
Travel Expenses	74,380	97,166	171,546	21,456	736	22,192	193,738
Equipment	137,321	22,821	160,142	82,696	4,943	87,639	247,781
Membership and dues	13,655	-	13,655	4,440	1,312	5,752	19,407
Meetings and conference	32,314	26,621	58,935	57,561	2,217	59,778	118,713
Advertising	158,084	-	158,084	60,607	351	60,958	219,042
Food	15,366	423,330	438,696	24,267	3,179	27,446	466,142
Interest (Note 8)	-	571,043	571,043	-	-	-	571,043
Miscellaneous	13,968	191	14,159	-	5,686	5,686	19,845
Total operating expenses before depreciation and amortization	9,771,264	7,110,786	16,882,050	3,715,689	372,995	4,088,684	20,970,734
Depreciation and amortization (Note 7)	-	614,192	614,192	81,124	-	81,124	695,316
TOTAL EXPENSES	\$ 9,771,264	\$ 7,724,978	\$ 17,496,242	\$ 3,796,813	\$ 372,995	\$ 4,169,808	\$ 21,666,050

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

**CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 313,125	\$ (1,164,386)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	839,163	695,316
Net realized and unrealized (gain) loss on investments	(283,979)	98,946
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants and contracts receivable	(821,467)	925,590
Accounts receivable - patients	(89,694)	(90,811)
Prepaid expenses and other assets	(113,014)	(31,588)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	803,909	821,134
Refundable advances from grantors	2,281,452	374,450
Deferred revenues	(1,615)	103,812
Due to funders	-	(121,245)
Deferred rent	729,923	(48,618)
Net Cash Provided by Operating Activities	3,657,803	1,562,600
CASH FLOWS FROM INVESTING ACTIVITIES:		
Escrow deposits	(10,000)	(10,000)
Purchase of investments	-	(36,421)
Proceeds from sale of investments	300,000	-
Purchases of property and equipment	(3,153,820)	(703,489)
Net Cash Used in Investing Activities	(2,863,820)	(749,910)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loan payable	(490,342)	(452,261)
Net Cash Used in Financing Activities	(490,342)	(452,261)
NET INCREASE IN CASH AND CASH EQUIVALENTS	303,641	360,429
Cash and Cash Equivalents - beginning of year	682,743	322,314
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 986,384	\$ 682,743
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 533,492	\$ 571,043

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND TAX STATUS

Care for the Homeless (“CFH”) provides, coordinates and arranges primary care, health education, HIV counseling and testing, early intervention services for those infected with HIV/AIDS, social services and behavioral health services to homeless people at more than 24 homeless clinics, shelters, soup kitchens and drop-in centers. CFH is licensed by the New York State Department of Health under Article 28 of the Public Health Law to operate clinics as diagnostic and treatment centers, which are designated as federally qualified health centers. CFH’s outreach team members also address the long-range needs of homeless people by improving their access to services and public benefits and helping them develop necessary life skills and advocating for appropriate public policies.

CFH’s affiliate, Jerome Avenue Care for the Homeless Housing Development Fund Corporation (“Jerome”), operates Susan’s Place, a 200-bed transitional residential shelter. Jerome has a net asset deficiency (without donor restrictions) of \$2,226,943 at December 31, 2019. CFH has advanced funds to Jerome to assist in meeting Jerome’s operating needs and will continue to do so as necessary. Based on this funding, as well as Jerome’s projected revenues and expenses, Jerome believes it will continue to meet its obligations through 2020.

CFH and Jerome, collectively referred as the Organization (“the Organization”), are not-for-profit corporations, which are tax-exempt pursuant to Section 501(c)(3) of the Internal Revenue Code. The corporations are also exempt from state and local taxes.

The consolidated financial statements include the activities and net assets of CFH and Jerome. CFH Jerome, Inc. (a dormant organization), is a sole member of Jerome. CFH is a sole member of CFH Jerome, Inc.

