

**CARE FOR THE HOMELESS
AND AFFILIATES**



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

Years Ended December 31, 2020 and 2019

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

CARE FOR THE HOMELESS AND AFFILIATES

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

YEARS ENDED DECEMBER 31, 2020 AND 2019

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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 statements of financial position as of December 31, 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 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, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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
August 24, 2021

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, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 2D and 12)	\$ 664,863	\$ 986,384
Investments (Notes 2E, 4 and 5)	2,130,515	2,118,084
Government grants and contracts receivable (Notes 2F and 2H)	10,262,945	3,758,308
Accounts receivable - patients, net (Notes 2G, 2H and 6)	942,197	1,134,647
Prepaid expenses and other assets	337,947	242,484
Total current assets	14,338,467	8,239,907
Escrow deposits (Note 2I)	132,548	122,548
Property and equipment, net (Notes 2J and 7)	9,044,926	9,357,870
TOTAL ASSETS	\$ 23,515,941	\$ 17,720,325
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	\$ 4,075,139	\$ 3,756,940
Refundable advances from grantors (Note 2F)	5,984,701	4,539,665
Deferred revenues (Note 2K)	100,826	102,197
Loans payable - current (Note 8)	569,590	527,483
Total current liabilities	10,730,256	8,926,285
Deferred rent (Notes 2L and 9A)	1,750,202	2,067,996
Loans payable (Note 8)	7,693,954	5,803,175
TOTAL LIABILITIES	20,174,412	16,797,456
COMMITMENTS AND CONTINGENCIES (Note 9)		
NET ASSETS		
Without donor restrictions (Note 2C)	2,737,075	198,990
With donor restrictions (Notes 2C and 10)	604,454	723,879
TOTAL NET ASSETS	3,341,529	922,869
TOTAL LIABILITIES AND NET ASSETS	\$ 23,515,941	\$ 17,720,325

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, 2020 AND 2019**

	For the Year Ended December 31, 2020			For the Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total 2020	Without Donor Restrictions	With Donor Restrictions	Total 2019
REVENUE						
Net patient services revenues (net of contractual allowances) (Note 2M)	\$ 3,373,001	\$ -	\$ 3,373,001	\$ 4,827,732	\$ -	\$ 4,827,732
Public Health Services Section 330(h) - contract (Notes 2F and 12)	7,672,122	-	7,672,122	6,197,265	-	6,197,265
NYC Department of Homeless Services - contract (Notes 2F and 12)	9,044,591	-	9,044,591	9,139,477	-	9,139,477
Government grants and contracts (Note 2F)	11,924,168	-	11,924,168	5,743,302	-	5,743,302
Total government grants and contracts revenue	28,640,881	-	28,640,881	21,080,044	-	21,080,044
Net investment return (Note 4)	212,431	-	212,431	283,978	-	283,978
Contributions (Note 2P)	1,301,785	757,670	2,059,455	96,051	602,955	699,006
Meaningful use incentives (Note 2O)	-	-	-	42,500	-	42,500
Other income	931,344	-	931,344	544,661	-	544,661
Net assets released from restrictions	877,095	(877,095)	-	369,853	(369,853)	-
Total support and other income	3,322,655	(119,425)	3,203,230	1,337,043	233,102	1,570,145
TOTAL REVENUE	<u>35,336,537</u>	<u>(119,425)</u>	<u>35,217,112</u>	<u>27,244,819</u>	<u>233,102</u>	<u>27,477,921</u>
EXPENSES						
Program services:						
Medical clinics	13,039,787	-	13,039,787	11,133,605	-	11,133,605
Residential services at 52nd Street	5,736,275	-	5,736,275	3,735,104	-	3,735,104
Residential services at Susan's Place	7,894,055	-	7,894,055	7,085,684	-	7,085,684
Total program services	26,670,117	-	26,670,117	21,954,393	-	21,954,393
Supporting services:						
Management and general	4,574,042	-	4,574,042	4,000,328	-	4,000,328
Fundraising and development	496,096	-	496,096	370,912	-	370,912
Total supporting services	5,070,138	-	5,070,138	4,371,240	-	4,371,240
TOTAL EXPENSES	<u>31,740,255</u>	<u>-</u>	<u>31,740,255</u>	<u>26,325,633</u>	<u>-</u>	<u>26,325,633</u>
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION	3,596,282	(119,425)	3,476,857	919,186	233,102	1,152,288
Depreciation	(1,058,197)	-	(1,058,197)	(839,163)	-	(839,163)
CHANGE IN NET ASSETS	2,538,085	(119,425)	2,418,660	80,023	233,102	313,125
Net assets - beginning of year	198,990	723,879	922,869	118,967	490,777	609,744
NET ASSETS - END OF YEAR	<u>\$ 2,737,075</u>	<u>\$ 604,454</u>	<u>\$ 3,341,529</u>	<u>\$ 198,990</u>	<u>\$ 723,879</u>	<u>\$ 922,869</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, 2020
(With Comparative Totals for the Year Ended December 31, 2019)