In 2019, the Organization provided services to more than 7,000 homeless men, women and children.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting and Use of Estimates*** - The Organization’s consolidated financial statements have been prepared on the accrual basis of accounting. The Organization adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of consolidated financial statements in conformity with U.S. GAAP requires the Organization’s management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the consolidated financial statements. Actual results could differ from those estimates.
- B. ***Principles of Consolidation*** - The consolidated financial statements include the activities of CFH and Jerome. All significant intercompany balances and transactions have been eliminated in consolidation.
- C. ***Basis of Presentation*** - The Organization maintains its net assets under the following two classes:
- Net assets without donor restrictions – represents net assets that are not subject to donor-imposed stipulations.
 - Net assets with donor restrictions – represents net assets subject to donor-imposed stipulations that will be met either by actions of the Organization or the passage of time. When a stipulated time restriction ends or purpose restriction is accomplished, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization reports donor restricted contributions as an increase in net assets without donor restrictions, provided the restrictions are met in the same year the contributions are received.
- D. ***Cash and Cash Equivalents*** - The Organization considers all highly liquid instruments purchased with maturities of three months or less to be cash equivalents.

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- E. **Investments and Fair Value Measurements** - Investments are recorded at fair value. Fair value measurements are the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 5.
- F. **Government Grants** - Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors and in accordance with Accounting Standards Update (ASU) 2018-08. To the extent amounts received exceed amounts spent, the Organization establishes refundable advances from governmental sources. Any revenue for contracts that has not yet been earned is reclassified as refundable advances from grantors on the consolidated statements of financial position.

The Organization receives substantially all of its revenue for services provided to approved clients from third-party reimbursement sources; primarily, Health Resources and Services Administration (“HRSA”) and New York City Department of Homeless Services (“DHS”). These revenues are subject to audit and retroactive adjustment by the respective third-party fiscal intermediary. Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion. As of December 31, 2019 and 2018, the Organization received conditional grants and contracts from government agencies in the aggregate amounts of \$11,089,435 and \$7,548,667, respectively, that have not been recorded in the accompanying financial statements, as they have not been earned. These grants and contracts require the Organization to provide certain services as specified in the contracts. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

- G. **Accounts Receivable - Patients** - The collection of receivables from third-party payors and patients is the Organization’s primary source of cash for operations and is critical to its operating performance.
- H. **Allowance for Uncollectible Receivable** – The Organization determines whether an allowance for uncollectible receivables should be provided based on management’s assessment of the aged basis of its receivable, creditworthiness of its donors and borrowers, current economic conditions and historical information. As of December 31, 2019 and 2018, the Organization determined that an allowance of \$405,119 and \$232,927, respectively, and contractual allowances of \$3,444,711 and \$4,410,435, respectively, was necessary for accounts receivable – patients and no allowance was necessary for government grants and contracts receivable. The Organization generally does not charge interest on past due accounts. Accounts receivable – patients are written off when deemed uncollectible.
- I. **Escrow Deposits** - Cash in escrow deposits represents cash being held in a maintenance fund, which is required by the Low-Income Investment Fund (Note 8).
- J. **Property and Equipment** - Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the lease. The Organization capitalizes all property and equipment having a cost of \$1,000 or more and a useful life of at least one year.
- K. **Deferred Revenues** - Fees collected that relate to programs and/or events that will occur in future periods have been recorded as deferred revenue and will be recognized in the period earned.
- L. **Deferred Rent** - The Organization leases real property under various operating leases. Rent expense is recorded on the straight-line basis. The portion of rent expense accrued due to straight-lining of the lease is reflected as deferred rent on the accompanying consolidated statements of financial position.

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. **Patient Services Revenue** - The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include predetermined fee schedules and discounted charges. Service fees are reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including retroactive adjustments under reimbursement agreements with third party payors, which are subject to audit by administrating agencies. These adjustments are accrued on an estimated basis and are adjusted in future periods as final settlements are determined. The Organization provides care to certain patients under Medicaid and Medicare payment arrangements. Laws and regulations governing the Medicaid and Medicare programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review. Self-pay revenue is recorded at published charges with charitable care deducted to arrive at gross self-pay patient revenue. Contractual allowances are then deducted to arrive at net self-pay patient revenue before provision for bad debts.