	Program Services			Supporting Services			2020 Total	2019 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	\$ 5,496,536	\$ 1,795,059	\$ 2,214,460	\$ 9,506,055	\$ 2,393,322	\$ 261,670	\$ 2,654,992	\$ 12,161,047	\$ 9,437,952
Payroll taxes and employee benefits (Note 11)	1,098,127	358,626	518,999	1,975,752	478,152	52,278	530,430	2,506,182	2,089,200
Total salaries and related costs	6,594,663	2,153,685	2,733,459	11,481,807	2,871,474	313,948	3,185,422	14,667,229	11,527,152
Program supplies	2,050,888	37,637	120,871	2,209,396	-	-	-	2,209,396	1,971,923
Medical provider expenses	1,550,772	-	-	1,550,772	-	-	-	1,550,772	1,491,406
Consulting and professional services	1,510,645	1,077,860	2,406,102	4,994,607	681,213	96,928	778,141	5,772,748	4,270,691
Occupancy (Note 9A)	171,557	1,864,902	1,277,514	3,313,973	239,354	13,602	252,956	3,566,929	3,407,608
Maintenance and repairs	325,339	75,430	120,773	521,542	23,110	1,032	24,142	545,684	398,818
Publication and printing	72,902	23,310	131	96,343	56,699	12,926	69,625	165,968	112,658
Office expenses	99,080	37,181	51,275	187,536	185,036	12,948	197,984	385,520	305,157
Insurance	153,117	34,146	81,724	268,987	63,143	6,760	69,903	338,890	372,552
Telephone	205,990	40,251	43,982	290,223	58,085	3,102	61,187	351,410	372,487
Postage and delivery	1,785	34	924	2,743	1,185	108	1,293	4,036	13,351
Travel expenses	24,169	18,956	46,299	89,424	28,888	796	29,684	119,108	179,648
Equipment	249,057	38,253	61,960	349,270	209,048	9,005	218,053	567,323	528,738
Membership and dues	1,838	65	550	2,453	15,756	133	15,889	18,342	24,129
Meetings and conference	18,204	5,204	14,996	38,404	6,431	2,758	9,189	47,593	87,569
Advertising (Note 2S)	-	-	-	-	125,837	250	126,087	126,087	189,898
Food	9,781.00	329,342	440,708	779,831	7,547	21,800	29,347	809,178	524,309
Interest (Note 8)	-	-	492,787	492,787	-	-	-	492,787	533,492
Miscellaneous	-	19	-	19	1,236	-	1,236	1,255	14,047
Total operating expenses before depreciation	13,039,787	5,736,275	7,894,055	26,670,117	4,574,042	496,096	5,070,138	31,740,255	26,325,633
Depreciation (Note 7)	162,552	64,674	771,348	998,574	59,623	-	59,623	1,058,197	839,163
TOTAL EXPENSES	\$ 13,202,339	\$ 5,800,949	\$ 8,665,403	\$ 27,668,691	\$ 4,633,665	\$ 496,096	\$ 5,129,761	\$ 32,798,452	\$ 27,164,796

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

	Program Services				Supporting Services			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
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
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	2,052,007	3,623,676	639,202	7,813	647,015	4,270,691
Occupancy (Note 9A)	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	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	-	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 (Note 2S)	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 (Note 8)	-	-	533,492	533,492	-	-	-	533,492
Miscellaneous	1,965	-	-	1,965	3,019	9,063	12,082	14,047
Total operating expenses before depreciation	11,133,605	3,735,104	7,085,684	21,954,393	4,000,328	370,912	4,371,240	26,325,633
Depreciation (Note 7)	48,627	39,083	680,670	768,380	70,783	-	70,783	839,163
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

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, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,418,660	\$ 313,125
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	1,058,197	839,163
Net realized and unrealized gain on investments	(175,247)	(236,403)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants and contracts receivable	(6,504,637)	(821,467)
Accounts receivable - patients	192,450	(89,694)
Prepaid expenses and other assets	(95,463)	(113,014)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	318,199	803,909
Refundable advances from grantors	1,445,036	2,281,452
Deferred revenues	(1,371)	(1,615)
Deferred rent	(317,794)	729,923
Net Cash (Used in) Provided by Operating Activities	(1,661,970)	3,705,379
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(37,184)	(47,576)
Proceeds from sale of investments	200,000	300,000
Purchases of property and equipment	(745,253)	(3,153,820)
Net Cash Used in Investing Activities	(582,437)	(2,901,396)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loan payable	(517,114)	(490,342)
Loan proceeds received	2,450,000	-
Net Cash Provided by (Used in) Financing Activities	1,932,886	(490,342)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(311,521)	313,641
Cash, Cash Equivalents and Restricted Cash - beginning of year	1,108,932	795,291
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 797,411	\$ 1,108,932
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 492,787	\$ 533,492

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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 \$2,230,829 at December 31, 2020. 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, “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 2020, 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, Cash Equivalents and Restricted Cash*** - The Organization considers all highly liquid instruments acquired with maturities of three months or less to be cash equivalents. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated statements of financial position that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash and cash equivalents	\$ 664,863	\$ 986,384
Escrow deposits	<u>132,548</u>	<u>122,548</u>
Total	<u>\$ 797,411</u>	<u>\$ 1,108,932</u>

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, 2020 and 2019, the Organization received conditional grants and contracts from government agencies in the aggregate amounts of \$16,149,833 and \$11,089,435, respectively, that have not been recorded in the accompanying consolidated 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 receivables, creditworthiness of its donors and borrowers, current economic conditions and historical information. As of December 31, 2020 and 2019, the Organization determined that an allowance of \$829,972 and \$405,119, respectively, and contractual allowances of \$2,528,915 and \$3,444,711, 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, 2020 AND 2019**

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 doubtful accounts.

The Organization bills government agencies, third-party payors and individuals after the services are performed or they have 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, 2020. 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:

	2020	2019
Medical Clinics	\$ 3,223,001	\$ 4,677,732
Residential Service at Susan's Place	150,000	150,000
	\$ 3,373,001	\$ 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 \$244,000 and \$273,000 for the years ended December 31, 2020 and 2019, 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 \$0 and \$42,500 from the Medicaid incentive program during the years ended December 31, 2020 and 2019, respectively.

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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 were no donated services during the years ended December 31, 2020 and 2019.

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 consolidated 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. **Reclassifications** - Certain line items in the December 31, 2019 consolidated financial statements have been reclassified to conform to the December 31, 2020 presentation. Such reclassifications had no effect on net assets previously reported.

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:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 664,863	\$ 986,384
Investments	2,130,515	2,118,084
Government grants and contracts receivable	10,262,945	3,758,308
Accounts receivable – patients, net	<u>942,197</u>	<u>1,134,647</u>
Total	14,000,520	7,997,423
Less: Net assets with donor restrictions	<u>(604,454)</u>	<u>(723,879)</u>
Total	<u>\$ 13,396,066</u>	<u>\$ 7,273,544</u>

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 \$1,350,000 with a financial institution (Note 9C), which can be drawn upon if needed.