The Organization bills government agencies, third-party payors and individuals after the services are performed or has completed their portion of the contract. Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Organization measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agencies' stipulations.

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of December 31, 2019. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Organization determines the transaction price based on established rates and contracts for services provided. Program service fees consist of revenues for the following programs:

Medical Clinics	\$ 4,677,732
Residential Service at Susan's Place	150,000
	\$ 4,827,732

N. **Charity Care** - 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 the established rates. Because the Organization does not pursue a collection of amounts determined to qualify as charity care, they are not reported as revenue.

The total cost of charity care provided was approximately \$273,000 and \$295,000 for the years ended December 31, 2019 and 2018, respectively. The cost of charity care is estimated by management based on the ratio of cost-to-gross charged multiplied by the gross uncompensated charges associated with providing care to charity patients.

O. **Meaningful Use Incentive** - The American Recovery and Reinvestment Act of 2009 ("ARRA") amended the Social Security Act to establish one-time incentive payments under the Medicare and Medicaid programs for certain professionals that: (1) meaningfully use certified Electronic Health Record ("EHR") technology, (2) use the certified EHR technology for electronic exchange of health information to improve quality of healthcare and (3) use the certified EHR technology to submit clinical and quality measures. These provisions of ARRA, together with certain of its other provisions, are referred to as the Health Information Technology for Clinical and Economic Health ("HITECH") Act. The criteria for meaningful use incentives is to be staged in three steps over the course of six years and paid out based on a transitional schedule. Certain providers of the Organization have met the criteria and have earned \$42,500 and \$0 from the Medicaid incentive program during the years ended December 31, 2019 and 2018, respectively.

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. **Contributions** - 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. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

All contributions are considered to be without donor restrictions use unless specifically restricted by the donor. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

Q. **Donated Services** - Donated services are reported as contributions when the services create or enhance nonfinancial assets, require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Organization. These services have not been recorded in the consolidated financial statements as they do not meet the criteria outlined above. There was no donated services during the years ended December 31, 2019 and 2018.

R. **Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited based on usage or other equitable bases established by management. The expenses that are allocated include salaries and payroll taxes and employee benefits, which are allocated on the basis of time and effort, and occupancy, depreciation, insurance, and interest expense, which are allocated on a square footage basis.

S. **Advertising** - Advertising costs are expensed as incurred.

T. **Adoption of New Accounting Standards** - Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2014-09, “Revenue from Contracts with Customers” (Topic 606) was adopted by the Organization for the year ended December 31, 2019. The core guidance is ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services as described in Note 2M.

FASB ASU 2018-08, “Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made” (Topic 958) was also adopted by the Organization for the year ended December 31, 2019. The core guidance is to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a contribution is conditional as further described in Note 2F.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, within one year of the consolidated statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 986,384
Investments	2,118,084
Government grants and contracts receivable	3,758,308
Accounts receivable – patients, net	<u>1,134,647</u>
Total	7,997,423
Less: Net assets with donor restrictions	<u>(723,879)</u>
Total	<u>\$ 7,273,544</u>

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 3 – LIQUIDITY AND AVAILABILITY (Continued)

As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in short-term, liquid investments. In addition, the Organization has a maximum line of credit totaling \$850,000 with a financial institution (Note 9C), which can be drawn upon if needed.