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 4 – INVESTMENTS

Investments consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Money market funds	\$ 64,506	\$ 291,738
Mutual funds	500,437	345,693
U.S. Government bonds	272,082	384,502
Corporate bonds	187,196	125,696
Equities	<u>1,106,294</u>	<u>970,455</u>
	<u>\$ 2,130,515</u>	<u>\$ 2,118,084</u>

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

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 56,333	\$ 65,055
Realized gain	39,601	587
Unrealized gain	135,646	235,816
Investment expenses	<u>(19,149)</u>	<u>(17,480)</u>
Net Investment Income	<u>\$ 212,431</u>	<u>\$ 283,978</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 the 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 instrument 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.

CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Financial assets carried at fair value as of December 31, 2020 are measured by fair value hierarchy level as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market funds	\$ 64,506	\$ -	\$ 64,506
Mutual funds	500,437	-	500,437
U.S. Government bonds	-	272,082	272,082
Corporate bonds	-	187,196	187,196
Equities	1,106,294	-	1,106,294
	<u>\$ 1,671,237</u>	<u>\$ 459,278</u>	<u>\$ 2,130,515</u>

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>

NOTE 6 – ACCOUNTS RECEIVABLE – PATIENTS, NET

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

	<u>2020</u>	<u>2019</u>
Medicaid	\$ 600,388	\$ 1,187,438
Medicare	465,745	306,483
Managed care	1,011,455	1,105,649
Other third-party payors	161,080	132,036
Self-pay	1,547,100	2,059,725
Other	515,316	193,146
	<u>4,301,084</u>	<u>4,984,477</u>
Less: Contractual allowance	(2,528,915)	(3,444,711)
Less: Allowance for doubtful accounts	<u>(829,972)</u>	<u>(405,119)</u>
Accounts receivable – patients, net	<u>\$ 942,197</u>	<u>\$ 1,134,647</u>

NOTE 7 – PROPERTY AND EQUIPMENT, NET

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

	<u>2020</u>	<u>2019</u>	<u>Estimated Useful Lives</u>
Furniture and equipment	\$ 2,792,852	\$ 2,797,352	5 Years
Leasehold improvements	14,467,224	12,833,703	10 - 21 Years
Vehicles	348,258	351,759	5 Years
Construction in progress	1,505,437	2,385,704	
	<u>19,113,771</u>	<u>18,368,518</u>	
Less: Accumulated depreciation	<u>(10,068,845)</u>	<u>(9,010,648)</u>	
	<u>\$ 9,044,926</u>	<u>\$ 9,357,870</u>	

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 7 – PROPERTY AND EQUIPMENT, NET (Continued)

For the years ended December 31, 2020 and 2019, depreciation expense amounted to \$1,058,197 and \$839,163, 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: 91 Junius Street, 30th Street Assessment Shelter Center, Laurel Hall, 3600 Jerome Avenue Men’s Shelter. The Living Room renovation began in September 2019 and was completed in early 2020. The renovation at 427 West 52nd St Women’s Shelter began in the fall of 2020. The projects are expected to be completed with estimated cost to complete of approximately \$4.5 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 the DHS 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, 2020 and 2019, there was \$5,803,175 and \$6,328,642 outstanding, respectively. The interest rate is fixed at 8.09% and interest expense was \$492,787 and \$533,492 for the years ended December 31, 2020 and 2019, 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 2I). These funds can be used as needed for capital expenditures.

The Organization has a vehicle loan payable which amounted to \$2,016 as of December 31, 2019, and was fully repaid in 2020. In addition, the Organization borrowed \$900,000 from its existing line of credit during the year ended December 31, 2020 (Note 9C).

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”) sector of the government. 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 an SBA authorized lender and received \$1.2 million for CFH and \$350,000 for Jerome in May 2020. The Organization has opted to account for the proceeds as a loan under FASB Accounting Standards Codification (“ASC”) 470, *Debt*, until the loan is, in part or wholly forgiven, and the Organization has been “legally released.” The outstanding loan balance, including 1% accrued interest, amounted to approximately \$1,560,000 as of December 31, 2020.

Subsequent to year end, the Organization received forgiveness from the lender that \$1.2 million of the PPP loan was fully forgiven on June 14, 2021.