NOTE 4 – INVESTMENTS

Investments consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Money market funds	\$ 291,738	\$ 540,024
Mutual funds	345,693	330,149
U.S. Government bonds	384,502	335,087
Corporate bonds	125,696	160,071
Equities	<u>970,455</u>	<u>768,774</u>
	<u>\$ 2,118,084</u>	<u>\$ 2,134,105</u>

Investment return consists of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 65,055	\$ 54,049
Realized gain	587	8,383
Unrealized gain (loss)	235,816	(107,329)
Investment expenses	<u>(17,480)</u>	<u>(17,432)</u>
Net Investment Income (loss)	<u>\$ 283,978</u>	<u>\$ (62,329)</u>
		<u>(60,311)</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

The fair value hierarchy defines three levels as follows:

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

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

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

Investments in money market funds, mutual funds and equities are valued using market prices in active markets (Level 1). Level 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Investments in government bonds and corporate bonds are valued using quoted prices in inactive markets (Level 2). Level 2 instruments valuations are obtained from similar assets or model derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the end of the reporting period. For the years ended December 31, 2019 and 2018, there were no transfers in or out of levels 1, 2 or 3.

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Financial assets carried at fair value as of December 31, 2019 are measured by fair value hierarchy level as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 291,738	\$ -	\$ 291,738
Mutual funds	345,693	-	345,693
U.S. Government bonds	-	384,502	384,502
Corporate bonds	-	125,696	125,696
Equities	970,455	-	970,455
	<u>\$ 1,607,886</u>	<u>\$ 510,198</u>	<u>\$ 2,118,084</u>

Financial assets carried at fair value as of December 31, 2018 are measured by fair value hierarchy level as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 540,024	\$ -	\$ 540,024
Mutual funds	330,149	-	330,149
U.S. Government bonds	-	335,087	335,087
Corporate bonds	-	160,071	160,071
Equities	768,774	-	768,774
	<u>\$ 1,638,947</u>	<u>\$ 495,158</u>	<u>\$ 2,134,105</u>

NOTE 6 – ACCOUNTS RECEIVABLE – PATIENTS, NET

Patient services receivable consist of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Medicaid	\$ 1,187,438	\$ 691,844
Medicare	306,483	559,438
Managed care	1,105,649	1,389,002
Other third-party payors	132,036	226,023
Self-pay	2,059,725	2,350,538
Other	193,146	471,470
	<u>4,984,477</u>	<u>5,688,315</u>
Less: Contractual Allowance	(3,444,711)	(4,410,435)
Less: Allowance for doubtful accounts	<u>(405,119)</u>	<u>(232,927)</u>
Accounts Receivable – patients, net	<u>\$ 1,134,647</u>	<u>\$ 1,044,953</u>

NOTE 7 – PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following as of December 31:

	<u>2019</u>	<u>2018</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 2,797,352	\$ 2,433,592	5 Years
Leasehold improvements	12,833,703	11,637,153	10 - 21 Years
Vehicles	351,759	224,572	5 Years
Construction in progress	<u>2,385,704</u>	<u>919,381</u>	
	18,368,518	15,214,698	
Less: Accumulated depreciation	<u>(9,010,648)</u>	<u>(8,171,485)</u>	
	<u>\$ 9,357,870</u>	<u>\$ 7,043,213</u>	

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 7 – PROPERTY AND EQUIPMENT, NET (Continued)

For the years ended December 31, 2019 and 2018, depreciation expense amounted to \$839,163 and \$695,316, respectively.

Construction in progress primarily consists of amounts paid for facility improvements in existing sites and construction of the new sites. In 2018, the following new sites have been under construction: 427 West 52nd St Women’s Center, 91 Junius Street, 30th Street Assessment Shelter Center, Laurel Hall, 3600 Jerome Avenue Men’s Shelter. The projects are expected to be completed in 2020 with estimated cost to complete of approximately \$2.4 million and are funded by government grants.

NOTE 8 – LOANS PAYABLE

In 2007, Jerome borrowed \$10,077,137 from the Low-Income Investment Fund to finance the construction of Susan's Place. The loan is being paid by New York City Department of Homeless Services directly to the Low-Income Investment Fund as part of the debt service component of the reimbursement for the operations of Susan's Place. As of December 31, 2019 and 2018, there was \$6,328,642 and \$6,813,405 outstanding, respectively. The interest rate is fixed at 8.09% and interest expense was \$533,492 and \$571,043 for the years ended December 31, 2019 and 2018, respectively. The loan matures on August 1, 2028 and the improvements, which are carried as leasehold improvements, are collateral for the Low-Income Investment Fund loan. As part of the loan, Jerome is required to contribute \$10,000 annually into a maintenance fund (Note 21). These funds can be used as needed for capital expenditures.