Future annual principal payments for the years ending after December 31, 2020 and thereafter are as follows:

2021	\$	1,469,590
2022		2,177,786
2023		669,261
2024		725,457
2025		786,373
Thereafter		<u>2,435,077</u>
	\$	<u>8,263,544</u>

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. *Operating Lease*

In 2011, CFH entered into a ten-year operating lease agreement with 30 East 33rd St. Realty LLC, which expired on December 31, 2020. The lease agreement was extended for another ten-year period from January 1, 2021 to December 31, 2030. CFH also rents space for one of its clinics on a month-to-month basis. In November 2018, CFH entered into a ten-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 \$1,750,202 and \$2,067,996 as of December 31, 2020 and 2019, respectively.

Presented below are the approximate minimum rental payments under operating leases for the years ending after December 31, 2020 and thereafter:

	<u>CFH</u>	<u>Jerome</u>	<u>Total</u>
2021	\$ 2,342,635	\$ 859,770	\$ 3,202,405
2022	2,408,017	885,563	3,293,580
2023	1,416,304	912,130	2,328,434
2024	420,045	939,494	1,359,539
2025	432,647	967,678	1,400,325
Thereafter	<u>2,187,963</u>	<u>1,166,959</u>	<u>3,354,922</u>
	<u>\$ 9,207,611</u>	<u>\$ 5,731,594</u>	<u>\$ 14,939,205</u>

The total rent expense for real property for the years ended December 31, 2020 and 2019 amounted to \$2,870,296 and \$2,680,420, 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.

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 9 – COMMITMENTS AND CONTINGENCIES (Continued)

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 a \$1,350,000 limit. 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%. The Organization borrowed \$900,000 under the line of credit as of December 31 2020 (Note 8). On March 30, 2021, the line was renewed through April 1, 2022 with a \$1,750,000 credit limit. As of August 24, 2021, there were \$900,000 borrowings from the line.

D. *Income Tax*

The Organization believes it has no uncertain income tax positions as of December 31, 2020 and 2019 in accordance with ASC Topic 740, “Income Taxes”, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

E. *COVID-19*

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.

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Medical and other equipment	\$ 149,009	\$ 274,562
Primary care utilization	-	226,694
Health care	437,629	195,027
Outreach and enrollment	16,469	19,197
Mental health supportive housing	-	7,470
Mobile van	929	929
Client supplies	418	-
	<u>\$ 604,454</u>	<u>\$ 723,879</u>

Net assets released from restrictions amounted to \$877,095 and \$369,853 for the years ended December 31, 2020 and 2019, respectively.

**CARE FOR THE HOMELESS AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019, CFH made contributions of \$163,465 and \$179,012, 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 \$241,000 and \$600,000 as of December 31, 2020 and 2019, respectively.

- B. The PHS Section 330(h) and the DHS grants represent approximately 47% and 56% of total consolidated operating revenues in the accompanying consolidated statements of activities for the years ended December 31, 2020 and 2019, 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 August 24, 2021, the date the consolidated financial statements were available to be issued.

CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

	<u>Care for the Homeless</u>	<u>Jerome</u>	<u>Consolidated Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 491,095	\$ 173,768	\$ 664,863
Investments	2,130,515	-	2,130,515
Government grants and contracts receivable	6,636,438	3,626,507	10,262,945
Accounts receivable - patients, net	942,197	-	942,197
Prepaid expenses and other assets	<u>318,270</u>	<u>19,677</u>	<u>337,947</u>
Total current assets	10,518,515	3,819,952	14,338,467
Escrow deposits	-	132,548	132,548
Property and equipment, net	3,542,479	5,502,447	9,044,926
Due from (to) affiliates	<u>711,744</u>	<u>(711,744)</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 14,772,738</u>	<u>\$ 8,743,203</u>	<u>\$ 23,515,941</u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued expenses	\$ 3,210,917	\$ 864,222	\$ 4,075,139
Refundable advances from grantors	3,150,158	2,834,543	5,984,701
Deferred revenues	100,826	-	100,826
Loans payable - current	<u>-</u>	<u>569,590</u>	<u>569,590</u>
Total current liabilities	6,461,901	4,268,355	10,730,256
Deferred rent	630,451	1,119,751	1,750,202
Loans payable	<u>2,108,028</u>	<u>5,585,926</u>	<u>7,693,954</u>
TOTAL LIABILITIES	<u>9,200,380</u>	<u>10,974,032</u>	<u>20,174,412</u>
NET ASSETS (DEFICIENCY)			
Without donor restrictions:	4,967,904	(2,230,829)	2,737,075
With donor restrictions	<u>604,454</u>	<u>-</u>	<u>604,454</u>
TOTAL NET ASSETS (DEFICIENCY)	<u>5,572,358</u>	<u>(2,230,829)</u>	<u>3,341,529</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIENCY)	<u>\$ 14,772,738</u>	<u>\$ 8,743,203</u>	<u>\$ 23,515,941</u>

**CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	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)	\$ 3,223,001	\$ -	\$ 3,223,001	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ 3,373,001	\$ -	\$ 3,373,001
Public Health Services Section 330(h) - contract	7,672,122	-	7,672,122	-	-	-	-	7,672,122	-	7,672,122
NYC Department of Homeless Services - contract	-	-	-	9,044,591	-	9,044,591	-	9,044,591	-	9,044,591
Government grants and contracts	<u>11,924,168</u>	<u>-</u>	<u>11,924,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,924,168</u>	<u>-</u>	<u>11,924,168</u>
Total government grants and contracts revenue	19,596,290	-	19,596,290	9,044,591	-	9,044,591	-	28,640,881	-	28,640,881
Net investment return	212,431	-	212,431	-	-	-	-	212,431	-	212,431
Contributions	1,301,785	757,670	2,059,455	-	-	-	-	1,301,785	757,670	2,059,455
Other income	931,344	-	931,344	-	-	-	-	931,344	-	931,344
Management fees	533,074	-	533,074	-	-	-	(533,074)	-	-	-
Net assets released from restrictions	<u>877,095</u>	<u>(877,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>877,095</u>	<u>(877,095)</u>	<u>-</u>
Total support and other income	3,855,729	(119,425)	3,736,304	-	-	-	(533,074)	3,322,655	(119,425)	3,203,230
TOTAL REVENUE	<u>26,675,020</u>	<u>(119,425)</u>	<u>26,555,595</u>	<u>9,194,591</u>	<u>-</u>	<u>9,194,591</u>	<u>(533,074)</u>	<u>35,336,537</u>	<u>(119,425)</u>	<u>35,217,112</u>
EXPENSES										
Program Services:										
Medical clinics	13,039,787	-	13,039,787	-	-	-	-	13,039,787	-	13,039,787
Residential services at 52nd Street	5,736,275	-	5,736,275	-	-	-	-	5,736,275	-	5,736,275
Residential services at Susan's Place	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,427,129</u>	<u>-</u>	<u>8,427,129</u>	<u>(533,074)</u>	<u>7,894,055</u>	<u>-</u>	<u>7,894,055</u>
Total Program Services	<u>18,776,062</u>	<u>-</u>	<u>18,776,062</u>	<u>8,427,129</u>	<u>-</u>	<u>8,427,129</u>	<u>(533,074)</u>	<u>26,670,117</u>	<u>-</u>	<u>26,670,117</u>
Supporting Services:										
Management and general	4,574,042	-	4,574,042	-	-	-	-	4,574,042	-	4,574,042
Fundraising and development	<u>496,096</u>	<u>-</u>	<u>496,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>496,096</u>	<u>-</u>	<u>496,096</u>
Total Supporting Services	<u>5,070,138</u>	<u>-</u>	<u>5,070,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,070,138</u>	<u>-</u>	<u>5,070,138</u>
TOTAL EXPENSES	<u>23,846,200</u>	<u>-</u>	<u>23,846,200</u>	<u>8,427,129</u>	<u>-</u>	<u>8,427,129</u>	<u>(533,074)</u>	<u>31,740,255</u>	<u>-</u>	<u>31,740,255</u>
CHANGE IN NET ASSETS BEFORE DEPRECIATION AND AMORTIZATION	<u>2,828,820</u>	<u>(119,425)</u>	<u>2,709,395</u>	<u>767,462</u>	<u>-</u>	<u>767,462</u>	<u>-</u>	<u>3,596,282</u>	<u>(119,425)</u>	<u>3,476,857</u>
Depreciation and amortization	<u>(286,849)</u>	<u>-</u>	<u>(286,849)</u>	<u>(771,348)</u>	<u>-</u>	<u>(771,348)</u>	<u>-</u>	<u>(1,058,197)</u>	<u>-</u>	<u>(1,058,197)</u>
CHANGE IN NET ASSETS	<u>2,541,971</u>	<u>(119,425)</u>	<u>2,422,546</u>	<u>(3,886)</u>	<u>-</u>	<u>(3,886)</u>	<u>-</u>	<u>2,538,085</u>	<u>(119,425)</u>	<u>2,418,660</u>
Net assets - beginning 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>
NET ASSETS - END OF YEAR	<u>\$ 4,967,904</u>	<u>\$ 604,454</u>	<u>\$ 5,572,358</u>	<u>\$ (2,230,829)</u>	<u>\$ -</u>	<u>\$ (2,230,829)</u>	<u>\$ -</u>	<u>\$ 2,737,075</u>	<u>\$ 604,454</u>	<u>\$ 3,341,529</u>