In addition, the Organization has a vehicle loan payable which amounted to \$2,016 and \$7,595, respectively, as of December 31, 2019 and 2018.

Future annual principal payments for the years ending after December 31, 2019 and thereafter are as follows:

2020	\$	527,483
2021		569,590
2022		617,417
2023		669,261
2024		725,457
Thereafter		<u>3,221,450</u>
		<u>\$ 6,330,658</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. *Operating Lease*

In 2011, CFH entered into a 10-year operating lease agreement with 30 East 33rd St. Realty LLC, which expires on December 31, 2020. CFH also rents space for one of its clinics on a month-to-month basis. In November 2018, CFH entered into a 10-year operating lease for space for a clinic at 91 Junius Street in Brooklyn, New York, which expires on October 31, 2028. In December 2018, CFH also signed a lease for a building for a new health center at 427-429 West 52nd Street in New York, New York. The lease term and rental payments for 427-429 West 52nd Street commenced on June 1, 2019 and the occupancy costs are reimbursed by government grants and contract funding.

As of March 1, 2005, Jerome began leasing space under an operating lease agreement, which expires in February 2027. The 1911-21 Jerome Avenue lease is noncancelable, unless the landlord plans to sell the premises and the tenant is given the first right of refusal (Article 29 of the lease agreement). There are no other cancellation clauses in the lease.

Rent credits and charges are accounted for on a straight-line basis over the life of the lease which gives rise to a timing difference that is reflected as deferred rent liability in the accompanying consolidated statements of financial position, amounting to \$2,067,996 and \$1,338,073 as of December 31, 2019 and 2018, respectively.

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

Presented below are the approximate minimum rental payments under operating leases for the years ending after December 31, 2019 and thereafter:

	<u>CFH</u>	<u>Jerome</u>	<u>Total</u>
2020	\$ 2,304,767	\$ 834,728	\$ 3,139,495
2021	2,022,203	859,770	2,881,973
2022	2,077,972	885,563	2,963,535
2023	2,084,844	912,130	2,996,974
2024	2,086,872	939,494	3,026,366
Thereafter	<u>6,688,308</u>	<u>2,134,638</u>	<u>8,822,946</u>
	<u>\$ 17,264,966</u>	<u>\$ 6,566,323</u>	<u>\$ 23,831,289</u>

The total rent expense for real property for the years ended December 31, 2019 and 2018 amounted to \$2,680,420 and \$1,050,445, respectively

B. *Third Party Contingencies*

The Organization is responsible for reporting to, and is regulated by, various third parties, among which are the Centers for Medicare and Medicaid Services (“CMS”) and the New York State Department of Health (“DOH”). These agencies, as well as the New York State Office of Attorney General’s Medicaid Fraud Control Unit, the Internal Revenue Service, the New York State Office of the Attorney General’s Charities Bureau, the Office of Inspector General, and other agencies have the right to audit the Organization. These agencies have the right to audit fiscal, as well as programmatic compliance (*i.e.*, clinical documentation, among other compliance requirements).

The Organization is licensed by the DOH to operate an Article 28 Diagnostic and Treatment Center and has been designated as a Federally Qualified Health Center (“FQHC”). As an FQHC, the Organization is reimbursed by the DOH a Medicaid fee-for-service rate, as well as a supplemental payment rate known as a “wrap” payment.

The healthcare industry is subject to voluminous and complex laws and regulations of federal, state and local governments. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement laws and regulations, anti-kickback and anti-referral law, and false claims prohibitions.

C. *Line of Credit*

The Organization has a bank revolving line of credit with an \$850,000 limit with a bank. The line is secured by the assets of the Organization. Under the terms of the agreement, borrowings will bear an interest rate equal to the London Inter Bank Offered Rate (“LIBOR”) plus 3.%. There were no borrowings outstanding under the line of credit at December 31 2019 and 2018.

D. *Income Tax*

The Organization believes it has no uncertain income tax positions as of December 31, 2019 and 2018 in accordance with Accounting Standards Codification (“ASC”) Topic 740, “Income Taxes”, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purposes as of December 31:

	<u>2019</u>	<u>2018</u>
Medical and other equipment	\$ 274,562	\$ 17,779
Primary care utilization	226,694	210,035
Health Care	195,027	205,745
Outreach and enrollment	19,197	-
Mental health supportive housing	7,470	49,416
Mobile van	929	7,506
Client supplies	-	296
	<u>\$ 723,879</u>	<u>\$ 490,777</u>

Net assets released from restrictions amounted to \$369,853 and \$392,799 for the years ended December 31, 2019 and 2018, respectively.

NOTE 11 – PENSION PLAN

The Organization maintains a defined contribution plan for all eligible employees who have completed one year of service. During the years ended December 31, 2019 and 2018, CFH made contributions of \$179,012 and \$140,753, respectively, to the plan.

NOTE 12 – CONCENTRATIONS

- A. Cash and cash equivalents that potentially subject the Organization to a concentration of credit risk include cash accounts with various financial institutions that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits by approximately \$600,000 and \$178,000 as of December 31, 2019 and 2018, respectively.
- B. The PHS Section 330(h) and New York City Department of Homeless Services grants represent approximately 56% and 70% of total consolidated operating revenues in the accompanying consolidated statements of activities for the years ended December 31, 2019 and 2018, respectively.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through July 31, 2020, the date the consolidated financial statements were available to be issued.

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. The Organization could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Organization’s mission, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted as of the date of the consolidated statement of financial position, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the Organization cannot predict the extent to which its financial condition and results of operations will be affected.

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 13 – SUBSEQUENT EVENTS (Continued)

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven. The Organization applied for this loan through a Small Business Administration (“SBA”) authorized lender and received approximately \$1.2 million for CFH and \$350,000 for Jerome in May 2020.

CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

	<u>Care for the Homeless</u>	<u>Jerome</u>	<u>Consolidated Total</u>
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 722,262	\$ 264,122	\$ 986,384
Investments	2,118,084	-	2,118,084
Government grants and contracts receivable	2,524,749	1,233,559	3,758,308
Accounts receivable - patients, net	1,134,647	-	1,134,647
Prepaid expenses and other assets	<u>231,178</u>	<u>11,306</u>	<u>242,484</u>
Total current assets	6,730,920	1,508,987	8,239,907
Escrow deposits	-	122,548	122,548
Property and equipment, net	3,126,011	6,231,859	9,357,870
Due from (to) Affiliates	<u>30,982</u>	<u>(30,982)</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 9,887,913</u>	<u>\$ 7,832,412</u>	<u>\$ 17,720,325</u>
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable and accrued expenses	\$ 3,243,185	\$ 513,755	\$ 3,756,940
Refundable advances from grantors	2,529,320	2,010,345	4,539,665
Deferred revenues	102,197	-	102,197
Loans payable - current	<u>2,016</u>	<u>525,467</u>	<u>527,483</u>
Total current liabilities	5,876,718	3,049,567	8,926,285
Deferred rent	861,383	1,206,613	2,067,996
Loans payable	<u>-</u>	<u>5,803,175</u>	<u>5,803,175</u>
TOTAL LIABILITIES	<u>6,738,101</u>	<u>10,059,355</u>	<u>16,797,456</u>
NET ASSETS (DEFICIENCY)			
Without donor restrictions:	2,425,933	(2,226,943)	198,990
With donor restrictions	<u>723,879</u>	<u>-</u>	<u>723,879</u>
TOTAL NET ASSETS (DEFICIENCY)	<u>3,149,812</u>	<u>(2,226,943)</u>	<u>922,869</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIENCY)	<u>\$ 9,887,913</u>	<u>\$ 7,832,412</u>	<u>\$ 17,720,325</u>