**CARE FOR THE HOMELESS AND AFFILIATES
CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services			Supporting Services			Eliminations	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	\$ 5,496,536	\$ 1,795,059	\$ 2,214,460	\$ 9,506,055	\$ 2,393,322	\$ 261,670	\$ 2,654,992	\$ -	\$ 12,161,047
Payroll taxes and employee benefits	1,098,127	358,626	518,999	1,975,752	478,152	52,278	530,430	-	2,506,182
Total salaries and related costs	6,594,663	2,153,685	2,733,459	11,481,807	2,871,474	313,948	3,185,422	-	14,667,229
Program supplies	2,050,888	37,637	120,871	2,209,396	-	-	-	-	2,209,396
Medical provider expenses	1,550,772	-	-	1,550,772	-	-	-	-	1,550,772
Consulting and professional services	1,510,645	1,077,860	2,939,176	5,527,681	681,213	96,928	778,141	(533,074)	5,772,748
Occupancy	171,557	1,864,902	1,277,514	3,313,973	239,354	13,602	252,956	-	3,566,929
Maintenance and repairs	325,339	75,430	120,773	521,542	23,110	1,032	24,142	-	545,684
Publication and printing	72,902	23,310	131	96,343	56,699	12,926	69,625	-	165,968
Office expenses	99,080	37,181	51,275	187,536	185,036	12,948	197,984	-	385,520
Insurance	153,117	34,146	81,724	268,987	63,143	6,760	69,903	-	338,890
Telephone	205,990	40,251	43,982	290,223	58,085	3,102	61,187	-	351,410
Postage and delivery	1,785	34	924	2,743	1,185	108	1,293	-	4,036
Travel expenses	24,169	18,956	46,299	89,424	28,888	796	29,684	-	119,108
Equipment	249,057	38,253	61,960	349,270	209,048	9,005	218,053	-	567,323
Membership and dues	1,838	65	550	2,453	15,756	133	15,889	-	18,342
Meetings and conference	18,204	5,204	14,996	38,404	6,431	2,758	9,189	-	47,593
Advertising	-	-	-	-	125,837	250	126,087	-	126,087
Food	9,781	329,342	440,708	779,831	7,547	21,800	29,347	-	809,178
Interest	-	-	492,787	492,787	-	-	-	-	492,787
Miscellaneous	-	19	-	19	1,236	-	1,236	-	1,255
Total operating expenses before depreciation	13,039,787	5,736,275	8,427,129	27,203,191	4,574,042	496,096	5,070,138	(533,074)	31,740,255
Depreciation	162,552	64,674	771,348	998,574	59,623	-	59,623	-	1,058,197
TOTAL EXPENSES	\$ 13,202,339	\$ 5,800,949	\$ 9,198,477	\$ 28,201,765	\$ 4,633,665	\$ 496,096	\$ 5,129,761	\$ (533,074)	\$ 32,798,452

See independent auditors' report.