**CARE FOR HOMELESS AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Care for the Homeless			Jerome			Consolidating Eliminations	Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total		Without Donor Restrictions	With Donor Restrictions	Total
REVENUE										
Net patient services revenues (Net of contractual allowances)	\$ 4,677,732	\$ -	\$ 4,677,732	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ 4,827,732	\$ -	\$ 4,827,732
Public Health Services Section 330(h) - contract	6,197,265	-	6,197,265	-	-	-	-	6,197,265	-	6,197,265
NYC Department of Homeless Services - contract	-	-	-	9,139,477	-	9,139,477	-	9,139,477	-	9,139,477
Government grants and contracts	<u>5,743,302</u>	-	<u>5,743,302</u>	-	-	-	-	<u>5,743,302</u>	-	<u>5,743,302</u>
Total government grants and contracts revenue	11,940,567	-	11,940,567	9,139,477	-	9,139,477	-	21,080,044	-	21,080,044
Net investment return	283,978	-	283,978	-	-	-	-	283,978	-	283,978
Contribution	96,051	602,955	699,006	-	-	-	-	96,051	602,955	699,006
Other income	544,659	-	544,659	2	-	2	-	544,661	-	544,661
Meaningful use incentives	42,500	-	42,500	-	-	-	-	42,500	-	42,500
Management Fees	483,250	-	483,250	-	-	-	(483,250)	-	-	-
Net assets released from restrictions	<u>369,853</u>	<u>(369,853)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,853</u>	<u>(369,853)</u>	<u>-</u>
Total support and other income	1,820,291	233,102	2,053,393	2	-	2	(483,250)	1,337,043	233,102	1,570,145
TOTAL REVENUE	<u>18,438,590</u>	<u>233,102</u>	<u>18,671,692</u>	<u>9,289,479</u>	<u>-</u>	<u>9,289,479</u>	<u>(483,250)</u>	<u>27,244,819</u>	<u>233,102</u>	<u>27,477,921</u>
EXPENSES										
Program Services:										
Medical clinics	11,133,605	-	11,133,605	-	-	-	-	11,133,605	-	11,133,605
Residential services at 52nd Street	3,735,104	-	3,735,104	-	-	-	-	3,735,104	-	3,735,104
Residential services at Susan's Place	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,568,934</u>	<u>-</u>	<u>7,568,934</u>	<u>(483,250)</u>	<u>7,085,684</u>	<u>-</u>	<u>7,085,684</u>
Total Program Services	14,868,709	-	14,868,709	7,568,934	-	7,568,934	(483,250)	21,954,393	-	21,954,393
Supporting Services:										
Management and administration	4,000,328	-	4,000,328	-	-	-	-	4,000,328	-	4,000,328
Fundraising	<u>370,912</u>	<u>-</u>	<u>370,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>370,912</u>	<u>-</u>	<u>370,912</u>
Total Supporting Services	4,371,240	-	4,371,240	-	-	-	-	4,371,240	-	4,371,240
TOTAL EXPENSES	<u>19,239,949</u>	<u>-</u>	<u>19,239,949</u>	<u>7,568,934</u>	<u>-</u>	<u>7,568,934</u>	<u>(483,250)</u>	<u>26,325,633</u>	<u>-</u>	<u>26,325,633</u>
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION	<u>(801,359)</u>	<u>233,102</u>	<u>(568,257)</u>	<u>1,720,545</u>	<u>-</u>	<u>1,720,545</u>	<u>-</u>	<u>919,186</u>	<u>233,102</u>	<u>1,152,288</u>
Depreciation and amortization	(158,493)	-	(158,493)	(680,670)	-	(680,670)	-	(839,163)	-	(839,163)
CHANGE IN TOTAL NET ASSETS	(959,852)	233,102	(726,750)	1,039,875	-	1,039,875	-	80,023	233,102	313,125
Net assets - beginning of year	<u>3,385,785</u>	<u>490,777</u>	<u>3,876,562</u>	<u>(3,266,818)</u>	<u>-</u>	<u>(3,266,818)</u>	<u>-</u>	<u>118,967</u>	<u>490,777</u>	<u>609,744</u>
NET ASSETS - END OF YEAR	<u>\$ 2,425,933</u>	<u>\$ 723,879</u>	<u>\$ 3,149,812</u>	<u>\$ (2,226,943)</u>	<u>\$ -</u>	<u>\$ (2,226,943)</u>	<u>\$ -</u>	<u>\$ 198,990</u>	<u>\$ 723,879</u>	<u>\$ 922,869</u>

**CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services			Supporting Services			Eliminations	Consolidated Total	
	Medical Clinics	Residential Services at 52nd Street	Residential Services at Susan's Place	Total Program Services	Management and General	Fundraising			Total Supporting Services
Salaries	\$ 4,407,964	\$ 883,496	\$ 1,757,716	\$ 7,049,176	\$ 2,157,491	\$ 231,285	\$ 2,388,776	\$ -	\$ 9,437,952
Payroll taxes and employee benefits	902,390	180,868	516,916	1,600,174	441,678	47,348	489,026	-	2,089,200
Total salaries and related costs	5,310,354	1,064,364	2,274,632	8,649,350	2,599,169	278,633	2,877,802	-	11,527,152
Program supplies	1,794,298	98,048	79,577	1,971,923	-	-	-	-	1,971,923
Medical provider expenses	1,491,406	-	-	1,491,406	-	-	-	-	1,491,406
Consulting and professional services	1,053,956	517,713	2,535,257	4,106,926	639,202	7,813	647,015	(483,250)	4,270,691
Occupancy	188,760	1,638,449	1,343,062	3,170,271	218,671	18,666	237,337	-	3,407,608
Maintenance and repairs	169,786	82,398	123,039	375,223	21,739	1,856	23,595	-	398,818
Publication and printing	63,594	1,330.00	1,515	66,439	38,759	7,460	46,219	-	112,658
Office expenses	117,345	54,100	21,951	193,396	99,883	11,878	111,761	-	305,157
Insurance	189,457	60,249	77,809	327,515	39,787	5,250	45,037	-	372,552
Telephone	231,128	59,418	35,226	325,772	40,628	6,087	46,715	-	372,487
Postage and delivery	4,798	-	1,205	6,003	6,071	1,277	7,348	-	13,351
Travel Expenses	48,256	8,095	95,230	151,581	27,736	331	28,067	-	179,648
Equipment	313,115	52,778	43,546	409,439	104,535	14,764	119,299	-	528,738
Membership and dues	410.00	-	650	1,060	22,868	201	23,069	-	24,129
Meetings and conference	41,761	7,267	14,646	63,674	19,166	4,729	23,895	-	87,569
Advertising	96,059	-	-	96,059	93,839	-	93,839	-	189,898
Food	17,157	90,895	388,097	496,149	25,256	2,904	28,160	-	524,309
Interest	-	-	533,492	533,492	-	-	-	-	533,492
Miscellaneous	1,965	-	-	1,965	3,019	9,063	12,082	-	14,047
Total operating expenses before depreciation and amortization	11,133,605	3,735,104	7,568,934	22,437,643	4,000,328	370,912	4,371,240	(483,250)	26,325,633
Depreciation and amortization	48,627	39,083	680,670	768,380	70,783	-	70,783	-	839,163
TOTAL EXPENSES	\$ 11,182,232	\$ 3,774,187	\$ 8,249,604	\$ 23,206,023	\$ 4,071,111	\$ 370,912	\$ 4,442,023	\$ (483,250)	\$ 27,164,796

See independent auditors' report.